FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended MAY 30, 2003

OR

[ ] Transition Report Pursuant To Section 13 or 15(d) of

For the transition period from____
to____ The Securities Exchange Act of 1934[NO FEE REQUIRED}

Commission File Number 1-4365

OXFORD INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

GEORGIA	58-0831862
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification number)

222 PIEDMONT AVENUE, N.E., ATLANTA, GEORGIA 30308
(Address of principal executive offices)
(Zip Code)

(404) 659-2424
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:
NONE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is an accelerated filer as defined in rule 12b-2 of the Exchange Act. Yes [X] NO [ ]

State the aggregate market value of the voting stock held by nonaffiliates of the Registrant: As of August 18, 2003, the aggregate market value of the voting stock held by nonaffiliates of the Registrant (based upon the closing price for the common stock on the New York Stock Exchange on that date) was approximately $277,975,543

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the last practicable date.

Title of each class	Number of shares outstanding as of August 18, 2003
COMMON STOCK, $1 PAR VALUE	8,066,759

Documents incorporated by Reference

(1) Sections of 2003 Annual Report to Stockholders (Incorporated in Parts II and IV of this Report).

(2) Sections of Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003. (Incorporated in Part III of this Report).

PART I

ITEM 1. BUSINESS

BUSINESS AND PRODUCTS

INTRODUCTION AND BACKGROUND

We are one of the largest designers, manufacturers, marketers and wholesalers of consumer apparel products in the United States. Since our founding in 1942, we have increased our sales by offering a wide range of compelling, value-added apparel products and services to retailers in all major distribution channels. Within these distribution channels we have focused on the largest price categories, budget and moderate. We add value for our approximately 8,900 retailer customers by understanding the needs and desires of the ultimate consumers and then developing responsive products in terms of styling, quality and value. Our primary customers include specialty catalog retailers, national chain and department stores and mass merchants. We have been doing business with all of our largest customers for more than 20 years. We have shifted away from domestic manufacturing and, as a result, have moved substantially all of our production offshore to a network of owned plants, joint venture plants and third party producers. We outsource approximately 85% of our manufacturing to third party producers.

Our business segments are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group. The Oxford Shirt Group operations encompass branded and private label dress and sport shirts and branded golf apparel. Lanier Clothes produces branded and private label suits, sportscoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress slacks, casual slacks and walkshorts. The Oxford Womenswear Group is a producer of private label women's sportswear. Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, transportation and logistics, intercompany eliminations, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. All data with respect to the specific segments is presented before applicable intercompany eliminations.

SALES AND MARKETING

We design and market our products in all major retail channels, including:

- national and regional chain stores;
- mail order and catalog firms;
- mass merchants;
- department stores; and
- chain and upscale independent specialty stores.

We sold our products to more than 7,000, 8,000 and 8,000 active customers in fiscal 2001, fiscal 2002 and fiscal 2003, respectively. Our ten largest customers accounted for approximately 73%, 72% and 80% of our net sales in fiscal 2001, fiscal 2002 and fiscal 2003, respectively. Our 50 largest customers accounted for 91%, 91% and 94% of our net sales in fiscal 2001, fiscal 2002 and

fiscal 2003. Target accounted for 14%, 19% and 22% of our net sales in fiscal 2001, fiscal 2002 and Fiscal 2003, respectively. Wal-Mart accounted for 15%, 13% and 15% of our net sales in fiscal 2001, fiscal 2002 and fiscal 2003, respectively. Sears Roebuck & Co accounted for 12%, 12% and 16% of our net sales in fiscal 2001, fiscal 2002 and fiscal 2003, respectively. On June 17, 2002 Sears Roebuck & Co acquired Lands' End Inc., one of our major customers. All sales percentages have been recalculated to reflect the combination of these two customers. We believe that our long-standing relationships with all of our major customers, including Wal-Mart, Target and Sears Roebuck & Co, are good.

We employ a sales force consisting of salaried and commissioned sales employees

and independent commissioned sales representatives. We maintain apparel sales offices and showrooms in Atlanta, New York, Hong Kong, Chicago and Dallas. We also work with independent commissioned sales representatives who maintain their own showrooms. We conduct a majority of our business by direct contacts between our salaried executives and buyers and other executives of our customers.

Several of our product lines are designed and manufactured in anticipation of orders for sale to department and specialty stores and certain specialty chain and mail order customers. We make commitments for fabric and production in connection with these lines. In the case of imports, these commitments can be up to several months prior to the receipt of firm orders from customers. These lines include both popular and better price merchandise sold under brand and designer names or customers' private labels.

We work closely with many customers to develop large volume product programs prior to commencement of production, enabling us to take advantage of relative efficiencies in planning, raw materials purchasing and utilization of production facilities. Products sold under these programs are in the popular price range and usually carry the customers' trademarks, although we offer some branded and designer programs for this customer market.

MANUFACTURING, RAW MATERIALS, SOURCES OF SUPPLY AND LOGISTICS

MANUFACTURING AND RAW MATERIALS

We manufacture our products in our owned manufacturing facilities, through our joint venture partners and by sourcing these products from third party producers. In fiscal 2003, we manufactured approximately 13% of our products in our owned offshore manufacturing facilities and we sourced approximately 87% from our offshore joint ventures and third party producers. We use numerous independent manufacturers, principally in Latin America and Asia, for the production and finishing of our garments. We typically conduct business with our producers on an order-by-order basis. Our manufacturing facilities, joint ventures and third party producers perform cutting, sewing and related operations to produce finished apparel products to the specifications and quality standards approved by us in advance. We inspect fabrics and finished goods throughout the manufacturing process as part of our quality control program to ensure that consumers receive products that meet our high standards. The use of third party producers enables us to reduce working capital relating to work-in-process inventories. In order to place orders and monitor production, we maintain buying offices in Hong Kong and Singapore. We also retain unaffiliated buying agents in several other countries. We believe that our efficient utilization of our offshore manufacturing network allows us to maintain production flexibility, in terms of both location and nature of production, while avoiding the substantial capital expenditures and costs related to operating a large internal production capability. In most cases, we do not take ownership until the finished product is shipped to us. In some cases, fabrics are shipped directly from fabric

manufacturers to our own manufacturing plants or to third party producers for garment construction. In these traditional "Cut-Make-Trim" arrangements, we retain ownership of the fabric throughout the manufacturing and finishing process.

We require all third party producers who manufacture or finish products for us to abide by a stringent code of conduct that sets guidelines for employment practices such as wages and benefits, working hours, health and safety, working age and disciplinary practices, and for environmental, ethical and legal matters. We regularly assess manufacturing and finishing facilities to see if they are complying with our code of conduct. Our program includes periodic on-site facility inspections and continuous improvement activities. We also hire independent monitors to supplement our efforts.

SOURCES OF SUPPLY

Our products are manufactured from cotton, linen, wool, silk, other natural fibers, synthetics and blends of these materials. The majority of the materials used in our manufacturing operations are purchased from numerous offshore textile mills and converters in the form of woven or knitted finished fabrics. In addition, many of our buttons, zippers, thread and other trim items are also purchased from offshore suppliers. We do not have long-term raw materials contracts with any of our principal suppliers.

We regard our access to offshore sources of raw materials, finished goods and outside production as good. We are not dependent on any single source or third party producer. No single supplier or third party producer accounts for a material portion of our purchases or business. Alternative competitive sources are available, and we do not anticipate significant difficulty in meeting our supply and outside production requirements. There are occasions; however, where we are unable to take customer orders on short notice because of the minimum lead time required to produce a garment that is acceptable to the customer with respect to cost, quantity, quality and service.

LOGISTICS

We operate seven dedicated distribution centers in the United States and we also outsource distribution activities to third party logistics providers. Distribution center activities include receiving finished goods from our plants and contractors, inspecting those products and shipping them to our customers. We continually explore opportunities in all of our regions to improve efficiencies in both our in-bound and out-bound logistics activities.

INTELLECTUAL PROPERTY

LICENSES

We have the right to use trademarks under license and design agreements with the trademarks' owners. Principal menswear trademarks we have the right to use are:

- Oscar de la Renta for men's suits, sportcoats, vests, and dress and casual slacks;
- Tommy Hilfiger for men's dress shirts and men's and women's golf apparel;
- Nautica for men's tailored suits, sportcoats and dress slacks;
- Geoffrey Beene for men's tailored suits, sport coats, vests and dress slacks; and
- Slates and Dockers for men's sportcoats and soft suitings.

The above mentioned license and design agreements will expire at various dates through our fiscal 2007 year. Many of our licensing agreements are eligible for renewal to extend the licenses through various dates from our fiscal 2004 through 2009 years.

Although we are not dependent on any single license and design agreement, we believe our license and design agreements in the aggregate are of significant value to our business.

TRADEMARKS

Principal menswear trademarks we own are "Lanier Clothes" and "Holbrook" for men's suits and sportcoats, "Oxford Shirtings" and "Holbrook" for men's shirts, "Oxford Golf" for golf apparel, "Travelers Worsted" for men's suits, "Everpress" for men's slacks; "928" for young men's suited separates, and "Ely Cattleman", "Cumberland Outfitters", "Ely Plains", "Ely Casuals", and "Plains" for men's western wear.

Although we are not dependent on any single trademark, we believe our trademarks in the aggregate are of significant value to our business.

SEASONAL ASPECTS OF BUSINESS AND ORDER BACKLOG

SEASONAL ASPECTS OF BUSINESS

Although our business is impacted by the general seasonal trends characteristic of the apparel and retail industries, we do not consider our revenue and earnings to be highly seasonal. As the timing of product shipments and other events affecting the retail business may vary, results for any particular

quarter may not be indicative of results for the full year.

ORDER BACKLOG

As of May 30, 2003 and May 31, 2002, we had booked orders amounting to approximately $124,753,000 and $118,195,000, respectively, all of which will be or were shipped within six months after each such date. These numbers represent only store orders on hand and do not include private-label contract balances. A growing percentage of our business consists of at-once EDI "Quick Response" programs with large retailers. Replenishment shipments under these programs generally possess such an abbreviated order life as to exclude them from the order backlog completely. We therefore do not believe that this backlog information is indicative of sales to be expected for the following year.

COMPETITION

We sell our products in a highly competitive domestic market in which numerous U.S.-based and foreign manufacturers compete. No single manufacturer or small group of manufacturers dominates the apparel industry. We believe we are one of the largest designers, manufacturers, marketers and wholesalers of consumer apparel products in the United States, but there are other apparel firms with greater sales and financial resources.

Competition within the apparel industry is based upon styling, marketing, price, quality, customer service and, with respect to branded and designer product lines, consumer recognition and preference. We believe we compete effectively with other members of the industry with regard to all of these factors. Successful competition in styling and marketing is related to our ability to foresee changes and trends in fashion and consumer preference and to present appealing product programs to our customers. Successful competition in price, quality and customer service is related to our ability to maintain efficiency in production, sourcing and distribution.

Substantially all of the apparel sold by us and our principal competitors is produced outside the United States. Most of the apparel sold by us and some of our competitors is sold to customers on a landed, duty-paid basis after it is imported into the United States. Some of our competitors sell apparel to their customers, many of whom are also our customers, on a direct basis in which the customer takes ownership in the country of production. In this direct sourcing scenario, the customer handles the in-bound logistics and customs clearance. Direct sourcing presents a competitive challenge to us as our customers purchase apparel directly from the third party producers instead of from us. We believe that the relative price advantage to retailers of direct sourcing is offset to an extent by our ownership of, joint venture participation in or long term relationships with foreign facilities and by services that we provide to our customers such as delivery flexibility, manufacturing expertise, product development and design and supply chain management. We are always upgrading and streamlining our supply chain management technology

and information systems which we believe will enable us to continue to effectively compete against the direct sourcing alternative. In addition, in recent years we have successfully transitioned some of our business to a direct sales basis.

We believe that choosing the most competitive countries for the production of our products is critical to our competitiveness. The most competitive location to produce or source a particular product depends on a variety of factors. These factors include availability of globally competitive fabric and other raw materials, labor and manufacturing costs, ability to meet quality standards, required lead times, logistics and the impact of international trade rules and trade preference agreements and legislation on apparel exports from that country to the United States.

TRADE REGULATION

International trade agreements, trade preference arrangements and trade legislation are important because most apparel imports into the United States are highly restricted. There are two key types of restrictions. First, there are duties levied on the value of imported apparel. The duty rates on the cotton and wool product categories that cover the majority of our products range from 15% to 20%. Second, the United States has implemented restrictive quotas on the importation of many classifications of textiles and apparel products from most

of the major apparel-producing countries, including most of the countries where we produce apparel and including the cotton and wool product categories that cover the majority of our products. These quota restraints place numerical limits on the quantity of garments that may be imported into the U.S. in a given year on a by country and by product category basis. The effect of these quotas is to limit the amount of apparel that can be sourced in the countries that offer the most competitive fabrics and most competitive apparel manufacturing. As a result, a substantial portion of cotton and wool apparel imported into the U.S. is sourced from countries that would not be the most competitive producers in the absence of quotas.

Through December of 1994, these restraints were controlled pursuant to the Multi-Fiber Arrangement, or the MFA, an international textile trade agreement to which the United States was a party. During the Uruguay Round of the General Agreement of Tariffs and Trade, the United States and other countries negotiated a successor agreement to the MFA known as the Agreement on Textiles and Clothing, or the ATC, which became effective on January 1, 1995.

The ATC requires that importing countries gradually phase out over a ten-year period approximately half of the restrictive quotas on the importation of textiles and apparel products that were in place on December 31, 1994. The remaining quotas are to be eliminated on January 1, 2005. However, the ATC gives importing countries such as the United States significant discretion in determining when during the ten-year period quotas on particular products from particular countries will be eliminated. The United States has announced a plan that will keep quotas on most of the products produced by us for the entire ten-year period. In addition, the ATC permits importing countries, under certain conditions, to impose new quotas on the importation of textile and apparel products during the ten-year phase out period. As a result, we believe the extent to which the ATC will liberalize trade in our apparel products from now until January 1, 2005 is not material.

When the ATC is fully implemented on January 1, 2005, the competitiveness of many countries as apparel sourcing locations will change significantly. Currently, we believe that the presence of quotas imposes a non-market restriction on where apparel is sourced and prevents a substantial portion of apparel destined for the U.S. market from being sourced in the countries that offer most

competitive fabric and the most competitive apparel garment manufacturing. We believe that generally the most competitive fabrics and apparel manufacturing, absent the non-market restrictions created by quotas, are in Asia and the Indian sub-continent. Consequently, we believe that the elimination of quotas will result in reduced apparel sourcing in the western hemisphere and increased apparel sourcing in Asia and the Indian sub-continent. The market forces that are likely to shift apparel sourcing out of the western hemisphere upon the elimination of quotas may be partially offset by the reduced or zero duty rates offered by free trade agreements and trade preference programs applicable to western hemisphere countries particularly those in Latin America and the Caribbean Basin.

Currently, there are various free trade agreements and trade preference legislation that provide apparel importers including us with relief from duties and quotas. These include, but are not limited to, the United States-Caribbean Basin Trade Partnership Act, the African Growth and Opportunity Act, the North American Free Trade Agreement, the Israel Free Trade Agreement and the Andean Trade Promotion and Drug Eradication. The proposed Central America Free Trade Agreement, Chile Free Trade Agreement, Dominican Republic Free Trade Agreement and Free Trade of the Americas Agreement may also affect our manufacturing and sourcing agreements in the future to the extent any of them are implemented. We believe that by selecting the locations where we produce or source our products based in part on trade regulations we are effective and will continue to be effective in using various trade preference agreements and legislation to our competitive advantage. We believe that our flexible manufacturing and sourcing base allows us, and will continue to allow us, to source our products in the most competitive countries.

EMPLOYEES

As of May 30, 2003, we employed 7,343 persons, of which 1,516 were employed in the United States. Approximately 81% of our employees were hourly and incentive paid production workers. We believe our employee relations are excellent.

AVAILABLE INFORMATION

Our internet address is www.oxfordinc.com. We make available free of charge on www.oxfordinc.com our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

In addition, we will provide, at no cost, paper or electronic copies of our reports and other filings made with the SEC. Requests should be directed to:

J. Reese Lanier, Jr.
Treasurer and Investor Relations Director
Oxford Industries, Inc.
222 Piedmont Avenue, N.E.
Atlanta, GA 30308

rlanier@oxfordinc.com

The information on the website listed above, is not and should not be considered part of this annual report on Form 10-K and is not incorporated by reference in this document. This website is and is only intended to be an inactive textual reference.

ITEM 2. PROPERTIES.

MANUFACTURING FACILITIES

We lease or own 10 foreign manufacturing facilities and one domestic support facility. The Oxford Shirt Group owns plants in Honduras and Costa Rica, and leases a factory in the Philippines. Oxford Slacks owns one facility in Mexico, and leases three plants in the Dominican Republic. Lanier Clothes owns one plant in Mexico, leases one factory in Honduras, and leases one manufacturing support facility in Tupelo, Mississippi. The Oxford Womenswear Group leases one manufacturing complex in Honduras.

DISTRIBUTION CENTERS AND COMBINED ADMINISTRATIVE FACILITIES

We own and lease five distribution centers, and five facilities that combine distributive and administrative responsibilities. The Oxford Shirt Group owns a combined facility in Lyons, Georgia, and leases a combined facility in Lebanon, Tennessee. Oxford Slacks owns a combined facility in Monroe, Georgia. Lanier Clothes owns one distribution center in Toccoa, Georgia and one in Greenville, Georgia. The Oxford Womenswear Group owns one combined facility, and one separate distribution center, in Gaffney, South Carolina, leases a combined facility in Walhalla, South Carolina, and leases a distribution center in Guatemala. Oxford Products International, Ltd., a wholly owned subsidiary of the Company, leases one distribution center in Hong Kong.

CORPORATE OFFICES

Our key managerial and administrative functions take place in eight corporate offices throughout the world. The Company owns its corporate headquarters located in Atlanta, Georgia. Oxford Products International, Ltd., a wholly owned subsidiary of the Company, leases office space in Hong Kong and Singapore. The Oxford Shirt Group owns a workplace in Lyons, Georgia, and leases office space in New York City. In addition, the Oxford Slacks Group, Lanier Clothes, and the Oxford Womenswear Group all lease corporate offices in New York City.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we are a party to litigation arising in the ordinary course of business. We are not currently a party to any litigation that we believe could reasonably be expected to have a material adverse effect on our results of operations or financial condition.

In 1993, we discovered that a substance believed to be dry cleaning fluid had been disposed of at our Greenville, Georgia facility, and may have contaminated the soil and groundwater at the facility and impacted a nearby municipal drinking water source. In July 1994, we entered into a consent order with the

Georgia Department of Natural Resources, or GDNR, requiring us, among other things, to pay a fine of $99,000 to GDNR, to address the soil and groundwater contamination resulting from any past disposal practices, and to assist the municipality in obtaining an alternate drinking water source. In 1996, after investigating the extent of the contamination at the facility,

based on advice from our environmental experts, we accrued $4,500,000 in reserves based on an assumed remedy consisting of a pump-and-treat groundwater remediation system. We believe this estimate of our potential liability continues to be reasonable given recent discussions with our environmental experts

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Incorporated by reference to the table presented in Note P under the heading "Common Stock Information" on page 40 of our 2003 Annual Report to Stockholders (Exhibit 13 hereto). On August 18, 2003, there were 514 holders of record of our common stock.

EQUITY COMPENSATION PLAN INFORMATION

PLAN CATEGORY	(A) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(B) WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(C) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
EQUITY COMPENSATION PLANS APPROVED BY SECURITY HOLDERS	483,580	$25	252,494
EQUITY COMPENSATION PLANS NOT APPROVED BY SECURITY HOLDERS	0	0	0
TOTAL	483,580	$25	252,494

ITEM 6. SELECTED FINANCIAL DATA.

Incorporated by reference to page 18 of our 2003 Annual Report to Stockholders (Exhibit 13 hereto).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Incorporated by reference to page 19 through 28 of our 2003 Annual Report to Stockholders (Exhibit 13 hereto).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information appearing under the caption "Market Risk Sensitivity" on page 27 of our 2003 Annual Report to Stockholders is incorporated herein by reference (See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations").

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The report of Ernst & Young LLP, independent auditors, and consolidated financial statements, included on pages 29 through 42 of the Annual Report to Stockholders for the year ended May 30, 2003 are incorporated herein by reference. Quarterly Results of Operations on page 40 of the Annual Report to Stockholders for the year ended May 30, 2003 is incorporated herein by reference.

The report of Arthur Andersen LLP, independent public accountants, for the year ended June 1, 2001 is as follows.

OXFORD INDUSTRIES INC., AND SUBSIDIARIES
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Oxford Industries, Inc.

We have audited the accompanying consolidated balance sheets of Oxford Industries, Inc. (a Georgia corporation) and Subsidiaries as of June 1, 2001 and June 2, 2000 and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended June 1, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oxford Industries, Inc. and subsidiaries as of June 1, 2001 and June 2, 2000 and the results of their operations and their cash flows for each of the three years in the period ended June 1, 2001 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
July 13, 2001

NOTE: THIS IS A COPY OF A REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP, OUR FORMER INDEPENDENT ACCOUNTANTS. THIS REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH THE FILING OF THIS ANNUAL REPORT ON FORM 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Effective May 22, 2002, we appointed Ernst & Young LLP ("Ernst & Young") as our independent auditors. The decision to replace Arthur Andersen LLP ("Andersen") as our independent public accountants was approved by our Board of Directors upon the recommendation of our Audit Committee.

During our fiscal 2002 year and through the date of the Form 8-K filed on May 22, 2002, there were no disagreements between us and Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to Andersen's satisfaction would have caused them to make reference to the subject matter of the disagreement in connection with their reports.

None of the reportable events described under Item 304(a)(1)(v) of Regulation S-K occurred within our two most recent fiscal years or through the date of the Form 8-K filed on May 22, 2002.

The audit report of Andersen on our consolidated financial statements for our fiscal 2001 year did not contain any adverse opinion or disclaimer of opinion, nor were was it qualified or modified as to uncertainty, audit scope, or accounting principles. A letter from Andersen is attached as Exhibit 16.1.

During our fiscal 2002 year and through the date of the Form 8-K filed on May 22, 2002, we did not consult Ernst & Young with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated

financial statements, or any other matters or reportable events listed in Items 304(a)(2)(i) and (ii) of Regulation S-K.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information we are required to disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information required by this item covering our directors is incorporated by reference to the information presented under the heading "Election of Directors - Directors and Nominees" in the Company's Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003. Information regarding our executive officers is set forth below.

Name	Age	Office Held
J. Hicks Lanier	63	Chairman of the Board, President and Chief Executive Officer
Ben B. Blount, Jr	64	Executive Vice President -- Finance Planning and Administration and Chief Financial Officer
L. Wayne Brantley	61	Group Vice President
R. Larry Johnson	64	Group Vice President
Knowlton J. O'Reilly	63	Group Vice President

Messrs. J. Hicks Lanier, Ben B. Blount, Jr. and Knowlton J. O'Reilly are also directors. The Board of Directors of the Company elects executive officers annually.

Mr. J. Hicks Lanier has served as President since 1977. In 1981, he was elected as Chairman of the Board.

Mr. Ben B. Blount, Jr. was Executive Vice President -- Planning and Development from 1986 - 1995. Mr. Blount was President of Kayser Roth Apparel, an apparel manufacturer and marketer, from 1982 to 1986. Prior to 1982 he was Group Vice President. In 1995 he was elected to serve in his present position as Executive Vice President of Finance, Planning and Administration and Chief Financial Officer.

Mr. Knowlton J. O'Reilly has served as Group Vice President since 1978.

Messrs. L. Wayne Brantley and R. Larry Johnson have served as Group Vice Presidents since 1997.

ITEM 11. EXECUTIVE COMPENSATION.

Incorporated by reference to the information presented under the heading "Executive Compensation and Other Information" in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Incorporated by reference to the information presented under the heading "Beneficial Ownership of Common Stock" in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Incorporated by reference to the information presented under the heading "Executive Compensation and Other Information - Compensation Committee Interlocks and Insider Participation" in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Incorporated by reference to the information presented under the heading "Fees Paid To Auditors" in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 30, 2003.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) 1. Financial Statements

The following consolidated financial statements of Oxford Industries, Inc. and Subsidiaries, included in the annual report of the registrant to its stockholders for the fiscal year ended May 30, 2003 are incorporated by reference in Item 8.

Consolidated Balance Sheets at May 30, 2003 and May 31, 2002

Consolidated Statements of Earnings for the years ended May 30, 2003, May 31, 2002 and June 1, 2001

Consolidated Statements of Stockholders' Equity for the years ended May 30, 2003, May 31, 2002 and June 1, 2001

Consolidated Statements of Cash Flows for the years ended May 30, 2003, May 31, 2002 and June 1, 2001

Notes to Consolidated Financial Statements for the years ended May 30, 2003, May 31, 2002 and June 1, 2001

2. Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibits

3(a) Articles of Incorporation of the Company. Incorporated by reference to Exhibit 3(a) to the Company's Form 10-Q for the fiscal quarter ended August 29, 1997.

3(b) Bylaws of the Company. Incorporated by reference to Exhibit 3(b) to the Company's Form 10-K for the fiscal year ended May 28, 1999.

10(a) 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(a) to the Company's Form 10-K for the fiscal year ended May 31, 2002.

10(b) 1997 Restricted Stock Plan. Incorporated by reference to Exhibit 10(b) to the Company's Form 10-K for the fiscal year ended May 31, 2002.

10(c) Non-qualified Deferred Compensation Plan. Incorporated by reference to Exhibit 10(c), to the Company's Form 10-K for the fiscal year ended June 1, 2001.

10(e) Executive Medical Reimbursement Plan. Incorporated by reference to Exhibit 10(e), to the Company's Form 10-K for the fiscal year ended June 1, 2001.

10(h) 1992 Stock Option Plan. Incorporated by reference to Exhibit 10(h), to the Company's Form 10-K for the fiscal year ended June 1, 2001

10(j) Accounts receivable sale agreement between Oxford Industries, Inc. and Oxford Receivables Company. Incorporated by reference to Exhibit 10(j), to the Company's Form 10-K for the fiscal year ended June 1, 2001.

10(k) Loan agreement between Oxford Receivables Company and Three Pillars Funding Corporation Incorporated by reference to Exhibit 10(k) , to the Company's Form 10-K for the fiscal year ended June 1, 2001.

10(l) Liquidity Asset Purchase Agreement between SunTrust Bank and Three Pillars Funding Corporation. Incorporated to Exhibit 10(l), to the Company's Form 10-K for the fiscal year ended June 1, 2001.

10(m) Omnibus Amendment No. 1. Amendment to the accounts receivable sale and accounts receivable loan agreements (Exhibits 10(j) and 10(k) dated January 31, 2002. Incorporated by reference to Exhibit 10(m), to the Company's Form 10-Q for the quarter ended March 1, 2002.

10(n) Indenture agreement between Oxford Industries Inc. and SunTrust Bank.

10(o) Credit Agreement between Oxford Industries, Inc and SunTrust Bank.

13 2003 Annual Report to Stockholders (furnished for the information of the Commission and not deemed "filed" or part of this Form 10-K except for those portions expressly incorporated herein by reference).

16.1 Letter of Arthur Andersen LLP regarding change in certifying accountant. Incorporated by reference to Exhibit 16.1 the Company's Form 10-K for the fiscal year ended May 31, 2002.

23 Consent of Independent Auditors.

24 Powers of Attorney.

31.1 Certification by Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

We agree to file upon request of the Securities and Exchange Commission a copy of all agreements evidencing long-term debt of ours omitted from this report pursuant to Item 601(b)(4)(iii) of Regulation S-K.

Shareholders may obtain copies of Exhibits without charge upon written request to the Corporate Secretary, Oxford Industries, Inc., 222 Piedmont Avenue, N.E., Atlanta, Georgia 30308.

(b) We filed the following Form 8-K's during the last quarter of the period covered by this report.

A report on Form 8-K was filed on April 28, 2003 for Item 5. Other events for two press releases dated April 27, 2003. One for a senior note offering and one for the acquisition of Viewpoint International, Inc.

A report on Form 8-K was filed on April 28, 2003 for Item 5. Other events for additional information regarding the acquisition of Viewpoint International, Inc.

A report on Form 8-K was filed on April 28, 2003 for Item 5. Other events for the consent of Mahoney Cohen & Company, CPA, P.C.

A report on Form 8-K was filed on April 2, 2003 for Item 12. Other events for the third quarter earnings release.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Oxford Industries, Inc.

/s/J. Hicks Lanier
J. Hicks Lanier
Chairman and President

Date: August 28, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/J. Hicks Lanier J. Hicks Lanier	President, Chief Executive Officer and Director	August 28, 2003
/s/Ben B. Blount, Jr. Ben B. Blount, Jr.	Executive Vice President, Chief Financial Officer and Director	August 28, 2003
/s/K. Scott Grassmyer K. Scott Grassmyer	Controller	August 28, 2003
/s/Thomas Caldecot Chubb III Cecil D. Conlee*	Director	August 28, 2003
/s/Thomas Caldecot Chubb III Thomas Gallagher*	Director	August 28, 2003
/s/Thomas Caldecot Chubb II J. Reese Lanier*	Director	August 28, 2003
/s/Thomas Caldecot Chubb III Knowlton J. O'Reilly* *by power of attorney	Director	August 28, 2003

Signature	Capacity	Date
/s/Thomas Caldecot Chubb III Clarence B. Rogers, Jr.*	Director	August 28, 2003
/s/Thomas Caldecot Chubb III Robert E. Shaw*	Director	August 28, 2003
/s/Thomas Caldecot Chubb III	Director	August 28, 2003

E. Jenner Wood*		
/s/Thomas Caldecot Chubb III	Director	August 28, 2003
Helen B. Weeks*		

*by power of attorney

Exhibit 10 N

OXFORD INDUSTRIES, INC., as Issuer,

LIONSHEAD CLOTHING COMPANY, INC.
MERONA INDUSTRIES, INC.
OXFORD CARIBBEAN, INC.
OXFORD GARMENT, INC.
OXFORD PRIVATE LIMITED OF DELAWARE, INC.
OXFORD RECEIVABLES COMPANY
OXFORD CLOTHING
OXFORD INTERNATIONAL, INC.
OXFORD OF SOUTH CAROLINA
PIEDMONT APPAREL CORPORATION,

as Guarantors,

and

SunTrust Bank, as Trustee

INDENTURE

Dated as of May 16, 2003

$200,000,000

8 7/8% Senior Notes due 2011

Reconciliation and tie between Trust Indenture Act of 1939,
as amended, and Indenture, dated as of May 16, 2003

Trust Indenture Act Section		Indenture Section
Section 310	(a)(1)	609
	(a)(2)	609
	(a)(3)	N/A
	(a)(4)	N/A
	(b)	608, 610
Section 311	(a)	613
	(c)	Not Applicable
Section 312	(a)	701
	(b)	702
	(c)	702
Section 313	(a)	703
	(b)	N/A
	(c)	106
Section 314	(a)	704
	(a)(4)	1019
	(b)	Not Applicable
	(c)	103, 104, 404, 1201
	(d)	Not Applicable
	(e)	103
Section 315	(a)	601(b)
	(b)	602
	(c)	601(a)
	(d)	601(c), 603
	(e)	514
Section 316	(a)(last sentence)	101 ("Outstanding")
	(a)(1)(A)	502, 512
	(a)(1)(B)	513
	(a)(2)	Not Applicable
	(b)	508
	(c)	105
Section 317	(a)(1)	503
	(a)(2)	504
	(b)	1003
Section 318	(a)	108

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of this Indenture.

TABLE OF CONTENTS

INDENTURE, dated as of May 16, 2003, among Oxford Industries, Inc., a Georgia corporation (the "Company"), and Lionshead Clothing Company, Inc., a Delaware corporation, Merona Industries Inc., a Delaware corporation, Oxford Caribbean, Inc., a Delaware corporation, Oxford Garment, Inc., a Delaware corporation, Oxford Private Limited of Delaware, Inc., a Delaware corporation, Oxford Receivables Company, a Delaware corporation, Oxford Clothing, a Georgia corporation, Oxford International, Inc., a Georgia corporation, Oxford of South Carolina, a South Carolina corporation and Piedmont Apparel Corporation, a Delaware corporation, as Guarantors (the "Guarantors"), and SunTrust Bank, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE GUARANTORS

The Company has duly authorized the creation of an issue of 8 7/8% Senior Notes due 2011 (the "Initial Securities"), and, when and if issued in an Exchange Offer, an issue of 8 7/8% Senior Notes due 2011 (the "Exchange Securities" and, together with the Initial Securities, the "Securities"), of substantially the tenor and amount hereinafter set forth (subject to the ability of the Company to issue additional Securities hereunder as described herein), and to provide therefor the Company has duly authorized the execution and delivery of this Indenture and the Securities;

Each Guarantor has duly authorized the issuance of a Guarantee of the Securities, of substantially the tenor hereinafter set forth, and to provide therefor, each Guarantor has duly authorized the execution and delivery of this Indenture and its Guarantee;

Upon the issuance of the Exchange Securities, this Indenture

is subject to, and shall be governed by, the provisions of the Trust Indenture Act that are required to be part of and to govern indentures qualified under the Trust Indenture Act;

All things necessary have been done to make (i) the Securities, when duly issued and executed by the acts and Company and authenticated and delivered hereunder, the valid obligations of the Company, (ii) the Guarantees, when executed by each of the Guarantors and delivered hereunder, the valid obligation of each of the Guarantors and (iii) this Indenture a valid agreement of the Company and each of the Guarantors in accordance with the terms of this Indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. DEFINITIONS.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(e) all references to $, US$, dollars or United States dollars shall refer to the lawful currency of the United States of America; and

(f) all references herein to particular Sections or Articles refer to this Indenture unless otherwise so indicated.

Certain terms used principally in Article Four are defined in Article Four.

"Acquired Indebtedness" means, with respect to any specified Person, Indebtedness of any other Person (1) existing at the time such other Person is consolidated or merged with or into, or became a Subsidiary of, such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person consolidating or merging with or into, or becoming a Subsidiary of, such specified Person, or (2) assumed in connection with the acquisition of assets from such other Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of such acquisition, as the case may be. Notwithstanding the foregoing, Acquired Indebtedness shall not include Indebtedness of such other Person that is extinguished, retired or repaid concurrently with such other Person becoming a Restricted Subsidiary of, or at the time it is consolidated or merged with or into, such specified Person.

"Acquisition" means the consummation of the acquisition by the Company of all of the outstanding capital stock of Viewpoint.

"Acquisition Agreements" means the Stock Purchase Agreement, Earn-Out Agreement, Escrow Agreement and Employment Agreements (each as defined in the Stock Purchase Agreement) and any other agreements entered into in connection with the transactions contemplated by the Stock Purchase Agreement.

"Additional Securities" means further Securities (other than the Initial Securities) issued under this Indenture in accordance with the terms of this Indenture including, Sections 303 and 1108 hereof, as part of the same series as the Initial Securities, ranking equally with the Initial Securities in all respects (other than the issuance dates and at the option of the Company the date from which interest will accrue), subject to compliance with Section 1008 herein. The Initial Securities and any Additional Securities subsequently issued under this Indenture shall be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions, and offers to purchase.

"Adjusted Treasury Rate" means the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of the principal amount) equal to the Comparable Treasury Price for the Redemption Date, calculated in accordance with standard market practice.

"Affiliate" means, with respect to any specified Person: (1) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; (2) any other Person that owns, directly or indirectly, 10% or more of any class or series of such specified Person's (or any of such Person's direct or indirect parent's) Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or (3) any other Person 10% or more of the Voting Stock of which is beneficially owned or held directly or indirectly by such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, the rules and procedures of the Depositary for such Security, Euroclear and Clearstream, in each case to the extent applicable to such transaction and as in effect at the time of such transfer or transaction.

"Acquisition" means the acquisition by the Company of the Capital Stock of Viewpoint International, Inc.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or sale and leaseback transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of:

(1) any Capital Stock of any Restricted Subsidiary;

(2) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary; or

(3) any other properties or assets of the Company or any Restricted Subsidiary other than in the ordinary course of business.

For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties and assets

(A) that is governed by the provisions described under Article Eight hereof,

(B) that is by the Company to any Restricted Subsidiary or by any Restricted Subsidiary to the Company or any Restricted Subsidiary in accordance with the terms of this Indenture,

(C) that would be within the definition of a "Restricted Payment" under Section 1009 herein and would be permitted to be made

as a Restricted Payment under such covenant,

(D) that is a disposition of Receivables and Related Assets in a Qualified Securitization Transaction for the Fair Market Value thereof including cash or Cash Equivalents in an amount at least equal to 75% of the Fair Market Value thereof,

(E) that are obsolete, damaged or worn out equipment or otherwise unsuitable for use in the ordinary course of business,

(F) that is the disposition of Capital Stock of an Unrestricted Subsidiary,

(G) that is the sale or other disposition of cash or Cash Equivalents,

(H) that is the issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary (other than a Securitization Entity),

(I) that is the sale or disposition deemed to occur in connection with creating or granting any Liens pursuant to the provisions described in Section 1011,

(J) that is the transfer of assets in connection with the Investment in a Related Business Entity permitted by clause (8) of the definition of Permitted Investment, or

(K) the Fair Market Value of which in the aggregate does not exceed $1.5 million in any transaction or series of related transactions.

"Attributable Debt" means, as to any lease under which any Person is at the time liable, and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof as determined in accordance with GAAP, discounted from the last date of such term to the date of determination at a rate per annum equal to the discount rate that would be applicable to a Capital Lease Obligation with like term in accordance with GAAP. The net amount of rent required to be paid under any such lease for any such period will be the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges.

"Average Life to Stated Maturity" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the product of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of each such principal payment by (2) the sum of all such principal payments.

"Bankruptcy Law" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law or foreign law relating to the bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Board of Directors" means the board of directors of the Company or any Guarantor, as the case may be, or any duly authorized committee of such board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or any Guarantor, as the case may be, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Book-Entry Security" means any Global Securities bearing the legend specified in Section 202 evidencing all or part of a series of Securities, authenticated and delivered to the Depositary for such series or its

nominee, and registered in the name of such Depositary or nominee.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in The City of New York or the city in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law, regulation or executive order to close.

"Capital Lease Obligation" of any Person means any obligation of such Person and its Restricted Subsidiaries on a Consolidated basis under any capital lease of (or other agreement conveying the right to use) real or personal property which, in accordance with GAAP, is required to be recorded as a capitalized lease obligation.

"Capital Stock" of any Person means any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, other equity interests whether now outstanding or issued after the date of this Indenture, partnership interests (whether general or limited), limited liability company interests, any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, including any Preferred Stock, and any rights (other than debt securities convertible into Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock.

"Cash Equivalents" means

(1) any evidence of Indebtedness issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof,

(2) deposits, certificates of deposit or acceptances of any financial institution that is a member of the Federal Reserve System and whose senior unsecured debt is rated at least "A-1" by S&P, or at least "P-1" by Moody's,

(3) commercial paper with a maturity of 365 days or less issued by a corporation (other than an Affiliate of the Company) organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and rated at least "A-1" by S&P and at least "P-1" by Moody's,

(4) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States or issued by any agency thereof and backed by the full faith and credit of the United States maturing within 365 days from the date of acquisition,

(5) demand and time deposits with a domestic commercial bank that is a member of the Federal Reserve System that are FDIC insured, and

(6) money market funds which invest substantially all of their assets in securities described in the preceding clauses (1) through (5).

"Change of Control" means the occurrence of any of the following events:

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is

exercisable immediately or only after the passage of time), directly or

indirectly, of more than 50% of the total outstanding Voting Stock of the Company;

(2) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election to such board or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved), cease for any reason to constitute a majority of such Board of Directors then in office;

(3) the Company consolidates with or merges with or into any Person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its and its Restricted Subsidiaries' assets to any Person, or any Person consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where

(A) the outstanding Voting Stock of the Company is converted into or exchanged for (1) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (2) cash, securities and other property (other than Capital Stock of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment as described in Section 1009 hereof (and such amount shall be treated as a Restricted Payment subject to the provisions of Section 1009 hereof) and

(B) immediately after such transaction, no "person" or "group," is the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total outstanding Voting Stock of the surviving corporation; or

(4) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under Article Eight hereof.

For purposes of this definition, any transfer of an equity interest of an entity that was formed for the purpose of acquiring voting stock of the Company will be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

"Clearstream" means Clearstream Banking, societe anonyme (or any successor securities clearing agency).

"Collateral" has the meaning set forth in Section 6(a) of the Escrow Agent.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Securities Act, Exchange Act and Trust Indenture Act then the body performing such duties at such time.

"Commodity Price Protection Agreement" means any forward contract, commodity swap, commodity option or other similar agreement or arrangement relating to, or the value of which is dependent upon, fluctuations in commodity prices and which do not increase the amount of Indebtedness or other obligations of the Company or any Restricted Subsidiary outstanding other than as a result of fluctuations in commodity prices or by reason of fees, indemnities and compensation payable thereunder.

"Company" means Oxford Industries, Inc., a corporation incorporated under the laws of the State of Georgia, until a successor Person shall have become such pursuant to the applicable provisions of this Indenture,

and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company (i) by any one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer, any Vice President (regardless of Vice Presidential designation), its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary or (ii) by an authorized signatory (by virtue of a power of attorney or other similar instrument), and delivered to the Trustee.

"Comparable Treasury Issue" means the U.S. treasury security selected by an Independent Investment Banker that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities (assuming the Securities matured on June 1, 2007).

"Comparable Treasury Price" means either (1) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (2) if the Trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained.

"Consolidated Fixed Charge Coverage Ratio" of any Person means, for any period, the ratio of

(a) the sum of Consolidated Net Income (Loss), and in each case to the extent deducted in computing Consolidated Net Income (Loss) for such period, Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-cash Charges for such period, of such Person all determined in accordance with GAAP, less all non-cash items increasing Consolidated Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period to

(b) the sum of Consolidated Interest Expense for such period after giving pro forma effect to

(1) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(2) the incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period (except that, in

making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during such period);

(3) in the case of Acquired Indebtedness or any acquisition occurring at the time of the incurrence of such Indebtedness, the related acquisition, assuming such acquisition had been consummated on the first day of such period; and

(4) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, whether by merger, stock purchase or sale or asset purchase or sale, or any related repayment of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period;

provided that

(1) in making such computation, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a pro forma basis and (A) bearing a floating interest rate shall be

computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (B) which was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate;

(2) in making such computation, the Consolidated Interest Expense of such Person attributable to interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period; and

(3) whenever pro forma effect is to be given to an acquisition or disposition, such pro forma calculation will be determined in accordance with Article 11 of Regulation S-X under the Securities Act or any successor provision.

"Consolidated Income Tax Expense" of any Person means, for any period, the provision for federal, state, local and foreign income taxes of such Person and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP.

"Consolidated Interest Expense" of any Person means, without duplication, for any period, the sum of

(a) the interest expense of such Person and its Restricted Subsidiaries for such period, on a Consolidated basis, including, without limitation,

(1) amortization of debt discount,

(2) the net cost (benefit) associated with Interest Rate Agreements (including amortization of discounts),

(3) the interest portion of any deferred payment obligation,

(4) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and

(5) accrued interest, plus

(b) (1) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Restricted Subsidiaries during such period and

(2) all capitalized interest of such Person and its Restricted Subsidiaries plus

(c) the interest expense under any Guaranteed Debt of such Person and any Restricted Subsidiary to the extent not included under clause (a)(4) above, whether or not paid by such Person or its Restricted Subsidiaries, plus

(d) dividend requirements of the Company with respect to Redeemable Capital Stock and of any Restricted Subsidiary with respect to Preferred Stock (except, in either case, dividends payable solely in shares of Qualified Capital Stock of the Company or such Restricted Subsidiary, as the case may be).

"Consolidated Net Income (Loss)" of any Person means, for any period, the Consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period on a Consolidated basis as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication,

(1) all extraordinary gains or losses net of taxes (less all fees and expenses relating thereto),

(2) the portion of net income (or loss) of such Person and its Restricted Subsidiaries on a Consolidated basis allocable to minority interests in unconsolidated Persons or Unrestricted Subsidiaries to the extent that cash dividends or distributions have not actually been received by such Person or one of its Consolidated Restricted Subsidiaries,

(3) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan,

(4) gains or losses, net of taxes (less all fees and expenses relating thereto), in respect of dispositions of assets other than in the ordinary course of business,

(5) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter, any agreement, or applicable law, except to the extent of the amount of dividends or other distributions actually paid to the Company or any Restricted Subsidiary,

(6) any net gain or loss arising from the acquisition of any securities or extinguishment, under GAAP, of any Indebtedness of such Person,

(7) any non-cash goodwill impairment charges incurred subsequent to the date of this Indenture resulting from the application of SFAS No. 142,

(8) any non-cash charges incurred subsequent to the date of this Indenture relating to the underfunded portion of any pension plan,

(9) any non-cash charges incurred subsequent to the date of this Indenture resulting from the application of SFAS No. 123,

(10) all deferred financing costs written off, and premiums paid, in connection with any early extinguishment of Indebtedness, or

(11) any non-cash compensation charges or other non-cash expenses or charges arising from the grant of or issuance or repricing of stock, stock options or other equity-based awards or any amendment, modification, substitution or change of any such stock, stock options or other equity-based awards.

"Consolidated Net Tangible Assets" of any Person means, for any period, the total amount of assets (less applicable reserves and other properly deductible items) after deducting (1) all current liabilities and (2) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other intangibles, all as set forth on the Company's most recent consolidated balance sheet and computed in accordance with GAAP.

"Consolidated Non-cash Charges" of any Person means, for any period, the aggregate depreciation, amortization and other non-cash charges of such Person and its Restricted Subsidiaries on a Consolidated basis for such period, as determined in accordance with GAAP (excluding any non-cash charge which requires an accrual or reserve for cash charges for any future period).

"Consolidation" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries if and to the extent the accounts of such Person and each of its Subsidiaries would normally be consolidated with those of such Person, all in accordance with GAAP. The term "Consolidated" shall have a similar meaning.

"Corporate Trust Office" means the office of the Trustee or an affiliate or agent thereof at which at any particular time the corporate trust business for the purposes of this Indenture shall be principally administered, which office at the date of execution of this Indenture is located at 25 Park

Place, 24th Floor, Atlanta, Georgia 30303.

"Credit Agreement" means the Credit Agreement to be dated the date of the Acquisition, as amended, among the Company and certain of its Subsidiaries, as borrowers thereunder, the Company's subsidiaries which are guarantors thereof, certain lenders party thereto, and certain agents party thereto, together with the related documents, instruments and agreements executed in connection therewith (including, without limitation, any guarantees, notes and security documents), as such agreement, in whole or in part, in one or more instances, may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including increasing the amount available for borrowing thereunder and including refinancings with the same or different lenders or agents or any agreement extending the maturity of, or increasing the commitments to extend, Indebtedness or any commitment to extend such Indebtedness, and any successor or replacement agreements and whether by the same or any other agent, lender or group of lenders).

"Credit Facility" means, one or more debt facilities (including, without limitation, the Credit Agreement), commercial paper facilities or other debt instruments, indentures or agreements,

providing for revolving credit loans, term loans, letters of credit or other debt obligations, in each case, as amended, restated, modified, renewed, refunded, restructured, supplemented, replaced or refinanced in whole or in part from time to time, including without limitation any amendment increasing the amount of Indebtedness incurred or available to be borrowed thereunder, extending the maturity of any Indebtedness incurred thereunder or contemplated thereby or deleting, adding or substituting one or more parties thereto (whether or not such added or substituted parties are banks or other institutional lenders).

"Cumulative Additional Earn-Out Payment" means up to $25 million that may be paid following the fourth Earn-Out Year in respect of cumulative performance during the four Earn-Out Years pursuant to the Earn-Out Agreement.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

"Currency Hedging Agreements" means foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency values and that relate to (1) Indebtedness of the Company or any Restricted Subsidiary and/or (2) obligations to purchase or sell assets or properties; provided, however, that such Currency Hedging Agreements do not increase the Indebtedness or other obligations of the Company or any Restricted Subsidiary outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder.

"Deadline" means June 15, 2003, which date may be extended pursuant to Section 3(h) of the Escrow Agreement.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Depositary" means, with respect to the Securities issued in the form of one or more Book-Entry Securities, The Depository Trust Company ("DTC"), its nominees and successors, or another Person designated as Depositary by the Company, which must be a clearing agency registered under the Exchange Act.

"Designated Non-cash Consideration" means the Fair Market Value, as set forth in an Officer's Certificate, of non-cash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Sale.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions.

"Earn-Out Agreement" means the Earn-Out Agreement to be entered into in connection with the Stock Purchase Agreement.

"Earn-Out Year" means each of the Company's fiscal years ending May 28, 2004, June 3, 2005, June 2, 2006 and June 1, 2007.

"Equity Offering" means any public offering or private sale for cash of common stock (other than Redeemable Capital Stock) of the Company (other than public offerings with respect to a registration statement on Form S-4 (or any successor form covering substantially the same transactions), Form S-8 (or any successor form covering substantially the same transactions) or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"Escrow Agreement" means the escrow agreement dated the Issue Date among the Securities Intermediary, the Trustee and the Company.

"Escrowed Property" means the funds to be held in escrow pursuant to the Escrow Agreement.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System (or any successor securities clearing agency).

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Exchange Offer" has the meaning set forth in the Registration Rights Agreement.

"Exchange Offer Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Exchange Securities" has the meaning set forth in the first recital of this Indenture.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith.

"Foreign Subsidiary" means any Restricted Subsidiary of the Company that (x) is not organized under the laws of the United States of America or any State thereof or the District of Columbia, or (y) was organized under the laws of the United States of America or any State thereof or the District of Columbia that has no material assets other than Capital Stock of one or more foreign entities of the type described in clause (x) above and is not a guarantor of Indebtedness under the Credit Agreement.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of this Indenture.

"Global Securities" means the Rule 144A Global Securities, the Regulation S Global Securities, the IAI Global Securities and the Unrestricted Global Securities to be issued as Book-Entry Securities issued to the Depositary in accordance with Section 306.

"Guarantee" means the guarantee by any Guarantor of the

Company's Indenture Obligations.

"Guaranteed Debt" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement

(1) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness,

(2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss,

(3) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered),

(4) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or to cause such debtor to achieve certain levels of financial performance or

(5) otherwise to assure a creditor against loss;

provided that the term "guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Guarantor" means any Subsidiary which is a guarantor of the Securities, including any Person that is required after the date of this Indenture to execute a guarantee of the Securities pursuant to Section 1011 or Section 1013 until a successor replaces such party pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"IAI Global Securities" means one or more permanent Global Securities in registered form representing the aggregate principal amount of Securities sold to Institutional Accredited Investors.

"Indebtedness" means, with respect to any Person, without duplication,

(1) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities,

(2) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments,

(3) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business,

(4) all obligations under Interest Rate Agreements, Currency Hedging Agreements or Commodity Price Protection Agreements of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

(5) all Capital Lease Obligations of such Person,

(6) all Indebtedness referred to in clauses (1) through (5) above of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness,

(7) all Guaranteed Debt of such Person,

(8) all Redeemable Capital Stock issued by such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends,

(9) all amounts outstanding and other obligations of such Person in respect of a Qualified Securitization Transaction, and

(10) Attributable Debt with respect to sale and leaseback transactions.

For purposes of this Indenture, the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value to be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock.

"Indenture" means this instrument as originally executed (including all exhibits and schedules thereto) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Indenture Obligations" means the obligations of the Company and any other obligor under this Indenture or under the Securities, including any Guarantor, to pay principal of, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with this Indenture, the Securities and the performance of all other obligations to the Trustee and the Holders under this Indenture and the Securities, according to the respective terms thereof.

"Independent Investment Banker" means one of the Reference Treasury Dealers that the Company appoints.

"Initial Purchasers" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and SunTrust Capital Markets (or the initial purchasers with respect to Additional Securities issued after the date hereof).

"Initial Securities" has the meaning set forth in the first recital of this Indenture.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Interest Payment Date", when used with respect to any Security, means each semiannual interest payment date on June 1 and December 1 of each year.

"Interest Rate Agreements" means interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements or arrangements designed to protect against or manage exposure to fluctuations in interest rates in respect of Indebtedness of the Company or any

Restricted Subsidiary.

"Investment" means, with respect to any Person, directly or indirectly, any advance, loan (including guarantees), or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities issued or owned by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP. "Investment" shall exclude direct or indirect advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the Company's or any Restricted Subsidiary's balance sheet, endorsements for collection or deposit arising in the ordinary course of business and extensions of trade credit on commercially reasonable terms in accordance with normal trade practices. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Capital Stock of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company (other than the sale of all of the outstanding Capital Stock of such Subsidiary), the Company will be deemed to have made an Investment on the date of such sale or disposition equal to the Fair Market Value of the Company's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in Section 1009 hereof.

"Issue Date" means the original issue date of the Securities under this Indenture.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment, deposit, arrangement, easement, hypothecation, claim, preference, priority or other encumbrance upon or with respect to any property of any kind (including any conditional sale, capital lease or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement.

"Material Indebtedness" means any of the agreements, indentures or instruments under which the Company, any Guarantor or any Restricted Subsidiary then has outstanding Indebtedness in excess of $15 million.

"Maturity" means, when used with respect to the Securities, the date on which the principal of the Securities becomes due and payable as therein provided or as provided in this Indenture, whether at Stated Maturity, the Offer Date or the Redemption Date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means

(a) with respect to any Asset Sale by any Person, the proceeds thereof (without duplication in respect of all Asset Sales) in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of

(1) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale,

(2) provisions for all taxes payable as a result of such Asset Sale,

(3) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale,

(4) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale,

(5) all distributions and other payments required to be made to non-majority interest holders in Subsidiaries as a result of such Asset Sale, and

(6) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee and

(b) with respect to any issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under Section 1009 hereof, the proceeds of such issuance or sale in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage,

consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Non-recourse Indebtedness" means, with respect to any Person, Indebtedness of such Person as to which the Company and any Restricted Subsidiary may not be directly or indirectly liable (by virtue of the Company or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), and which, upon the occurrence of a default with respect to such Indebtedness, does not result in, or permit any holder of any Indebtedness of the Company or any Restricted Subsidiary to declare, a default on such Indebtedness of the Company or any Restricted Subsidiary or cause the payment of Indebtedness of the Company or any Restricted Subsidiary to be accelerated or payable prior to its Stated Maturity.

"Non-U.S. Person" means a Person that is not a "U.S. person" as defined in Regulation S under the Securities Act.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer or a Vice President (regardless of Vice Presidential designation), and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or any Guarantor, as the case may be, and in form and substance reasonably satisfactory to, and delivered to, the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee or counsel for the Company, any Guarantor or the Trustee, and who shall be reasonably acceptable to the Trustee, and which opinion shall be in form and substance reasonably satisfactory to the Trustee.

"Opinion of Independent Counsel" means a written opinion of counsel which is issued by a Person who is not an employee, director or consultant (other than non-employee legal counsel) of the Company or any Guarantor and who shall be reasonably acceptable to the Trustee, and which opinion shall be in form and substance reasonably satisfactory to the Trustee.

"Outstanding" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and

delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or any Affiliate thereof) in trust or set aside and segregated in trust by the Company or any Affiliate thereof (if the Company or any Affiliate thereof shall act as its own Paying Agent) for the Holders of such Securities; provided that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(c) Securities, to the extent provided in Sections 402 and 403, with respect to which the Company has effected defeasance or covenant defeasance as provided in Article Four; and

(d) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee and the Company proof reasonably satisfactory to

each of them that such Securities are held by a bona fide purchaser in whose hands the Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, any Guarantor, or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, any Guarantor or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor.

"Pari Passu Indebtedness" means (a) any Indebtedness of the Company that is equal in right of payment to the Securities and (b) with respect to any Guarantee, Indebtedness which ranks equal in right of payment to such Guarantee.

"Paying Agent" means any Person (including the Company) authorized by the Company to pay the principal of, premium, if any, or interest on, any Securities on behalf of the Company.

"Permitted Business" means the business conducted by (a) the Company and its Restricted Subsidiaries on the date of this Indenture and (b) Viewpoint and its Subsidiaries on the date of the Acquisition, and, in each case, the business reasonably related, complementary or ancillary thereto, including reasonably related extensions or expansions thereof.

"Permitted Investment" means

(1) Investments in the Company or any Restricted Subsidiary (other than a Securitization Entity) or any Person which, as a result of such Investment, (a) becomes a Restricted Subsidiary (other than a Securitization Entity) or (b) is merged or consolidated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (other than a Securitization Entity);

(2) Indebtedness of the Company or a Restricted Subsidiary described under clauses (iv), (v), (vi), (vii) and (viii) of the definition of "Permitted Indebtedness";

(3) Investments in any of the Securities;

(4) Investments in Cash Equivalents;

(5) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under Section 1012 herein to the extent such Investments are non-cash proceeds as permitted under such covenant;

(6) Investments by the Company or a Restricted Subsidiary in a Securitization Entity in connection with a Qualified Securitization Transaction, which Investment consists of a retained interest in transferred Receivables and Related Assets;

(7) (x) Investments in existence on the date of this Indenture or acquired in connection with the Acquisition and (y) an Investment in any Person to the extent such Investment replaces or refinances an Investment covered by clause (x) above or this clause (y) in an amount not exceeding the amount of the Investment being replaced or refinanced; provided, however, that the Investment under clause (y) is on terms and conditions no less favorable to the Company and its Restricted Subsidiaries taken as a whole than the Investment being replaced or refinanced;

(8) Investments in a Related Business Entity in the aggregate amount outstanding at any one time of up to 2.5% of the Company's Consolidated Net Tangible Assets;

(9) Investments in a Person whose primary business is a Permitted Business acquired in exchange for the issuance of Capital Stock (other than Redeemable Capital Stock of the Company or a Restricted Subsidiary or Preferred Stock of a Restricted Subsidiary) or acquired with the net cash proceeds received by the Company after the date of this Indenture from the issuance and sale of Capital Stock (other than Redeemable Stock of the Company or a Restricted Subsidiary or Preferred Stock of a Restricted Subsidiary); provided that such Net Cash Proceeds are used to make such Investment within 30 days of the receipt thereof and the amount of all such Net Cash Proceeds will be excluded from clause (3)(B) of the first paragraph of the covenant described under Section 1009(a) hereof;

(10) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and worker's compensation, performance and other similar deposits provided to third parties in the ordinary course of business;

(11) loans or advances to employees of the Company in the ordinary course of business for bona fide business purposes of the Company and its Restricted Subsidiaries (including travel, entertainment and moving expenses) made in compliance with applicable law;

(12) any Investments received in good faith in settlement or compromise of obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; and

(13) other Investments in the aggregate amount outstanding at any one time of up to $10 million.

In connection with any assets or property contributed or transferred to any Person as an Investment, such property and assets shall be equal to the Fair Market Value (as determined by the Company's Board of Directors) at the time of Investment.

"Permitted Lien" means

(a) any Lien existing as of the date of this Indenture on Indebtedness existing on the date of this Indenture;

(b) any Lien with respect to the Credit Agreement or any successor Credit Facility so long as the aggregate principal amount outstanding under the Credit Agreement or any successor Credit Facility does not exceed the principal amount which could be borrowed under clause (i) of the

definition of Permitted Indebtedness; provided, however, that any Lien created in connection with any registered offering of securities under the Securities Act or a private placement of securities (including under Rule 144A) pursuant to an exemption from the registration requirements of the Securities Act shall be excluded from this clause (b);

(c) any Lien arising by reason of

(1) any judgment, decree or order of any court, so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(2) taxes not yet delinquent or which are being contested in good faith;

(3) security for payment of workers' compensation or other insurance;

(4) good faith deposits in connection with tenders, leases, contracts (other than contracts for the payment of money);

(5) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights of way, utilities, sewers, electric lines, telephone or telegraph lines, and other similar purposes, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of property material to the operation of the business of the Company or any Subsidiary or the value of such property for the purpose of such business;

(6) deposits to secure public or statutory obligations, or in lieu of surety or appeal bonds; or

(7) operation of law in favor of mechanics, carriers, warehousemen, landlords, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Subsidiary;

(e) any Lien to secure the performance bids, trade contracts, leases (including, without limitation, statutory and common law landlord's liens), statutory obligations, surety and appeal bonds, letters of credit and other obligations of a like nature and incurred in the ordinary course of business of the Company or any Subsidiary;

(f) any Lien securing Indebtedness permitted to be incurred under Interest Rate Agreements or otherwise incurred to hedge interest rate risk;

(g) any Lien securing Capital Lease Obligations or Purchase Money Obligations incurred in accordance with this Indenture (including clause (ix) of the definition of Permitted Indebtedness);

(h) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(i) banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; provided that:

(1) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the Federal Reserve Board or other applicable law; and

(2) such deposit account is not intended by the Company or any Restricted Subsidiary to provide collateral to the depository institution;

(j) Liens on property, assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; provided, however, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; provided further, that any such Lien may not extend to any other property owned by the Company or any Restricted Subsidiary and assets fixed or appurtenant thereto;

(k) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Company or another Restricted Subsidiary (other than a Securitization Entity);

(l) Liens securing the Securities and the Guarantees;

(m) Liens on assets transferred to a Securitization Entity or on assets of a Securitization Entity, in either case incurred in connection with a Qualified Securitization Transaction;

(n) Liens on property of any Foreign Subsidiary securing Indebtedness of such Foreign Subsidiary permitted to be incurred under clause (xii) of the definition of Permitted Indebtedness;

(o) Liens incurred pursuant to the Acquisition Agreements;

(p) Liens pursuant to the Escrow Agreement for the benefit of the Holders of the Securities in connection with the Acquisition;

(q) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (n) so long as no additional collateral is granted as security thereby; and

(r) in addition to the items referred to in clauses (a) through (q) above, Liens of the Company and its Restricted Subsidiaries on Indebtedness in an aggregate amount which, when take together with the aggregate amount of all other Liens on Indebtedness incurred pursuant to this clause (r) and then outstanding will not exceed 5% of the Company's Consolidated Net Tangible Assets at any one time outstanding.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 308 in exchange for a mutilated Security or in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the mutilated, lost,

destroyed or stolen Security.

"Preferred Stock" means, with respect to any Person, any Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class in such Person.

"Purchase Money Obligation" means any Indebtedness secured by a Lien on assets related to the business of the Company and any additions and accessions thereto, which are purchased or constructed by the Company at any time after the Securities are issued; provided that

(1) the security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively a "Purchase Money Security Agreement") shall be entered into within 360 days after the purchase or substantial completion of the construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom,

(2) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and

(3) (A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such Purchase Money Security Agreement is entered into exceed 100% of the purchase price to the Company of the assets subject thereto or (B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom.

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Qualified Securitization Transaction" means any transaction or series of transactions that may be entered into by the Company or any Restricted Subsidiary pursuant to which (a) the Company or any Restricted Subsidiary may sell, convey or otherwise transfer to a Securitization Entity its interests in Receivables and Related Assets and (b) such Securitization Entity transfers to any other Person, or grants a security interest in, such Receivables and Related Assets, pursuant to a transaction customary in the industry which is used to achieve a transfer of financial assets under GAAP.

"Receivables and Related Assets" means any account receivable (whether now existing or arising thereafter) of the Company or any Restricted Subsidiary, and any assets related thereto

including all collateral securing such accounts receivable, all contracts and contract rights and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transaction involving accounts receivable.

"Redeemable Capital Stock" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable (at the option of the holders thereof), is or upon the happening of an event or passage of time would be, required to be redeemed (at the option of the holders thereof) prior to the final Stated Maturity of the principal of the Securities (other than upon a change of control of or sale of assets by the Company in circumstances where the holders of the Securities would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity at the option of the holder thereof.

"Redemption Date" when used with respect to any Security to be

redeemed pursuant to any provision in this Indenture means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the price at which it is to be redeemed pursuant to this Indenture.

"Reference Treasury Dealer" means each of Merrill Lynch, Pierce, Fenner & Smith Incorporated (and its successors) and any other nationally recognized investment banking firm that is a primary U.S. government securities dealer specified from time to time by the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer as of 3:30 p.m., New York time, on the third Business Day preceding the Redemption Date.

"Registration Rights Agreement" means (1) the Registration Rights Agreement, dated as of May 16, 2003 among the Company, the Guarantors and the Initial Purchasers and (2) with respect to any Additional Securities issued subsequent to May 16, 2003, the registration rights agreement entered into for the benefit of the holders of such Additional Securities, if any.

"Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Regular Record Date" for the interest payable on any Interest Payment Date means the May 15 or November 15 (whether or not a Business Day) next preceding such Interest Payment Date.

"Regulation S" means Regulation S under the Securities Act, as amended from time to time.

"Regulation S Global Securities" means one or more permanent global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Regulation S under the Securities Act.

"Related Business Entity" means

(1) any corporation at least 35% of the outstanding voting power of the Voting Stock of which is owned or controlled, directly or indirectly, by the Company, or

(2) any other Person in which the Company, directly or indirectly, has at least 35% of the outstanding partnership, equity or other similar interests,

which, in the case of (1) or (2) above, conducts its principal business in a Permitted Business.

"Release" means the release of the Escrowed Property pursuant to the Escrow Agreement.

"Replacement Assets" means properties or assets to replace the properties or assets that were the subject of an Asset Sale or in properties and assets that will be used in businesses of the Company or its Restricted Subsidiaries, as the case may be, existing at the time such assets are sold or in Capital Stock of a Person, the principal portion of whose assets consist of such property or assets.

"Responsible Officer" when used with respect to the Trustee means any officer or employee assigned to the Corporate Trust Office or any agent of the Trustee appointed hereunder, including any vice president, assistant vice president, secretary, assistant secretary, or any other officer or assistant officer of the Trustee or any agent of the Trustee appointed hereunder to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Restricted Subsidiary" means any Subsidiary of the Company

that has not been designated by the Board of Directors of the Company by a Board Resolution delivered to the Trustee as an Unrestricted Subsidiary pursuant to and in compliance with Section 1017 hereof.

"Rule 144A" means Rule 144A under the Securities Act, as amended from time to time.

"Rule 144A Global Securities" means one or more permanent Global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Rule 144A under the Securities Act.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Securities" shall have the meaning set forth in the Recitals.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Securities Control Agreement" means the securities account control agreement dated the Issue Date among the Company, the Trustee and the Securities Intermediary.

"Securities Intermediary" has the meaning assigned to such term in the Escrow Agreement.

"Security Documents" means prior to the Release, the Escrow Agreement and the Securities Control Agreement.

"Securitization Entity" means a Wholly Owned Restricted Subsidiary (or another Person in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers Receivables and Related Assets) that, in the case of a Wholly Owned Restricted Subsidiary, engages in no activities other than in connection with the financing of Receivables and Related Assets and that is designated by the Board of Directors of the Company (as provided below) as a Securitization Entity and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which:

(1) is guaranteed by the Company or any Restricted Subsidiary (excluding Guarantees (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings);

(2) is recourse to or obligates the Company or any Restricted Subsidiary (other than such Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings; or

(3) subjects any property or asset of the Company or any Restricted Subsidiary (other than such Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Company nor any Restricted Subsidiary (other than such Securitization Entity) has any material contract, agreement, arrangement or understanding other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing accounts receivable of such entity;

(c) to which neither the Company nor any Restricted Subsidiary (other than such Securitization Entity) has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results; and

(d) such entity is a Qualified Special Purpose Entity in

accordance with GAAP.

Any designation of a Subsidiary as a Securitization Entity shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to the designation and an Officers' Certificate certifying that the designation complied with the preceding conditions and was permitted by this Indenture. On the date of this Indenture, Oxford Receivables Company is the only Securitization Entity.

"Shelf Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Significant Subsidiary" means, at any time, any Restricted Subsidiary that qualifies at such time as a "significant subsidiary" within the meaning of Regulation S-X promulgated by the Commission (as in effect on the date of this Indenture).

"Special Mandatory Redemption" has the meaning set forth in Section 1109.

"Special Mandatory Redemption Date" has the meaning set forth in Section 1109.

"Special Mandatory Redemption Price" means (a) $202,000,000 (which amount is equal to 101% of the original issue amount of the Senior Notes ($200,000,000)) plus (b) the accrued and unpaid interest on the Securities to the Special Mandatory Redemption Date.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 309.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Company or any Restricted Subsidiary that are reasonably customary in an accounts receivable securitization transaction.

"Stated Maturity" means, when used with respect to any Indebtedness or any installment of interest thereon, the dates specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest, as the case may be, is due and payable.

"Stock Purchase Agreement" means the stock purchase agreement among Viewpoint, the stockholders of Viewpoint and the Company entered into in connection with the Acquisition.

"Subordinated Indebtedness" means Indebtedness of the Company or a Guarantor subordinated in right of payment to the Securities or a Guarantee, as the case may be.

"Subsidiary" of a Person means

(1) any corporation more than 50% of the outstanding voting power of the Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries thereof, or

(2) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, or

(3) any other Person in which such Person, or one or more other Subsidiaries of such Person, or such Person and one or more other Subsidiaries, directly or indirectly, has more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof.

"Successor Security" of any particular Security means every Security issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Security; and, for the purposes of this

definition, any Security authenticated and delivered under Section 308 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture, until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor trustee.

"Unrestricted Global Securities" means one or more permanent Global Securities in registered form representing the aggregate principal amount of Exchange Securities exchanged for Initial Securities pursuant to the Exchange Offer.

"Unrestricted Subsidiary" means any Subsidiary of the Company (other than a Guarantor) designated as such pursuant to and in compliance with Section 1017 hereof.

"Viewpoint" means Viewpoint International, Inc.

"Voting Stock" of a Person means Capital Stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary all the Capital Stock of which is owned by the Company or another Wholly Owned Restricted Subsidiary (other than directors' qualifying shares).

SECTION 102. OTHER DEFINITIONS.

Term	Defined in Section
"Act"	105
"Agent Members"	306
"Change of Control Offer"	1014
"Change of Control Purchase Date"	1014
"Change of Control Purchase Notice"	1014
"Change of Control Purchase Price"	1014
"control"	101 ("Affiliate")
"covenant defeasance"	403
"CUSIP"	310
"Defaulted Interest"	309
"defeasance"	402
"Defeasance Redemption Date"	404
"Defeased Securities"	401
"Designation"	1017
"Designation Amount"	1017
"DTC"	101 ("Depositary")
"Excess Proceeds"	1012
"Exchange Securities"	Recitals
"incur"	1008
"Initial Securities"	Recitals
"maximum fixed repurchase price"	101 ("Indebtedness")
"Offer"	1012
"Offer Date"	1012
"Offered Price"	1012
"Offshore Transaction"	202
"Pari Passu Debt Amount"	1012
"Pari Passu Offer"	1012

"Permitted Indebtedness"	1008
"Permitted Payment"	1009
"Private Placement Legend"	202
"Purchase Money Security Agreement"	101 ("Purchase Money Obligation")
"Qualified Institutional Buyer"	202
"refinancing"	1008
"Registration Default"	202
"Required Filing Date"	1018
"Restricted Payment"	1009
"Restricted Period"	201
"restricted security"	307
"Revocation"	1017
"Security Amount"	1012
"Security Register"	305
"Security Registrar"	305
"Special Payment Date"	309
"Surviving Entity"	801
"Surviving Guarantor Entity"	801
"transfer"	101 ("Asset Sale")
"U.S. Government Obligations"	404
"U.S. Person"	202

SECTION 103. COMPLIANCE CERTIFICATES AND OPINIONS.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company and any Guarantor (if applicable) and any other obligor on the Securities (if applicable) shall, in each case at the request of the Trustee, furnish to the Trustee an Officers' Certificate in a form and substance reasonably acceptable to the Trustee stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with, and an Opinion of Counsel in a form and substance reasonably acceptable to the Trustee stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such certificates or opinions is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture (other than pursuant to Section 1019) shall include:

(a) a statement that each individual signing such certificate or individual or firm signing such opinion has read and understands such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual or such firm, he or it has made such examination or investigation as is necessary to enable him or it to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual or such firm, such condition or covenant has been complied with.

SECTION 104. FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one

or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate or opinion may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, any Guarantor or other obligor on the Securities stating that the information with respect to such factual matters is in the possession of the Company, any Guarantor or other obligor on the Securities, unless such officer or counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous. Opinions of Counsel required to be delivered to the Trustee may have qualifications customary for opinions of the type required and counsel delivering such Opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Any certificate or opinion of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to accounting matters, upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the accounting matters upon which his certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent with respect to the Company.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 105. ACTS OF HOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall

become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 105.

(b) The ownership of Securities shall be proved by the Security Register.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company, any Guarantor or any other obligor of the Securities in reliance thereon, whether or not notation of such action is made upon such Security.

(d) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of

such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Act Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such first solicitation is completed.

If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for purposes of determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for this purpose the Securities then Outstanding shall be computed as of such record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after such record date.

(f) For purposes of this Indenture, any action by the Holders which may be taken in writing may be taken by electronic means or as otherwise reasonably acceptable to the Trustee.

SECTION 106. NOTICES, ETC., TO THE TRUSTEE, THE COMPANY AND ANY GUARANTOR.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by the Company or any Guarantor or any other obligor on the Securities shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department, or at any other address previously furnished in writing to the Holders or the Company, any Guarantor or any other obligor on the Securities by the Trustee; or

(b) the Company or any Guarantor by the Trustee or any Holder shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to the Company or such Guarantor addressed to it c/o Oxford Industries, Inc., 222 Piedmont Avenue, N.E., Atlanta, Georgia 30308, Attention: General Counsel, or at any other address previously furnished in writing to the Trustee by the Company or such Guarantor.

SECTION 107. NOTICE TO HOLDERS; WAIVER.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to each Holder affected by such event, at its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any

particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice when mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder whether or not actually received by such Holder. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to mail notice of any event as required by any provision of this Indenture, then any method of giving such notice as shall be reasonably satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

SECTION 108. CONFLICT WITH TRUST INDENTURE ACT.

If any provision hereof limits, qualifies or conflicts with any provision of the Trust Indenture Act or another provision which is required or deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, the provision or requirement of the Trust Indenture Act shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 109. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 110. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company and the Guarantors shall bind their respective successors and assigns, whether so expressed or not.

SECTION 111. SEPARABILITY CLAUSE.

In case any provision in this Indenture or in the Securities or Guarantees shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 112. BENEFITS OF INDENTURE.

Nothing in this Indenture or in the Securities or Guarantees, express or implied, shall give to any Person (other than the parties hereto and their successors hereunder, any Paying Agent and the Holders) any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 113. GOVERNING LAW.

THIS INDENTURE, THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

SECTION 114. LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date, Maturity or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal or premium, if any, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date or Redemption Date, or at the Maturity or Stated Maturity and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date, Maturity or Stated Maturity, as the case may be, to the next succeeding Business Day.

SECTION 115. SCHEDULES AND EXHIBITS.

All schedules and exhibits attached hereto are by this reference made a part hereof with the same effect as if herein set forth in full.

SECTION 116. COUNTERPARTS.

This Indenture may be executed in any number of counterparts, each of which shall be deemed an original; but all such counterparts shall together constitute but one and the same instrument.

SECTION 117. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES OR STOCKHOLDERS.

No director, officer, employee, member or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Securities, this Indenture, the Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Securities by accepting a Security waives and releases the Company and each Guarantor from all such liability. The waiver and release are part of the consideration for issuance of the Securities.

ARTICLE TWO

SECURITY FORMS

SECTION 201. FORMS GENERALLY.

The Securities, the Guarantees and the Trustee's certificate of authentication thereon shall be in substantially the forms set forth in this Article Two, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange, any organizational document or governing instrument or applicable law or as may, consistently herewith, be determined by the officers executing such Securities and Guarantees, as evidenced by their execution of the Securities and Guarantees. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Securities offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more Rule 144A Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary or its nominee, in each case for credit to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Rule 144A Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Securities offered and sold in reliance on Regulation S shall be issued in the form of one or more Regulation S Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary or its nominee, in each case for credit by the Depositary to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided; provided, however, that upon such deposit through and including the 40th day after the later of the commencement of the offering of such Securities and the original issue date of such Securities (such period through and including such 40th day, the "Restricted Period"), all such Securities shall be credited to or through accounts maintained at the Depositary by or on behalf of Euroclear or

Clearstream unless exchanged for interests in the Rule 144A Global Securities in

accordance with the transfer and certification requirements described below. The aggregate principal amount of the Regulation S Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Exchange Securities exchanged for Initial Securities shall be issued initially in the form of one or more Unrestricted Global Securities, substantially in the form set forth in Section 202, deposited upon issuance with the Trustee, as custodian for the Depositary, registered in the name of the Depositary or its nominee, in each case for credit to an account of a direct or indirect participant of the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Exchange Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

With respect to any Additional Securities issued subsequent to the date of this Indenture, (1) all references in Section 202 herein and elsewhere in this Indenture to a Registration Rights Agreement shall be to the registration rights agreement entered into with respect to such Additional Securities, (2) any references in Section 202 and elsewhere in this Indenture to the Exchange Offer, Exchange Offer Registration Statement, Shelf Registration Statement, Initial Purchasers, Registration Default, and any other term related thereto shall be to such terms as they are defined in such registration rights agreement entered into with respect to such Additional Securities, (3) all time periods described in the Securities with respect to the registration of such Additional Securities shall be as provided in such Registration Rights Agreement entered into with respect to such Additional Securities and (4) all provisions of this Indenture shall be construed and interpreted to permit the issuance of such Additional Securities and to allow such Additional Securities to become fungible and interchangeable with the Initial Securities originally issued under this Indenture.

SECTION 202. FORM OF FACE OF SECURITY.

(a) The form of the face of any Initial Securities authenticated and delivered hereunder shall be substantially as follows:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN OR THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION AS SET FORTH BELOW.
>
> BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION OR (C) AN "INSTITUTIONAL ACCREDITED INVESTOR" (AS DEFINED IN RULE

> 501(A)(1),(2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) AND (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY OF THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A INSIDE THE

UNITED STATES, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL ACCREDITED INVESTOR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. AS USED HEREIN, THE TERMS "UNITED STATES," "OFFSHORE TRANSACTION," AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[LEGEND IF SECURITY IS A GLOBAL SECURITY]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY

SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[LEGEND IF SECURITY IS A REGULATION S GLOBAL SECURITY]

THIS SECURITY IS A REGULATION S GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREIN. INTERESTS IN THIS REGULATION S GLOBAL SECURITY MAY NOT BE OFFERED OR SOLD TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD (AS DEFINED IN THE INDENTURE), AND NO TRANSFER OR EXCHANGE OF AN INTEREST IN THIS REGULATION S GLOBAL SECURITY MAY BE MADE FOR AN INTEREST IN A RULE 144A GLOBAL SECURITY UNTIL AFTER THE TERMINATION OF THE RESTRICTED PERIOD OR AS OTHERWISE PERMITTED BY LAW AND CONTEMPLATED BY THE INDENTURE.

CUSIP NO. _____

No. _____ $_____

Oxford Industries, Inc., a Georgia corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ United States dollars on June 1, 2011, at the office or agency of the Company referred to below, and to pay interest thereon from May 16, 2003, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 1 and December 1 in each year, commencing December 1, 2003 at the rate of 8 7/8% per annum, in United States dollars, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Initial Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by the Indenture not inconsistent with the requirements of such exchange, all as more fully provided in the Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for that purpose (which initially will be a corporate trust office of an affiliate of the Trustee, SunTrust Bank, located at SunTrust Bank c/o Computershare Trust Co. of New York, 88 Pine Street, Wall Street Plaza, 19th Floor, New York, NY 10005), or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officer.

OXFORD INDUSTRIES, INC.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 8 7/8% Senior Notes due 2011 referred to in the within-mentioned Indenture.

SUNTRUST BANK, as Trustee

By: _____
Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, state the amount (in original principal amount):

$ _____.

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.
_____
_____
_____
(Please print or typewrite name and address including zip code of assignee)

_____
the within Security and all rights thereunder, hereby irrevocably constituting and appointing

_____
attorney to transfer such Security on the books of the Company with full power of substitution in the premises.

In connection with any transfer of this Security occurring prior to the date which is the earlier of the date of an effective Registration Statement or two years after the issuance of the relevant Securities, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ](a) this Security is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ](b) this Security is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Security and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Security Registrar shall not be obligated to register this Security in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 307 of the Indenture shall have been satisfied.

Date: _____

_____
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____
NOTICE: To be executed by an authorized signatory

(b) The form of the face of any Exchange Securities authenticated and delivered hereunder shall be substantially as follows:

[LEGEND IF SECURITY IS A GLOBAL SECURITY]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

OXFORD INDUSTRIES, INC.

8 7/8% SENIOR NOTE DUE 2011

CUSIP NO. _____

No. _____ $_____

Oxford Industries, Inc., a Georgia corporation (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of _____ United States dollars on June 1, 2011, at the office or agency of the Company referred to below, and to pay interest thereon from May 16, 2003, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 1 and December 1in each year, commencing December 1, 2003 at the rate of 8 7/8% per annum, in United States dollars, until the principal hereof is paid or duly provided for; provided that to the extent interest has not been paid or duly provided for with respect to the Initial Security exchanged for this Exchange Security, interest on this Exchange Security shall accrue from the most recent Interest Payment Date to which interest on the Initial Security which was exchanged for this Exchange Security has been paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

This Exchange Security was issued pursuant to the Exchange Offer pursuant to which the 8 7/8% Senior Notes due 2011, and related Guarantees (herein called the "Initial Securities") in like principal amount were exchanged for the Exchange Securities and related Guarantees. The Exchange Securities rank pari passu in right of payment with the Initial Securities.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Exchange Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the Person in whose name this Security (or any Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by the Indenture not inconsistent with the requirements of such exchange, all as more fully provided in the Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for such purpose (which initially will be a corporate trust office of an affiliate of the Trustee, SunTrust Bank, located at SunTrust Bank c/o Computershare Trust Co. of New York, 88 Pine Street, Wall Street Plaza, 19th Floor, New York, NY 10005), or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at

the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of the Guarantees by the Guarantors of the punctual payment when due and performance of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is made to Article Thirteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officer.

OXFORD INDUSTRIES, INC.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 8 7/8% Senior Notes due 2011 referred to in the within-mentioned Indenture.

SUNTRUST BANK, as Trustee

By: _____
Authorized Signer

Dated:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1012 or Section 1014, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security purchased by the Company pursuant to Section 1012 or Section 1014 as applicable, of the Indenture, state the amount (in original principal amount):

$_____.

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an

approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

FORM OF TRANSFEREE CERTIFICATE

I or we assign and transfer this Security to:

Please insert social security or other identifying number of assignee

_____

_____

Print or type name, address and zip code of assignee and irrevocably appoint_____

[Agent], to transfer this Security on the books of the Company. The Agent may substitute another to act for him.

Dated _____ Signed_____

(Sign exactly as name appears on the other side of this Security)

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17 Ad-15]

SECTION 203. FORM OF REVERSE OF SECURITIES.

(a) The form of the reverse of the Initial Securities shall be substantially as follows:

OXFORD INDUSTRIES, INC.

8 7/8% Senior Note due 2011

This Security is one of a duly authorized issue of Securities of the Company designated as its 8 7/8% Senior Notes due 2011, Initial (herein called the "Initial Securities"), initially limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $200,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of May 16, 2003, among the Company, the Guarantors and SunTrust Bank, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Company may, from time to time, without notice to or the consent of the Holders of the Securities, create and issue Additional Securities under the Indenture ranking equally with the Initial Securities in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such Additional Securities or except for the first payment of interest following the issue date of such Additional Securities), subject to the limitations described in Section 1008 of the Indenture. Such Additional Securities will be consolidated and form a single series with the Initial Securities and have the same terms as to status, redemption or otherwise as the Initial Securities.

The Holder of this Initial Security is entitled to the benefits of the Registration Rights Agreement among the Company, the Guarantors and the Initial Purchasers, dated as of May 16, 2003, pursuant to which, subject to the terms and conditions thereof, the Company and the Guarantors have agreed to consummate the Exchange Offer pursuant to which the Holder of this Security

(and the related Guarantees) shall have the right to exchange this Security (and the related Guarantees) for 8 7/8% Senior Notes due 2011, and related guarantees (herein called the "Exchange Securities") in like principal amount as provided therein. In addition, the Company and the Guarantors have agreed to register the Securities for resale under the Securities Act through a Shelf Registration Statement under certain circumstances. The Initial Securities and the Exchange Securities are together (including related Guarantees) referred to as the "Securities." The Initial Securities rank pari passu in right of payment with the Exchange Securities.

In the event that (a) the Exchange Offer is not consummated on or prior to September 30, 2004, or (b) a Shelf Registration Statement required to be filed is not declared effective on or prior to the 180th day following the date a Shelf Registration is required to be filed with the Commission (each such event referred to in clauses (a) and (b) above, a "Registration Default"), additional interest will accrue on the principal amount of the Initial Securities at a rate of 2% per year from and including the date any such event occurs through the date on which such event is cured, at which point the additional interest will cease to accrue; provided, however, that, if after any such additional interest ceases to accrue, a different event specified in clause (a) or (b) above occurs, additional interest again shall accrue pursuant to the foregoing provisions. If the Shelf Registration Statement is declared effective but thereafter shall become unusable for more than 60 days in the aggregate, then the interest rate borne by

the Initial Securities will be increased by 0.25% per annum of the principal amount of the Initial Securities for the first 90-day period (or portion thereof) beginning on the 61st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Initial Securities at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Initial Securities will be reduced to the original interest rate.

The Securities are subject to redemption at any time on or after June 1, 2007, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following Redemption Prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning June 1 of the years indicated below:

Year	Redemption Price
2007	104.438%
2008	102.219%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

In addition, at any time prior to June 1, 2006, the Company, at its option, may use the net proceeds of one or more Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under the Indenture at a Redemption Price equal to 108.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date); provided that this redemption provision shall not be applicable with respect to any transaction that results in a Change of Control; provided, further that at least 65% of the initial aggregate principal amount of Securities remains outstanding immediately after the occurrence of such redemption.

In addition, at any time prior to June 1, 2007, the Company

may redeem all or a portion of the Securities in amounts of $1,000 or an integral multiple thereof, at a price equal to the greater of:

(i) 100% of the aggregate principal amount of the Securities to be redeemed, together with accrued and unpaid interest, if any, to the date of redemption, and

(ii) as determined by an Independent Investment Banker, the sum of the present values of 104.438% of the principal of the Securities being redeemed plus scheduled payments of interest (not including any portion of such payments of interest accrued as of the date of redemption) from the date of redemption to June 1, 2007, discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 50 basis points, together with accrued and unpaid interest, if any, to the date of redemption.

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed in compliance with the requirements of the principal

national securities exchange, if any, on which the Securities are listed, or if the Securities are not so listed, pro rata, by lot or by any other method the Trustee shall deem fair and reasonable. Securities redeemed in part must be redeemed only in integral multiples of $1,000. Redemption pursuant to the provisions relating to an Equity Offering must be made on a pro rata basis or on as nearly a pro rata basis as practicable (subject to the procedures of DTC or any other depositary).

If: (1) the Release has not occurred on or prior to 5:00 p.m., New York City time, on the Deadline or (2) the Company has earlier notified the Securities Intermediary that it will not proceed with the Acquisition then the Company shall, on a Business Day designated by the Company that is not more than 20 Business Days following the Deadline or such earlier date as permitted by applicable law (the "Special Mandatory Redemption Date") redeem all of the Securities (the "Special Mandatory Redemption") at the Special Redemption Price.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances described in the Indenture, the Company will be required to apply the proceeds of Asset Sales to the repayment of the Securities and Pari Passu Indebtedness.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for which redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including

certain amendments permitted without the consent of any Holders and certain amendments which require the consent of all the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting, with certain exceptions (including certain waivers which require the consent of all of the Holders) as therein provided, the Holders of at least a majority

in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is joint and several, full, absolute and unconditional, to pay the principal of, premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities, the Regulation S Global Securities or the IAI Global Securities if (i) the Depositary (A) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (B) has ceased to be a clearing agency registered as such under the Exchange Act, and in either case the Company fails to appoint a successor Depositary within 90 days, (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Securities in certificated form or (iii) there shall have occurred and be continuing an Event of Default or any event which after notice or lapse of time or both would be an Event of Default with respect to such Global Security. Upon any such issuance, the Trustee is required to register such certificated Initial Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof). All such certificated Initial Securities would be required to include the Private Placement Legend unless the Legend is not required by applicable law.

Initial Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Initial Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, upon the written request of a Holder of a Initial Security, the Company will promptly furnish or cause to be furnished such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) to such Holder or to a prospective purchaser of such Initial Security who such Holder informs the Company is reasonably believed to be a "Qualified Institutional

Buyer" within the meaning of Rule 144A under the Securities Act, as the case may be, in order to permit compliance by such Holder with Rule 144A under the Securities Act.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

(b) The form of the reverse of the Exchange Securities shall be substantially as follows:

OXFORD INDUSTRIES, INC.

8 7/8% Senior Note due 2011

This Security is one of a duly authorized issue of Securities of the Company designated as its 8 7/8% Senior Notes due 2011, Exchange (herein called the "Securities"), initially limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $200,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of May 16, 2003, among the Company, the Guarantors and SunTrust Bank, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Company may, from time to time, without notice to or the consent of the Holders of the Securities, create and issue Additional Securities under the Indenture ranking equally with the Initial Securities in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such Additional Securities or except for the first payment of interest following the issue date of such Additional Securities), subject to the limitations described in Section 1008 of the Indenture. Such Additional Securities will be consolidated and form a single series with the Initial Securities and have the same terms as to status, redemption or otherwise as the Initial Securities.

For any period in which the Initial Security exchanged for this Exchange Security was outstanding, in the event that (a) the Exchange Offer shall not have been consummated on or prior to September 30, 2004 or (b) a Shelf Registration Statement required to have been filed shall not have been declared effective on or prior to the 180th day following the date a Shelf Registration Statement is

required to be filed with the Commission (each such event referred to in clauses (a) and (b) above, a "Registration Default"), additional interest will accrue on the principal amount of the Initial Securities at a rate of 2% per year from and including the date any such event occurs through the date on which such event is cured, at which point the additional interest will cease to accrue; provided,

however, that, if after any such additional interest ceases to accrue, a different event specified in clause (a) or (b) above occurs, additional interest again shall accrue pursuant to the foregoing provisions. If the Shelf Registration Statement is declared effective but thereafter shall become unusable for more than 60 days in the aggregate, then the interest rate borne by the Initial Securities will be increased by 0.25% per annum of the principal amount of the Initial Securities for the first 90-day period (or portion thereof) beginning on the 61st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Initial Securities at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Initial Securities will be reduced to the original interest rate.

The Securities are subject to redemption at any time on or after June 1, 2007, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice, in amounts of $1,000 or an integral multiple thereof, at the following Redemption Prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning June 1 of the years indicated below:

Year	Redemption Price
2007	104.438%
2008	102.219%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date).

In addition, at any time prior to June 1, 2006, the Company may, at its option, use the net proceeds of one or more Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under the Indenture at a Redemption Price equal to 108.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date); provided that this redemption provision shall not be applicable with respect to any transaction that results in a Change of Control; provided, further that at least 65% of the initial aggregate principal amount of Securities must remain outstanding immediately after the occurrence of such redemption.

In addition, at any time prior to June 1, 2007, the Company may redeem all or a portion of the Securities in amounts of $1,000 or an integral multiple thereof, at a price equal to the greater of:

(i) 100% of the aggregate principal amount of the Securities to be redeemed, together with accrued and unpaid interest, if any, to the date of redemption, and

(ii) as determined by an Independent Investment Banker, the sum of the present values of 104.438% of the principal of the Securities being redeemed plus scheduled payments of interest (not including any portion of such payments of interest accrued as of the date of redemption) from the date of redemption to June 1, 2007, discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 50 basis points, together with accrued and unpaid interest, if any, to the date of redemption.

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Securities are listed or, if the Securities are not so listed, pro rata, by lot or by any other method the Trustee shall deem fair and

reasonable. Securities redeemed in part must be redeemed only in integral multiples of $1,000. Redemption pursuant to the provisions relating to an Equity Offering must be made on a pro rata basis or on as nearly a pro rata basis as practicable (subject to the procedures of DTC or any other depositary).

If: (1) the Release has not occurred on or prior to 5:00 p.m., New York City time, on the Deadline or (2) the Company has earlier notified the Securities Intermediary that it will not proceed with the Acquisition then the Company shall, on a Business Day designated by the Company that is not more than 20 Business Days following the Deadline or such earlier date as permitted by applicable law (the "Special Mandatory Redemption Date") redeem all of the Securities (the "Special Mandatory Redemption") at the Special Redemption Price.

Upon the occurrence of a Change of Control, each Holder may require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances described in the Indenture, the Company will be required to apply the proceeds of Asset Sales to the repayment of the Securities and Pari Passu Indebtedness.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for which redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders and certain amendments which require the consent of all the Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting, with certain exceptions (including certain waivers which require the consent of all of the Holders) as therein provided, the Holders of at least a majority in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (in the event such Guarantor or such other obligor is obligated to make payments in respect of the

Securities), which is joint and several, full, absolute and unconditional, to pay the principal of, and premium, if any, and interest on, this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Certificated securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Exchange Securities if (i) the Depositary (A) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (B) has ceased to be a clearing agency registered as such under the Exchange Act, and in either case the Company fails to appoint a successor Depositary within 90 days, (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Securities in certificated form or (iii) there shall have occurred and be continuing an Event of Default or any event which after notice or lapse of time or both would be an Event of Default with respect to such Global Security. Upon any such issuance, the Trustee is required to register such certificated Exchange Securities in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof).

Exchange Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Exchange Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

SECTION 204. FORM OF GUARANTEE.

The form of Guarantee shall be set forth on the Securities (including both Initial Securities and Exchange Securities) substantially as follows:

GUARANTEE

For value received, each of the undersigned hereby absolutely, fully and unconditionally and irrevocably guarantees, jointly and severally with each other Guarantor, to the holder of this Security the payment of principal of, premium, if any, and interest on this Security upon which these Guarantees are endorsed in the amounts and at the time when due and payable whether by declaration thereof, or otherwise, and interest on the overdue principal and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to

the holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security and Article Thirteen of the Indenture. This Guarantee will not become effective until the Trustee duly executes the certificate of authentication on this Security. These Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of law principles thereof.

Dated:

[GUARANTORS]

By: _____
Name:

Title:

ARTICLE THREE

THE SECURITIES

SECTION 301. TITLE AND TERMS.

The initial aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is $200,000,000 in principal amount of Securities, except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 303, 304, 305, 306, 307, 308, 906, 1012, 1014 or 1108. Notwithstanding the foregoing, the Company may, from time to time, without notice to or the consent of the Holders of Securities, create and issue Additional Securities under this Indenture ranking equally with the Initial Securities in all respects (or in all respects other than the payment of interest accruing prior to the issue date of such Additional Securities or except for the first payment of interest following the issue date of such Additional Securities), subject to the limitations described in Section 1008 hereof. Such Additional Securities will be consolidated and form a single series with the Initial Securities and have the same terms as to status, redemption or otherwise as the Initial Securities.

The Securities shall be known and designated as the "8 7/8% Senior Notes due 2011" of the Company. The Stated Maturity of the Securities shall be May 16, 2011, and the Securities shall each bear interest at the rate of 8 7/8% per annum, as such interest rate may be adjusted as set forth in the Securities, from May 16, 2003, or from the most recent Interest Payment Date to which interest has been paid, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2003, until the principal thereof is paid or duly provided for. Interest on any overdue principal, interest (to the extent lawful) or premium, if any, shall be payable on demand.

The principal of, premium, if any, and interest on, the Securities shall be payable and the Securities shall be exchangeable and transferable at an office or agency of the Company in The City of New York maintained for such purposes (which initially will be a corporate trust office of an affiliate of the Trustee, located at SunTrust Bank c/o Computershare Trust Co. of New York, 88 Pine Street, Wall Street Plaza, 19th Floor, New York, NY 10005); provided, however, that payment of interest may be made at the option of the Company by check mailed to addresses of the Persons entitled thereto as shown on the Security Register.

For all purposes hereunder, the Initial Securities and the Exchange Securities will be treated as one class and are together referred to as the "Securities." The Initial Securities rank pari passu in right of payment with the Exchange Securities.

The Securities shall be subject to repurchase by the Company pursuant to an Offer as provided in Section 1012.

Holders shall have the right to require the Company to purchase their Securities, in whole or in part, in the event of a Change of Control pursuant to Section 1014.

The Securities shall be redeemable as provided in Article Eleven and in the Securities.

The Securities shall be senior Indebtedness of the Company ranking equal to all other existing and future senior Indebtedness of the Company and senior to all Subordinated Indebtedness of the Company.

At the election of the Company, the entire Indebtedness on the Securities or certain of the Company's obligations and covenants and certain Events of Default thereunder may be defeased as provided in Article Four.

SECTION 302. DENOMINATIONS.

The Securities shall be issuable only in fully registered form without coupons and only in denominations of $1,000 and any integral multiple thereof.

SECTION 303. EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

The Securities shall be executed on behalf of the Company by one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer or one of its Vice Presidents. The signatures of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee (with Guarantees endorsed thereon if required pursuant to the provisions of this Indenture) for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as provided in this Indenture and not otherwise.

Each Security shall be dated the date of its authentication.

No Security or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

In case the Company or any Guarantor, pursuant to Article Eight, shall, in a single transaction or through a series of related transactions, be consolidated or merged with or into any other Person or shall sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person, and the successor Person resulting from such consolidation or surviving such merger, or into which the Company or such Guarantor shall have been merged, or the successor Person which shall have participated in the sale, assignment, conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article Eight, any of the Securities authenticated or delivered prior to such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor Person, be exchanged for other Securities executed in the name of the

successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee, upon the written request of the successor Person, shall authenticate and deliver Securities as specified in such request for the purpose of such exchange. If Securities shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this Section 303 in exchange or substitution for or

upon registration of transfer of any Securities, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time Outstanding for Securities authenticated and delivered in such new name.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate Securities on behalf of the Trustee. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Security Registrar or Paying Agent to deal with the Company and the Guarantors.

SECTION 304. TEMPORARY SECURITIES.

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

SECTION 305. REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE.

The Company shall cause the Trustee to keep, so long as it is the Security Registrar, at the Corporate Trust Office of the Trustee, or such other office as the Trustee may designate, a register (the register maintained in such office or in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as the Security Registrar may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee shall initially be the "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Company may change the Security Registrar or appoint one or more co-Security Registrars without notice.

Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 1002, the Company shall execute, and the Trustee shall

authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series of any authorized denomination or denominations, of a like aggregate principal amount.

Furthermore, any Holder of the Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent), and that ownership of a beneficial interest in a Security shall be required to be reflected in a book entry.

At the option of the Holder, Securities of any authorized denomination or denominations may be exchanged for other Securities of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, Securities of the same series which the Holder making the exchange is entitled to receive; provided that no exchange of Initial Securities for Exchange

Securities shall occur until an Exchange Offer Registration Statement shall have been declared effective by the Commission and the Exchange Offer shall have expired; and provided, further, however that the Initial Securities exchanged for the Exchange Securities shall be canceled.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer, or for exchange, repurchase or redemption, shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer, exchange or redemption of Securities, except for any tax or other governmental charge that may be imposed in connection therewith, other than exchanges pursuant to Sections 303, 304, 305, 308, 906, 1012, 1014 or 1108 not involving any transfer.

The Company shall not be required (a) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the selection of Securities to be redeemed under Section 1104 and ending at the close of business on the day of such selection, (b) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of Securities being redeemed in part, (c) to register the transfer of or exchange any Security during a period beginning 15 days before an Interest Payment Date or (d) to register the transfer of or exchange any Security that has been tendered in a Change of Control or an Excess Proceeds Offer.

Every Security shall be subject to the restrictions on transfer provided in the legend required to be set forth on the face of each Security pursuant to Section 202, and the restrictions set forth in this Section 305, and the Holder of each Security, by such Holder's acceptance thereof (or interest therein), agrees to be bound by such restrictions on transfer.

Except as provided in Section 306(b) hereof, any Security authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Security, whether pursuant to this Section 305, Section 304, 308, 906 or 1108 or otherwise, shall also be a Global Security and bear the legend specified in Section 202.

SECTION 306. BOOK ENTRY PROVISIONS FOR GLOBAL SECURITIES.

(a) Each Global Security initially shall (i) be registered in the name of the Depositary for such Global Security or the nominee of such Depositary, (ii) be deposited with, or on behalf of, the Depositary or with the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 202.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under such Global Security, and the Depositary may be treated by the Company, the Guarantors, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Guarantors, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Security.

(b) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (i) such Depositary (A) has notified

the Company that it is unwilling or unable to continue as Depositary for such Global Security or (B) has ceased to be a clearing agency registered as such under the Exchange Act, and in either case the Company fails to appoint a successor Depositary within 90 days, (ii) the Company, at its option, executes and delivers to the Trustee a Company Order stating that it elects to cause the issuance of the Securities in certificated form and that all Global Securities shall be exchanged in whole for Securities that are not Global Securities (in which case such exchange shall be effected by the Trustee) or (iii) there shall have occurred and be continuing an Event of Default or any event which after notice or lapse of time or both would be an Event of Default with respect to such Global Security.

(c) If any Global Security is to be exchanged for other Securities or canceled in whole, it shall be surrendered by or on behalf of the Depositary or its nominee to the Trustee, as Security Registrar, for exchange or cancellation as provided in this Article Three. If any Global Security is to be exchanged for other Securities or canceled in part, or if another Security is to be exchanged in whole or in part for a beneficial interest in any Global Security, then either (i) such Global Security shall be so surrendered for exchange or cancellation as provided in this Article Three or (ii) the principal amount thereof shall be reduced or increased by an amount equal to the portion thereof to be so exchanged or canceled, or equal to the principal amount of such other Security to be so exchanged for a beneficial interest therein, as the case may be, by means of an appropriate adjustment made on the records of the Trustee, as Security Registrar, whereupon the Trustee, in accordance with the Applicable Procedures, shall instruct the Depositary or its authorized representative to make a corresponding adjustment to its records. Upon any such surrender or adjustment of a Global Security, the Trustee shall, subject to this Section 306(c) and as otherwise provided in this Article Three, authenticate and deliver any Securities issuable in exchange for such Global Security (or any portion

thereof) to or upon the order of, and registered in such names as may be directed by, the Depositary or its authorized representative. Upon the request of the Trustee in connection with the occurrence of any of the events specified in the preceding paragraph, the Company shall promptly make available to the Trustee a reasonable supply of Securities that are not in the form of Global Securities. The Trustee shall be entitled to rely upon any order, direction or request of the Depositary or its authorized representative which is given or made pursuant to this Article Three if such order, direction or request is given or made in accordance with the Applicable Procedures.

(d) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Article Three or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

(e) The Depositary or its nominee, as registered owner of a Global Security, shall be the Holder of such Global Security for all purposes under this Indenture and the Securities, and owners of beneficial interests in a Global Security shall hold such interests pursuant to the Applicable Procedures. Accordingly, any such owner's beneficial interest in a Global Security will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members.

SECTION 307. SPECIAL TRANSFER AND EXCHANGE PROVISIONS.

(a) Certain Transfers and Exchanges. Transfers and exchanges of Securities and beneficial interests in a Global Security of the kinds specified in this Section 307 shall be made only in accordance with this Section 307 and subject in each case to the Applicable Procedures.

(i) Rule 144A Global Security to Regulation S Global Security. If the owner of a beneficial interest in the Rule 144A Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Regulation S Global Security, such transfer may be effected only in accordance with the provisions of this paragraph and paragraph (viii) below and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary

or its authorized representative directing that a beneficial interest in the Regulation S Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the Rule 144A Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) a Regulation S Certificate in the form of Exhibit A hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Rule 144A Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar but subject to paragraph (viii) below, shall reduce the principal amount of the Rule 144A Global Security and increase the principal amount of the Regulation S Global Security by such specified principal amount as provided in Section 306(c).

(ii) Rule 144A Global Security to IAI Global Security. If the owner of a beneficial interest in the Rule 144A Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the IAI Global Security, such transfer may be effected only in accordance with the provisions of this paragraph and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar,

of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the IAI Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the Rule 144A Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) an Institutional Accredited Investor Certificate in the form of Exhibit C hereto, satisfactory to the Trustee, then the Trustee, as Security Registrar, shall reduce the principal amount of the Rule 144A Global Security and increase the principal amount of the IAI Global Security by such specified principal amount as provided in Section 306(c).

(iii) Regulation S Global Security to Rule 144A Global Security. If the owner of a beneficial interest in the Regulation S Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Rule 144A Global Security, such transfer may be effected only in accordance with this paragraph and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Rule 144A Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the Regulation S Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) if such transfer is to occur during the Restricted Period, a Restricted Securities Certificate in the form of Exhibit B hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the Regulation S Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar, shall reduce the principal amount of the Regulation S Global Security and increase the principal amount of the Rule 144A Global Security by such specified principal amount as provided in Section 306(c).

(iv) Regulation S Global Security to IAI Global Security. If the owner of a beneficial interest in the Regulation S Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the IAI Global Security, such transfer may be effected only in accordance with this paragraph and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the IAI Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the Regulation S Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) if such transfer is to occur during the Restricted Period, an Institutional Accredited Investor Certificate in the form of Exhibit C hereto, satisfactory to the Trustee, then the Trustee, as Security Registrar, shall reduce the principal amount of the Regulation

S Global Security and increase the principal amount of the IAI Global Security by such specified principal amount as provided in Section 306(c).

(v) IAI Global Security to Regulation S Global Security. If the owner of a beneficial interest in the IAI Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Regulation S Global Security, such transfer may be effected only in accordance with the provisions of this paragraph and paragraph (viii) below and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the IAI Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the IAI Global Security in an equal principal amount be debited from another

specified Agent Member's account and (b) a Regulation S Certificate in the form of Exhibit A hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the IAI Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar but subject to paragraph (viii) below, shall reduce the principal amount of the IAI Global Security and increase the principal amount of the Regulation S Global Security by such specified principal amount as provided in Section 306(c).

(vi) IAI Global Security to Rule 144A Global Security. If the owner of a beneficial interest in the IAI Global Security wishes at any time to transfer such interest to a Person who wishes to acquire the same in the form of a beneficial interest in the Rule 144A Global Security, such transfer may be effected only in accordance with this paragraph and subject to the Applicable Procedures. Upon receipt by the Trustee, as Security Registrar, of (a) an order given by the Depositary or its authorized representative directing that a beneficial interest in the Rule 144A Global Security in a specified principal amount be credited to a specified Agent Member's account and that a beneficial interest in the IAI Global Security in an equal principal amount be debited from another specified Agent Member's account and (b) if such transfer is to occur during the Restricted Period, a Restricted Securities Certificate in the form of Exhibit B hereto, satisfactory to the Trustee and duly executed by the owner of such beneficial interest in the IAI Global Security or his attorney duly authorized in writing, then the Trustee, as Security Registrar, shall reduce the principal amount of the IAI Global Security and increase the principal amount of the Rule 144A Global Security by such specified principal amount as provided in Section 306(c).

(vii) Exchanges between Global Security and Non-Global Security. A beneficial interest in a Global Security may be exchanged for a Security that is not a Global Security as provided in Section 307(b), provided that, if such interest is a beneficial interest in the Rule 144A Global Security, or if such interest is a beneficial interest in the IAI Global Security, or if such interest is a beneficial interest in the Regulation S Global Security and such exchange is to occur during the Restricted Period, then such interest shall bear the Private Placement Legend (subject in each case to Section 307(b)).

(viii) Regulation S Global Security to be Held Through Euroclear or Clearstream during Restricted Period. The Company shall use its commercially reasonable efforts to cause the Depositary to ensure that, until the expiration of the Restricted Period, beneficial interests in the Regulation S Global Security may be held only in or through accounts maintained at the Depositary by Euroclear or Clearstream (or by Agent Members acting for the account thereof), and no person shall be entitled to effect any transfer or exchange that would result in any such interest being held otherwise than in or through such an account; provided that this paragraph (iv) shall not prohibit any transfer or exchange of such an interest in accordance with paragraph (ii) above.

(b) Private Placement Legends. Rule 144A Global Securities and their Successor Securities, IAI Global Securities and their

Successor Securities and Regulation S Global Securities and their Successor Securities shall bear a Private Placement Legend, subject to the following:

(i) subject to the following clauses of this Section 307(b), a Security or any portion thereof which is exchanged, upon transfer or otherwise, for a Global Security or any portion thereof shall bear the Private Placement Legend borne by such Global Security while represented thereby;

(ii) subject to the following clauses of this Section 307(b) herein, a new Security which is not a Global Security and is issued in exchange for another Security (including a Global Security) or any portion thereof, upon transfer or otherwise, shall bear the Private Placement Legend borne by such other Security;

(iii) all Securities sold or otherwise disposed of pursuant to an effective registration statement under the Securities Act, together with their respective Successor Securities, shall not bear a Private Placement Legend;

(iv) at any time after the Securities may be freely transferred without registration under the Securities Act or without being subject to transfer restrictions pursuant to the Securities Act, a new Security which does not bear a Private Placement Legend may be issued in exchange for or in lieu of a Security (other than a Global Security) or any portion thereof which bears such a legend if the Trustee has received an Unrestricted Securities Certificate substantially in the form of Exhibit D hereto, satisfactory to the Trustee and duly executed by the Holder of such legended Security or his attorney duly authorized in writing, and after such date and receipt of such certificate, the Trustee shall authenticate and deliver such a new Security in exchange for or in lieu of such other Security as provided in this Article Three;

(v) a new Security which does not bear a Private Placement Legend may be issued in exchange for or in lieu of a Security (other than a Global Security) or any portion thereof which bears such a legend if, in the Company's judgment, placing such a legend upon such new Security is not necessary to ensure compliance with the registration requirements of the Securities Act, and the Trustee, at the direction of the Company, shall authenticate and deliver such a new Security as provided in this Article Three; and

(vi) notwithstanding the foregoing provisions of this Section 307(b), a Successor Security of a Security that does not bear a particular form of Private Placement Legend shall not bear such form of legend unless the Company has reasonable cause to believe that such Successor Security is a "restricted security" within the meaning of Rule 144, in which case the Trustee, at the direction of the Company, shall authenticate and deliver a new Security bearing a Private Placement Legend in exchange for such Successor Security as provided in this Article Three.

By its acceptance of any Security bearing the Private Placement Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture.

The Security Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 306 or this Section 307. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

SECTION 308. MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES.

If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and there is delivered to the Company, any Guarantor and the Trustee, such security or indemnity, in each case,

as may be required by them to save each of them harmless, then, in the absence of notice to the Company, any Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon a Company Request the Trustee shall authenticate and deliver, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a replacement Security of like tenor and principal amount, bearing a number not contemporaneously outstanding and each Guarantor shall execute a replacement Guarantee.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a replacement Security, pay such Security.

Upon the issuance of any replacement Securities under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every replacement Security and Guarantee issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and any Guarantor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 309. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Interest on any Security which is payable, and is punctually paid or duly provided for, on the Stated Maturity of such interest shall be paid to the Person in whose name the Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest payment.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on an Interest Payment Date, and interest on such defaulted interest at the then applicable interest rate borne by the Securities, to the extent lawful (such defaulted interest and interest thereon herein collectively called "Defaulted Interest"), shall forthwith cease to be payable to the Holder on the Regular Record Date; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in subsection (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or any relevant Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (the "Special Payment Date"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the Special Payment Date, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted

Interest as in this subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the Special Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company in writing of such Special Record Date. In the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such

Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at its address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Payment Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by this Indenture not inconsistent with the requirements of such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 309, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 310. CUSIP NUMBERS.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and the Trustee, on behalf of the Company, shall use such CUSIP numbers in notices of redemption or exchange as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Securities; and provided further, however, that failure to use CUSIP numbers in any notice of redemption or exchange shall not affect the validity or sufficiency of such notice.

SECTION 311. PERSONS DEEMED OWNERS.

Prior to and at the time of due presentment of a Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name any Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 309) interest on, such Security and for all other purposes whatsoever, whether or not such Security is overdue, and neither the Company, any Guarantor, the Trustee nor any agent of the Company, any Guarantor or the Trustee shall be affected by notice to the contrary. All such payments so made to any such Person shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any Security.

SECTION 312. CANCELLATION.

All Securities surrendered for payment, purchase, redemption, registration of transfer or exchange shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by it. The Company and any Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or such Guarantor may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section 312, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be destroyed and certification of their destruction delivered to the Company, unless by a Company Order received by the Trustee prior to such destruction, the Company shall direct that the canceled Securities be returned to it. The Trustee shall provide the Company a list of all Securities that have been canceled from time to time as requested by the Company.

SECTION 313. COMPUTATION OF INTEREST.

Interest on the Securities shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

ARTICLE FOUR

DEFEASANCE AND COVENANT DEFEASANCE

SECTION 401. COMPANY'S OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE.

The Company may, at its option, at any time, with respect to the Securities, elect to have either Section 402 or Section 403 be applied to all of the Outstanding Securities (the "Defeased Securities"), upon compliance with the conditions set forth below in this Article Four.

SECTION 402. DEFEASANCE AND DISCHARGE.

Upon the Company's exercise under Section 401 of the option applicable to this Section 402, the Company, each Guarantor and any other obligor upon the Securities, if any, shall be deemed to have been discharged from its obligations with respect to the Defeased Securities on the date the conditions set forth in Section 404 below are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company, each Guarantor and any other obligor under this Indenture shall be deemed to have paid and discharged the entire Indebtedness represented by the Defeased Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 405 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company and upon Company Request, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Defeased Securities to receive, solely from the trust fund described in Section 404 and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest on, such Securities, when such payments are due, (b) the Company's obligations with respect to such Defeased Securities under Sections 304, 305, 308, 1002 and 1003, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including, without limitation, the Trustee's rights under Section 607, and (d) this Article Four. Subject

to compliance with this Article Four, the Company may exercise its option under this Section 402 notwithstanding the prior exercise of its option under Section 403 with respect to the Securities.

SECTION 403. COVENANT DEFEASANCE.

Upon the Company's exercise under Section 401 of the option applicable to this Section 403, the Company and each Guarantor shall be released from its obligations under any covenant or provision contained or referred to in Sections 1005 through 1018, inclusive, and the provisions of Section 801, with respect to the Defeased Securities, on and after the date the conditions set forth in Section 404 below are satisfied (hereinafter, "covenant defeasance"), and the Defeased Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Defeased Securities, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or by reason of any reference in any such Section to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(c) or otherwise, and Defaults or Events of Default under Section 501(d), (e) and (f) shall cease to apply, but, except as specified above, the remainder of this Indenture and such Defeased Securities shall be unaffected thereby.

SECTION 404. CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE.

The following shall be the conditions to application of Section 402 and Section 403 to the Defeased Securities unless noted otherwise:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (a) cash in United States dollars, (b) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms and with no further reinvestment will provide, not later than one day before the due date of payment, money in an amount, or (c) a combination thereof, in each case, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the principal of, premium, if any, and interest on, the Defeased Securities, on the Stated Maturity of such principal or interest (or on any date after June 1, 2007 (such date being referred to as the "Defeasance Redemption Date") if at or prior to electing to exercise either its option applicable to Section 402 or its option applicable to Section 403, the Company has delivered to the Trustee an irrevocable notice to redeem the Defeased Securities on the Defeasance Redemption Date). For this purpose, "U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued

by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such depository receipt;

(2) In the case of an election under Section 402, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date hereof, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Independent Counsel in the United States shall confirm that, the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(3) In the case of an election under Section 403, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States to the effect that the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(4) No Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as Section 501(g) or (h) is concerned, at any time during the period ending on the 91st day after the date of deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);

(5) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which it is bound;

(6) The Company will have delivered to the Trustee an Opinion of Independent Counsel in the United States to the effect that (assuming no Holder of the Securities would be considered an insider of the Company or any Guarantor under any applicable bankruptcy or insolvency law and assuming no intervening bankruptcy or insolvency of the Company or any Guarantor between the date of deposit and the 91st day following the deposit) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(7) No event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Securities on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and

(8) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, each stating that all conditions precedent to either the defeasance under Section 402 or the covenant defeasance under Section 403 (as the case may be) have been complied with.

Opinions of Counsel or Opinions of Independent Counsel required to be delivered under this Section may have qualifications customary for opinions of the type required and counsel delivering such opinions may rely on certificates of the Company or government or other officials customary for opinions of the type required, which certificates shall be limited as to matters of fact, including that various financial covenants have been complied with.

SECTION 405. DEPOSITED MONEY AND U.S. GOVERNMENT OBLIGATIONS TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee pursuant to Section 404 in respect of the Defeased Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (excluding the Company or any of its Affiliates acting as Paying Agent), as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is imposed, assessed or for the account of the Holders of the Defeased Securities.

Anything in this Article Four to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any United States dollars or U.S. Government Obligations held by it as provided in Section 404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect defeasance or covenant defeasance under this Article Four.

SECTION 406. REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be, by reason of any order or judgment of any court or

governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities and any Guarantor's obligations under any Guarantee shall be revived and reinstated, with present and prospective effect, as though no deposit had occurred pursuant to Section 402 or 403, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be; provided, however, that if the Company makes any payment to the Trustee or Paying Agent of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Trustee or Paying Agent shall promptly pay any such amount to the Holders of the Securities and the Company

shall be subrogated to the rights of the Holders of such Securities to receive such payment from the United States dollars and U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. EVENTS OF DEFAULT.

"Event of Default," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) there shall be a default in the payment of any interest on any Security when it becomes due and payable, and such default shall continue for a period of 30 days;

(b) there shall be a default in the payment of the principal of (or premium, if any, on) any Security at its Maturity (upon acceleration, optional redemption, required repurchase or otherwise);

(c) (i) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under this Indenture or any Guarantee (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (a), (b) or in clause (ii), (iii) or (iv) of this clause (c)) and such default or breach shall continue for a period of 30 days with respect to defaults or breaches of the items set forth under Article Ten hereof and 60 days in all other cases, in each case after written notice has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Securities; (ii) there shall be a default in the performance or breach of the provisions described in Article Eight herein; (iii) the Company shall have failed to make or consummate an Offer in accordance with the provisions of Section 1012 herein; or (iv) the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of Section 1014 herein;

(d) (i) any default in the payment of the principal or premium, if any, on any Indebtedness when due under any Material Indebtedness and such default shall have continued after giving effect to any applicable grace period and shall not have been cured or waived and, if not already matured at its final maturity in accordance with its terms, the holder of such Indebtedness shall have the right to accelerate such Indebtedness or (ii) an event of default as defined in any of the agreements, indentures or instruments described in clause (i) of this clause (d) shall have occurred and the Indebtedness thereunder, if not already matured at its final maturity in accordance with its terms, shall have been accelerated;

(e) any Guarantee of any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company) would constitute a Significant Subsidiary shall for any reason cease to be, or shall for any reason be asserted in writing by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by this Indenture and any such Guarantee;

(f) one or more final, non-appealable judgments or orders of any court or regulatory or administrative agency for the payment of money in excess of $15 million (net of any amounts to the extent that they are covered by insurance), either individually or in the aggregate, shall be rendered against the Company, any Guarantor or any Subsidiary which has not been discharged, fully bonded or stayed for a period of 60 consecutive days;

(g) there shall have been the entry of a decree or order that remains unstayed and in effect for 60 consecutive days by a court of competent jurisdiction under any applicable Bankruptcy Law (a) for relief in an involuntary case or proceeding in respect of the Company, any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary or (b) adjudging the Company, any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary bankrupt or insolvent or (c) seeking reorganization, arrangement, adjustment or composition under any applicable federal or state law of or in respect of the Company, any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary or (d) appointing a Custodian of the Company, any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary or of substantially all of the assets of the Company or such Significant Subsidiary, or ordering the winding up or liquidation of their affairs; or

(h) the Company, any Significant Subsidiary or any group of Restricted Subsidiaries which collectively (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary (i) commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (ii) consents to the entry of a decree or order for relief in respect of the Company, such Significant Subsidiary or such group of Restricted Subsidiaries in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (iii) files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (iv) consents to the filing of such petition or the appointment of, or taking possession by, a Custodian of the Company, such Significant Subsidiary or such group of Restricted Subsidiaries or of substantially all of the assets of the Company or such Significant Subsidiary, (v) makes an assignment for the benefit of creditors, (vi) admits in writing its inability to pay its debts generally as they become due or (vii) takes any corporate action to authorize any such actions in this paragraph (h).

SECTION 502. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default (other than an Event of Default specified in Section 501(g) and (h) within) shall occur and be continuing with respect to this Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may, and the Trustee at the request of such Holders shall, declare all unpaid principal of, premium, if any, and accrued interest on all Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders of the Securities) and upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. If an Event of Default specified in clause (g) or (h) of Section 501 occurs and is continuing, then all the Securities

shall automatically become and be due and payable immediately in an amount equal to the principal amount of the Securities, together with accrued and unpaid interest, if any, to the date the Securities become due and payable, without any

declaration or other act on the part of the Trustee or any Holder. Thereupon, the Trustee may, at its discretion, proceed to protect and enforce the rights of the Holders of the Securities by appropriate judicial proceedings.

After a declaration of acceleration with respect to the Securities, but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Securities Outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay (i) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Outstanding Securities, (iii) the principal of and premium, if any, on any Outstanding Securities which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Securities, and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Securities; and

(b) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Securities which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent Default or impair any right consequent thereon.

SECTION 503. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

The Company covenants that if

(a) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of or premium, if any, on any Security at the Stated Maturity thereof or otherwise,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Securities; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any Guarantor (in accordance with the applicable Guarantee) or any other obligor upon the Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company, any Guarantor or any other obligor upon the Securities, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders under this Indenture or any Guarantee by such appropriate private or judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights, including seeking recourse against any Guarantor pursuant to the terms of any Guarantee, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or therein, or to enforce any other proper remedy, including, without limitation, seeking recourse against any Guarantor pursuant to the terms of a Guarantee, or to enforce any other proper remedy, subject however to

Section 512. No recovery of any such judgment upon any property of the Company or any Guarantor shall affect or impair any rights, powers or remedies of the Trustee or the Holders.

SECTION 504. TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor, including any Guarantor, upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, and premium, if any, and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES.

All rights of action and claims under this Indenture, the Securities or the Guarantees may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. APPLICATION OF MONEY COLLECTED.

Any money collected by the Trustee pursuant to this Article or otherwise on behalf of the Holders or the Trustee pursuant to this Article or through any proceeding or any arrangement or restructuring in anticipation or in lieu of any proceeding contemplated by this Article shall be applied, subject to applicable law, in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid upon

the Securities for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest; and

THIRD: The balance, if any, to the Person or Persons entitled thereto, including the Company, provided that all sums due and owing to the Holders and the Trustee have been paid in full as required by this Indenture.

SECTION 507. LIMITATION ON SUITS.

No Holder of any Securities shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as trustee hereunder and under the Securities;

(c) such Holder or Holders have offered to the Trustee a reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 15 days after its receipt of such notice, request and offer (and if requested, provision) of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 15-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture, any Security or any Guarantee to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, any Security or any Guarantee, except in the manner provided in this Indenture and for the equal and ratable benefit of all the Holders.

SECTION 508. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST.

Notwithstanding any other provision in this Indenture, including Section 507 without limitation, the Holder of any Security shall have the right based on the terms stated herein, which is absolute and unconditional, to receive payment of the principal of, premium, if any, and (subject to Section 309) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repurchase, on the Redemption Date or the repurchase date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Guarantee and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, any Guarantor, any other obligor on the Securities, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. RIGHTS AND REMEDIES CUMULATIVE.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. CONTROL BY HOLDERS.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that

(a) such direction shall not be in conflict with any rule of law or with this Indenture (including, without limitation, Section 507) or any Guarantee, expose the Trustee to personal liability, or be unduly prejudicial to Holders not joining therein; and

(b) subject to the provisions of Section 315 of the Trust Indenture Act, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. WAIVER OF PAST DEFAULTS.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities may on behalf of the Holders of all Outstanding Securities waive any past Default hereunder and its consequences, except:

(a) a Default in the payment of the principal of, premium, if any, or interest on any Security (which may only be waived with the consent of each Holder of Securities effected); or

(b) a Default in respect of a covenant or a provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each Security Outstanding affected by such modification or amendment.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 514. UNDERTAKING FOR COSTS.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant, but the provisions of this Section shall not apply to any suit instituted by the

Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, premium, if any, or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. WAIVER OF STAY, EXTENSION OR USURY LAWS.

Each of the Company and the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which would prohibit or forgive the Company or any Guarantor from paying all or any portion of the principal of, premium, if any, or interest on the Securities contemplated herein or in the Securities or which may affect the covenants or the performance of this Indenture; and each of the Company and the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 516. REMEDIES SUBJECT TO APPLICABLE LAW.

All rights, remedies and powers provided by this Article Five may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Indenture are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

ARTICLE SIX

THE TRUSTEE

SECTION 601. DUTIES OF TRUSTEE.

Subject to the provisions of Trust Indenture Act Sections 315(a) through 315(d):

(a) if a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his own affairs;

(b) the Trustee need perform only those duties as are specifically set forth in this Indenture and no covenants or obligations shall be implied in this Indenture against the Trustee; and

(c) in the absence of bad faith or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture;

(d) the Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this subsection (c) does not limit the effect of subsection (b) of this Section 601;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith, in accordance with a direction of the Holders of a majority in principal amount of Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power confirmed upon the Trustee under this Indenture;

(e) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(f) whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to subsections (a), (b), (c) and (d) of this Section 601; and

(g) the Trustee shall not be liable for interest on any money or assets received by it. Assets held in trust by the Trustee need not be segregated from other assets except to the extent required by law.

SECTION 602. NOTICE OF DEFAULTS.

Subject to the provisions of Section 603(h) hereof, within 30 days after a Responsible Officer of the Trustee receives notice of the occurrence of any Default, the Trustee shall transmit by mail to all Holders and any other Persons entitled to receive reports pursuant to Section 313(c) of the Trust Indenture Act, as their names and addresses appear in the Security Register, notice of such Default hereunder known to the Trustee, unless such Default shall have been cured or waived; provided, however, that, except in the case of a Default in the payment of the principal of, premium, if any, or interest on any Security, the Trustee shall be protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders.

SECTION 603. CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 601 hereof and Trust Indenture Act Sections 315(a) through 315(d):

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon receipt by it of any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of Indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel of its selection and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred therein or thereby in compliance with such request or direction;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the

discretion, rights or powers conferred upon it by this Indenture other than any liabilities arising out of the gross negligence, bad faith or willful misconduct of the Trustee;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document unless requested in writing to do so by the Holders of not less than a majority in aggregate principal amount of the Securities then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation so requested by the Holders of not less than a majority in aggregate principal amount of the Securities Outstanding shall be paid by the Company or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Company upon demand; provided, further, the Trustee in its discretion may make such further inquiry or investigation into such facts or matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be

responsible for any misconduct or gross negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be deemed to have knowledge of any Default or Event of Default unless a responsible officer (with direct responsibility for the administration of this Indenture) of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture.

SECTION 604. TRUSTEE NOT RESPONSIBLE FOR RECITALS, DISPOSITIONS OF SECURITIES OR APPLICATION OF PROCEEDS THEREOF.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company and the Guarantors, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in any Statement of Eligibility and Qualification on Form T-1 to be supplied to the Company will be true and accurate subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. TRUSTEE AND AGENTS MAY HOLD SECURITIES; COLLECTIONS; ETC.

The Trustee, any Paying Agent, Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities, with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent and, subject to Trust Indenture Act Sections 310 and 311, may otherwise deal with the Company and receive, collect, hold and retain collections from the Company with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent.

SECTION 606. MONEY HELD IN TRUST.

All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Except for funds or securities

deposited with the Trustee pursuant to Article Four, the Trustee shall be required to invest all moneys received by the Trustee, until used or applied as herein provided, in Cash Equivalents in accordance with the written directions of the Company.

SECTION 607. COMPENSATION AND INDEMNIFICATION OF TRUSTEE AND ITS PRIOR CLAIM.

The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Company covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all

agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its gross negligence, bad faith or willful misconduct. The Company also covenants and agrees to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any claim, loss, liability, tax, assessment, governmental charge (other than taxes applicable to the Trustee's compensation hereunder) or expense incurred without gross negligence, bad faith or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder, including the costs of enforcement of this Section 607 and the costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder (including the reasonable fees and expenses of its counsel). The obligations of the Company under this Section 607 to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for reasonable expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee and each predecessor Trustee.

SECTION 608. CONFLICTING INTERESTS.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 609. TRUSTEE ELIGIBILITY.

There shall at all times be a Trustee hereunder which shall be eligible to act as trustee under Trust Indenture Act Section 310(a) and which shall have a combined capital and surplus of at least $100,000,000, to the extent there is an institution eligible and willing to serve. If the Trustee does not have a Corporate Trust Office in The City of New York, the Trustee may appoint an agent in The City of New York reasonably acceptable to the Company to conduct any activities which the Trustee may be required under this Indenture to conduct in The City of New York. If such Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 609, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 609, the Trustee shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 610. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR TRUSTEE.

(a) No resignation or removal of the Trustee and no appointment of a successor trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor trustee under

Section 611.

(b) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign by giving written notice thereof to the Company no later than 20 Business Days prior to the proposed date of resignation. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument executed by authority of the Board of Directors of the Company, a copy of which shall be delivered to the resigning Trustee and a copy to the successor trustee. If an instrument of acceptance by a successor trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, or any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint and prescribe a successor trustee.

(c) The Trustee may be removed at any time for any cause or for no cause by an Act of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of Trust Indenture Act Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months,

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any case, (i) the Company by a Board Resolution may remove the Trustee, or (ii) subject to Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor trustee and shall comply with the applicable requirements of Section 611. If, within 60 days after such resignation, removal or incapability, or the occurrence of such vacancy, the Company has not appointed a successor Trustee, a successor trustee shall be appointed by the Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Company and the retiring Trustee. Such successor trustee so appointed shall forthwith upon its acceptance of such appointment become the successor trustee and supersede the successor trustee appointed by the Company. If no successor trustee shall have been so appointed by the Company or the Holders of the Securities and accepted appointment in the manner hereinafter provided, the Trustee or the Holder of any Security who has been a bona fide Holder for at least six months may, subject to Section 514, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities as their names and addresses appear in the Security Register. Each notice shall include the name of the successor trustee and the address of its Corporate Trust Office or agent hereunder.

SECTION 611. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

Every successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee as if originally named as Trustee hereunder; but, nevertheless, on the written request of the Company or the successor trustee, upon payment of its charges pursuant to Section 607 then unpaid, such retiring Trustee shall pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

No successor trustee with respect to the Securities shall accept appointment as provided in this Section 611 unless at the time of such acceptance such successor trustee shall be eligible to act as trustee under the provisions of Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $100,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609.

Upon acceptance of appointment by any successor trustee as provided in this Section 611, the Company shall give notice thereof to the Holders of the Securities, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the acceptance of appointment is substantially contemporaneous with the appointment, then the notice called for by the preceding sentence may be combined with the notice called for by Section 610. If the Company fails to give such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Company.

SECTION 612. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including the trust created by this Indenture) shall be the successor of the Trustee hereunder, provided that such corporation shall be eligible under Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $100,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 613. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

If and when the Trustee shall be or become a creditor of the Company (or other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the

extent indicated therein.

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

The Company will furnish or cause to be furnished to the Trustee

(a) semiannually, not more than 10 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date; and

(b) at such other times as the Trustee may reasonably request in writing, within 30 days after receipt by the Company of any such request, a list of similar form and content to that in subsection (a) hereof as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

SECTION 702. DISCLOSURE OF NAMES AND ADDRESSES OF HOLDERS.

Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities, and the Trustee shall comply with Trust Indenture Act Section 312(b). The Company, the Guarantors, the Trustee, the Security Registrar and any other Person shall have the protection of Trust Indenture Act Section 312(c). Further, every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that none of the Company, the Guarantors, the Trustee or any agent of any of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with Trust Indenture Act Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Trust Indenture Act Section 312.

SECTION 703. REPORTS BY TRUSTEE.

Within 60 days after May 15 of each year commencing with the first May 15 after the issuance of Securities, the Trustee, if so required under the Trust Indenture Act, shall transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report dated as of such May 15 in accordance with and with respect to the matters required by Trust Indenture Act Section 313(a). The Trustee shall also transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report in accordance with and with respect to the matters required by Trust Indenture Act Section 313(b)(2).

SECTION 704. REPORTS BY COMPANY AND GUARANTORS.

The Company, and each Guarantor, as the case may be, shall

(a) file with the Trustee any information required by the Trust Indenture Act; and

(b) within 15 day after the filing thereof with the Trustee, transmit by mail to all Holders in the manner and to the extent provided in Trust Indenture Act Section 313(c), such

summaries of any information, documents and reports required to be filed by the Company or any Guarantor, as the case may be, pursuant to Section 1018 hereunder and subsection (a) of this Section as are required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT

CONSOLIDATION, MERGER, SALE OF ASSETS

SECTION 801. COMPANY AND GUARANTORS MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

(a) The Company will not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of Persons, or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions, if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of Persons (other than the Company or a Guarantor), unless at the time and after giving effect thereto:

(1) either (a) the Company will be the continuing corporation or (b) the Person (if other than the Company) formed by or surviving such consolidation or merger or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Entity") will be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Securities and this Indenture and the Registration Rights Agreement (to the extent any obligations remain under the Registration Rights Agreement), as the case may be, and the Securities and this Indenture and the Registration Rights Agreement will remain in full force and effect as so supplemented (and any Guarantees will be confirmed as applying to such Surviving Entity's obligations);

(2) after giving effect to such transaction, no Default or Event of Default exists;

(3) after giving effect to such transaction, the Company (or the Surviving Entity if the Company is not the continuing obligor under this Indenture) could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under Section 1008 hereof;

(4) at the time of the transaction, each Guarantor, if any, unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and the Securities; and

(5) at the time of the transaction, the Company or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the

effect that such consolidation, merger, transfer, sale, assignment, conveyance, transfer, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Notwithstanding the foregoing, (1) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to another Restricted Subsidiary and (2) the Company may merge with an Affiliate that has no significant assets or liabilities and was formed solely for the purpose of changing the Company's jurisdiction of organization to another state of the United States, provided that the surviving entity assumes, by supplemental indenture in form reasonably satisfactory to the Trustee, the

Company's obligation under this Indenture and the Registration Rights Agreement (to the extent any obligations remain under the Registration Rights Agreement).

(b) Each Guarantor will not, and the Company will not permit a Guarantor to, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person (other than the Company or any Guarantor) or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of Persons (other than the Company or any Guarantor) or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis to any other Person or group of Persons (other than the Company or any Guarantor), unless at the time and after giving effect thereto:

(1) either (a) the Guarantor will be the continuing corporation in the case of a consolidation or merger involving the Guarantor or (b) the Person (if other than the Guarantor) formed by or surviving such consolidation or merger or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Guarantor and its Restricted Subsidiaries on a Consolidated basis (the "Surviving Guarantor Entity") will be a corporation, limited liability company, limited liability partnership, partnership or trust duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person expressly assumes, by a supplemental indenture, in a form reasonably satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee of the Securities and this Indenture and the Registration Rights Agreement (to the extent any obligations remain under the Registration Rights Agreement) and such Guarantee, Indenture and Registration Rights Agreement will remain in full force and effect;

(2) after giving effect to such transaction, no Default or Event of Default exists; and

(3) at the time of the transaction such Guarantor or the Surviving Guarantor Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

(c) Notwithstanding the foregoing, the provisions of paragraph (b) of this Section 801 shall not apply to any Guarantor whose Guarantee of the Securities is unconditionally released and discharged in accordance with paragraph (b) of Section 1013 herein.

SECTION 802. SUCCESSOR SUBSTITUTED.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or any Guarantor, if any, in accordance with Section 801, the successor Person formed by such consolidation or into which the Company or such Guarantor, as the case may be, is merged, or the successor Person to which such sale, assignment, conveyance, transfer, lease or disposition is made, shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under this Indenture, the Securities and/or the related Guarantee, as the case may be, and the Registration Rights Agreement, with the same effect as if such successor had been named as the Company or such Guarantor, as the case may be, herein, in the Securities and/or in the Guarantee, as the case may be, and the Registration Rights Agreement, and the Company and such Guarantor, as the case may be, would be discharged from all obligations and covenants under this Indenture and the Securities or its Guarantee, as the case may be, and the Registration Rights Agreement; provided that in the case of a transfer by lease,

the predecessor shall not be released from the payment of principal and interest on the Securities or its Guarantee, as the case may be.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. SUPPLEMENTAL INDENTURES AND AGREEMENTS WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company, the Guarantors, if any, and any other obligor under the Securities when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto or agreements or other instruments with respect to this Indenture, the Securities or any Guarantee, in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company or a Guarantor or any other obligor upon the Securities, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor herein and in the Securities and in any Guarantee in accordance with Article Eight;

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Securities for the benefit of the Holders, or to surrender any right or power conferred upon the Company or any Guarantor or any other obligor upon the Securities, as applicable, herein, in the Securities or in any Guarantee;

(c) to cure any ambiguity, or to correct or supplement any provision herein or in any supplemental indenture, the Securities or any Guarantee which may be defective or inconsistent with any other provision herein, in the Securities or any Guarantee or to make any other changes herein, to the Securities or the Guarantees; provided that, in each case, such changes shall not adversely affect the interest of the Holders in any material respect;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, as contemplated by Section 905 or otherwise;

(e) to add a Guarantor pursuant to the requirements of Section 1013 hereof or otherwise;

(f) to evidence and provide the acceptance of the appointment of a successor trustee hereunder; or

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as security for the payment and performance of the Company's and any Guarantor's Indenture Obligations, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Indenture or otherwise.

SECTION 902. SUPPLEMENTAL INDENTURES AND AGREEMENTS WITH CONSENT OF HOLDERS.

Except as permitted by Section 901, with the consent of the Holders of at least a majority in aggregate principal amount of the Outstanding Securities (including consents obtained in connection with a tender offer or exchange offer for Securities), by Act of said Holders delivered to the Company, each Guarantor, if any, and the Trustee, the Company and each Guarantor (if a party thereto) when authorized by or pursuant to Board Resolutions, and the Trustee may (i) enter into an indenture or indentures supplemental hereto or agreements or other instruments with respect to any Guarantee in form and substance satisfactory to the Trustee, for the purpose of adding any provisions to or amending, modifying or changing in any manner or eliminating any of the provisions of this Indenture, the Securities or any Guarantee (including but not limited to, for the purpose of modifying in any manner the rights of the Holders under this Indenture, the Securities or any Guarantee) or (ii) waive compliance with any provision in this Indenture, the Securities or any Guarantee (other

than waivers of past Defaults which are covered by Section 513 and waivers of covenants which are covered by Section 1007); provided, however, that no such supplemental indenture, agreement or instrument shall, without the consent of the Holder of each Outstanding Security affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of interest on, or change to an earlier date any Redemption Date of, or waive a default in the payment of the principal of, premium, if any, or interest on, any such Security or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any such Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(b) amend, change or modify the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 1014 hereof, including, in each case, amending, changing or modifying any definitions related thereto;

(c) reduce the percentage in principal amount of such Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver or compliance with certain provisions of this Indenture;

(d) modify any of the provisions of this Section 902 or Section 513 or 1007, except to increase the percentage of such Outstanding Securities required for such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each such Security affected thereby;

(e) amend or modify any of the provisions of this Indenture in any manner which subordinates the Securities issued thereunder in right of payment to any other Indebtedness of the Company or which subordinates any Guarantee in right of payment to any other Indebtedness of the Guarantor issuing any such Guarantee;

(f) release any Guarantee except in compliance with the terms of this Indenture; or

(g) amend or modify any of the provisions of this Indenture or any Guarantee in any manner adverse to the Holders of the Securities except for release in compliance with the terms of this Indenture.

Upon the written request of the Company and each Guarantor, if any, accompanied by a copy of Board Resolutions authorizing the execution of any such supplemental indenture or Guarantee, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company and each Guarantor in the execution of such supplemental indenture or Guarantee.

It shall not be necessary for any Act of Holders under this Section 902 to approve the particular form of any proposed supplemental indenture or Guarantee or agreement or instrument relating to any Guarantee, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. EXECUTION OF SUPPLEMENTAL INDENTURES AND AGREEMENTS.

In executing, or accepting the additional trusts created by, any supplemental indenture, agreement, instrument or waiver permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Trust Indenture Act Sections 315(a) through 315(d) and Section 602 hereof) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate stating that the execution of such supplemental indenture, agreement or instrument (a) is authorized or permitted by this Indenture and (b) does not violate the provisions of any agreement or instrument evidencing any other Indebtedness of the Company, any Guarantor or any other Restricted Subsidiary. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture, agreement or instrument which affects the Trustee's own rights, duties or immunities under this Indenture, any Guarantee or otherwise.

SECTION 904. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and each Guarantor and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

SECTION 907. NOTICE OF SUPPLEMENTAL INDENTURES.

Promptly after the execution by the Company, any Guarantor and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 908. REVOCATION AND EFFECTS OF CONSENTS.

Until an amendment or waiver becomes effective, a consent to it by a Holder of a Security is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same Indebtedness as the consenting Holder's Security, even if a notation of the consent is not made on any Security. An amendment or waiver shall become effective in accordance with its terms and thereafter bind every Holder.

ARTICLE TEN

COVENANTS

SECTION 1001. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST.

The Company shall duly and punctually pay the principal of, premium, if any, and interest on the Securities in accordance with the terms of the Securities and this Indenture.

SECTION 1002. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain an office or agency where Securities may be presented or surrendered for payment. The Company also will maintain in The City of New York an office or agency where Securities may be surrendered for registration of transfer, redemption or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The office of an affiliate of the Trustee, SunTrust Bank, at its corporate trust office initially located at SunTrust Bank c/o Computershare Trust Co. of New York, 88 Pine Street, Wall Street Plaza, 19th Floor, New York, New York 10005, will be such office or agency of the Company, unless the Company shall designate and maintain some other office or agency for one or more of such purposes. The Company will give prompt written notice to the Trustee of the location and any change in the location of any such offices or agencies. If at any time the Company shall fail to maintain any such required offices or agencies or shall fail to furnish the Trustee with the address

thereof, such presentations, surrenders, notices and demands may be made or served at the office of the Trustee and

the Company hereby appoints the Trustee such agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may from time to time designate one or more other offices or agencies (in or outside of The City of New York) where the Securities may be presented or surrendered for any or all such purposes, and may from time to time rescind such designation. The Company will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such office or agency.

The Trustee shall initially act as Paying Agent for the Securities.

SECTION 1003. MONEY FOR SECURITY PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as Paying Agent, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities, segregate and hold in trust for the benefit of the Holders entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

If the Company is not acting as Paying Agent, the Company will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities, deposit with a Paying Agent a sum in same day funds sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of such action or any failure so to act.

If the Company is not acting as Paying Agent, the Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(a) hold all sums held by it for the payment of the principal of, premium, if any, or interest on the Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any Default by the Company or any Guarantor (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest on the Securities;

(c) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(d) acknowledge, accept and agree to comply in all aspects with the provisions of this Indenture relating to the duties, rights and liabilities of such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company

or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall promptly be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification, publication and mailing, any unclaimed balance of such money then remaining will promptly be repaid to the Company.

SECTION 1004. CORPORATE EXISTENCE.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence and related rights and franchises (charter and statutory) of the Company and each Restricted Subsidiary; provided, however, that the Company shall not be required to preserve any such right or franchise or the corporate existence of any such Restricted Subsidiary if the Board of Directors of the Company shall determine that the preservation thereof is no longer necessary or desirable in the conduct of the business of the Company and its Restricted Subsidiaries as a whole and that the loss thereof could not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary or any of its assets in compliance with the terms of this Indenture.

SECTION 1005. PAYMENT OF TAXES AND OTHER CLAIMS.

The Company shall pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any of its Restricted Subsidiaries shown to be due on any return of the Company or any of its Restricted Subsidiaries or otherwise assessed or upon the income, profits or property of the Company or any of its Restricted Subsidiaries if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Company or any of its Restricted Subsidiaries, except for any Lien permitted to be incurred under Section 1011, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Company) are being maintained in accordance with GAAP.

SECTION 1006. MAINTENANCE OF PROPERTIES.

The Company shall cause all material properties owned by the Company and its Restricted Subsidiaries or used or held for use in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Company may be necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the maintenance of any of such properties if such discontinuance is in the ordinary course of business or, in

the reasonable judgment of the Company, desirable in the conduct of its business or the business of any of its Restricted Subsidiaries and not reasonably expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary or any of its properties or assets in compliance with the terms of this Indenture.

SECTION 1007. WAIVER OF CERTAIN COVENANTS.

The Company and the Guarantors may omit in any particular instance to comply with any covenant or condition set forth in Sections 1006 through 1012 and 1015 through 1019, if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding shall, by Act of such Holders, waive such compliance in such instance with such covenant or provision, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

SECTION 1008. LIMITATION ON INDEBTEDNESS.

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, create, issue, incur, assume, guarantee or otherwise in any manner become directly or indirectly liable for, contingently or otherwise (collectively, "incur"), any Indebtedness (including any Acquired Indebtedness), unless such Indebtedness is incurred by the Company or any Guarantor or constitutes Acquired Indebtedness of the Company or a Restricted Subsidiary and, in each case, the Company's Consolidated Fixed Charge Coverage Ratio for the most recent four full fiscal quarters for which consolidated financial statements are available immediately preceding the incurrence of such Indebtedness taken as one period is at least equal to or greater than 2.25:1.

(b) Notwithstanding the foregoing, the Company and, to the extent specifically set forth below, the Restricted Subsidiaries may incur the following (collectively, the "Permitted Indebtedness"):

(i) Indebtedness of the Company (and guarantees by Restricted Subsidiaries of such Indebtedness) under a Credit Facility in an aggregate principal amount at any one time outstanding not to exceed the greater of:

(A) $275 million, less, without duplication, any permanent repayment thereof or permanent reduction in commitments thereunder from the proceeds of one or more Asset Sales which are used to repay a Credit Facility pursuant to clause (b)(i) of Section 1012; or

(B) (1) 85% of accounts receivable of the Company and its Restricted Subsidiaries (excluding any Receivables and Related Assets sold, conveyed or otherwise transferred to a Securitization Entity in connection with a Qualified Securitization Transaction) as of the end of the most recently ended fiscal quarter for which consolidated financial statements are available, plus (2) 60% of inventory of the Company and its Restricted Subsidiaries as of the end of the most recently ended fiscal quarter for which consolidated financial statements are available;

(ii) Indebtedness pursuant to (A) the Securities (excluding any Additional Securities) and any Guarantee of the Securities, and (B) any Securities issued in exchange for the Securities pursuant to the Registration Rights Agreement and any Guarantee thereof;

(iii) Indebtedness under any of the Acquisition Agreements and Indebtedness of Viewpoint and its Subsidiaries existing on the date of the Acquisition after giving effect to the Acquisition (including any Indebtedness assumed by the Company or any of its Restricted Subsidiaries pursuant to the Acquisition Agreements);

(iv) Indebtedness of the Company or any Restricted

Subsidiary outstanding on the date of this Indenture other than Indebtedness referred to in clause (i) or (ii) of this definition of "Permitted Indebtedness;"

(v) Indebtedness of the Company owing to a Restricted Subsidiary; provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor incurred after the Issue Date is unsecured and is subordinated in right of payment to the Securities; provided, further, that any disposition or transfer of any such Indebtedness to a Person (other than to a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the Company or other obligor not permitted by this clause (v);

(vi) Indebtedness of a Restricted Subsidiary owing to the Company or another Restricted Subsidiary; provided, that any disposition or transfer of any such Indebtedness to a Person (other than a disposition or transfer to the Company or a Restricted Subsidiary or a Person that becomes a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi);

(vii) guarantees of any Restricted Subsidiary of Indebtedness of the Company or any of its Restricted Subsidiaries which are permitted to be incurred under this Indenture; provided that such guarantees are made in accordance with the provisions of Section 1013;

(viii) Indebtedness of the Company or any Restricted Subsidiary pursuant to any:

(A) Interest Rate Agreements,

(B) Currency Hedging Agreements, and

(C) Commodity Price Protection Agreements;

(ix) Indebtedness of the Company or any Restricted Subsidiary represented by Capital Lease Obligations or Purchase Money Obligations or other Indebtedness in connection with the acquisition or development of real or personal, movable or immovable, property, in each case incurred or assumed for the purpose of financing or refinancing all or any part of the purchase price or cost of construction or improvement of property used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount not to exceed $10 million outstanding at any one time;

(x) Indebtedness incurred by a Securitization Entity in connection with a Qualified Securitization Transaction that is Non-recourse Indebtedness with respect to the Company and its Restricted Subsidiaries; provided, however, that in the event such Securitization Entity ceases to qualify as a Securitization Entity or such Indebtedness ceases to constitute such Non-recourse Indebtedness, such Indebtedness will be deemed, in each case, to be incurred at such time;

(xi) Indebtedness of the Company or any of its Restricted Subsidiaries in connection with surety, performance, appeal or similar bonds, completion guarantees or similar instruments entered into in the ordinary course of business or from letters of credit or other obligations in respect of self-insurance and workers' compensation obligations or similar arrangements; provided that, in each case contemplated by this clause (xi), upon the drawing of such instrument, such obligations are reimbursed within 30 days following such drawing;

(xii) Indebtedness of Foreign Subsidiaries in the aggregate principal amount of $10 million outstanding at any one time;

(xiii) Indebtedness arising under the Earn-Out Agreement and Indebtedness incurred to finance payments due or becoming due thereunder in an amount not to exceed (a) up to $6.25 million per year in respect of each Earn-Out Year and (b) the Cumulative Additional Earn-Out Payment, less, in each case, the amount of cash paid in

respect of each Earn-Out Year (excluding cash received upon the incurrence of Indebtedness pursuant to this clause (xiii) in respect of such year);

(xiv) Indebtedness of the Company or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts such amount need not be inadvertent) drawn against insufficient funds in the ordinary course of business; provided however, that such Indebtedness is extinguished within three business days of receipt by the Company or any Restricted Subsidiary of notice of such insufficient funds;

(xv) Indebtedness of the Company or any Restricted Subsidiary to the extent the net proceeds thereof are promptly deposited to defease the Securities as described under Article Four;

(xvi) Indebtedness of the Company or any Restricted Subsidiary arising from agreements for indemnification or purchase price adjustment obligations or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or a Restricted Subsidiary pursuant to such an agreement, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or properties;

(xvii) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness incurred pursuant to paragraph (a) of this Section 1008 and clauses (ii), (iii), (iv) and (xiii) of this paragraph (b), including any successive refinancings so long as Indebtedness of the Company or a Guarantor may only be refinanced with Indebtedness of the Company or a Guarantor and the aggregate principal amount of Indebtedness refinanced is not increased by such refinancing except by an amount equal to the lesser of (A) the stated amount of any premium or other payment contractually required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (B) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing and (1) in the case of any refinancing of Indebtedness that is Subordinated Indebtedness, such new Indebtedness is made subordinated to the Securities at least to the same extent as the Indebtedness being refinanced and (2) in the case of Pari Passu Indebtedness or Subordinated Indebtedness, as the case may be, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

(xviii) Indebtedness of the Company or any Restricted Subsidiary in addition to that described in clauses (i) through (xvii) above, and any refinancings of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $10 million outstanding at any one time.

(c) For purposes of determining compliance with this Section 1008, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness, or is permitted to be incurred pursuant to clause (a) of this Section 1008, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or subject to the remainder of this sentence, later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 1008; and Indebtedness under the Credit Agreement which is in existence or available on or prior to the date of the consummation of the Acquisition, and any renewals, extensions, substitutions, refundings, refinancings or replacements thereof, will be deemed to have been incurred on such date under clause (i) of the definition of "Permitted Indebtedness," and the Company will not be permitted to reclassify any portion of such Indebtedness thereafter.

(d) Indebtedness permitted by this Section 1008 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 1008 permitting such Indebtedness.

(e) Accrual of interest, accretion or amortization of original issue discount and the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on any Redeemable Capital Stock or Preferred Stock in the form of additional shares of the same class of Redeemable Capital Stock or Preferred Stock will not be deemed to be an incurrence of Indebtedness for purposes of this Section 1008; provided, in each such case, that the amount thereof as accrued is included in Consolidated Fixed Charge Coverage Ratio of the Company.

(f) For purposes of determining compliance with any dollar-denominated restriction on the incurrence of Indebtedness denominated in a foreign currency, the dollar-equivalent principal

amount of such Indebtedness incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred.

(g) For purposes of determining compliance with this Section 1008, the outstanding principal amount of any particular Indebtedness shall be counted only once and any obligations arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness shall not be double counted.

(h) The amount of Indebtedness issued at a price less than the amount of the liability thereof shall be determined in accordance with GAAP.

SECTION 1009. LIMITATION ON RESTRICTED PAYMENTS.

(a) The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly (each a "Restricted Payment"):

(i) declare or pay any dividend on, or make any distribution to holders of, any shares of the Company's Capital Stock (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock);

(ii) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, shares of the Company's Capital Stock or any Capital Stock of any Subsidiary of the Company (other than Capital Stock of any Restricted Subsidiary of the Company);

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund payment or maturity, any Subordinated Indebtedness (other than (A) Indebtedness permitted under clause (v) or (vi) of the definition of "Permitted Indebtedness" in paragraph (b) of Section 1008 or (B) the purchase, repurchase or other acquisition of such Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition), or make any cash payment pursuant to the Earn-Out Agreement;

(iv) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than (a) dividends or distributions payable solely in shares of Capital Stock of such Restricted Subsidiary or in options, warrants or other rights to acquire shares of such Capital Stock, (b) to the Company or any of its Restricted Subsidiaries or (c) dividends or distributions made by a Restricted Subsidiary on a pro rata basis to all stockholders of such Restricted Subsidiary); or

(v) make any Investment (other than any Permitted Investments);

(the amount of any such Restricted Payment, if other than cash, shall be the Fair Market Value of the assets proposed to be transferred), unless

(1) at the time of and after giving effect to such proposed Restricted Payment, no Default or Event of Default shall have occurred and be continuing;

(2) at the time of and after giving effect to such Restricted Payment, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) under the provisions described under paragraph (a) of Section 1008; and

(3) after giving effect to the proposed Restricted Payment, the aggregate amount of all such Restricted Payments (other than any Permitted Payment except for (i) Permitted Payments pursuant to clause (viii)(B) of paragraph (b) of this Section 1009) and (ii) Permitted Payments in respect of the Cumulative Additional Earn-Out Payment in excess of 50% of the maximum amount that could be paid in respect of the Cumulative Additional Earn-Out Payment pursuant to clause (viii)(A) of paragraph (b) of this covenant) declared (with respect to dividends) or made after the date of this Indenture and all Designation Amounts does not exceed the sum of:

(A) 50% of the aggregate Consolidated Net Income (Loss) of the Company accrued on a cumulative basis during the period beginning on the first day of the Company's fiscal quarter in which the Securities are originally issued and ending on the last day of the Company's last fiscal quarter ending prior to the date of the Restricted Payment (or, if such aggregate cumulative Consolidated Net Income (Loss) shall be a loss, minus 100% of such loss);

(B) 100% of the aggregate Net Cash Proceeds received after the date of this Indenture by the Company either (1) as capital contributions in the form of nonredeemable equity to the Company or (2) from the issuance or sale (other than to any of its Subsidiaries) of Qualified Capital Stock of the Company or any options, warrants or rights to purchase such Qualified Capital Stock of the Company, plus 100% of the Fair Market Value as of the date of issuance of any Qualified Capital Stock issued by the Company as consideration for the purchase by the Company or any of its Restricted Subsidiaries (including by means of a merger, consolidation or other business combination permitted under this Indenture) of any assets or properties of, or a majority of the Voting Stock of, any Person whose primary business is a Permitted Business (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Indebtedness as set forth below in clause (ii) or (iii) of paragraph (b) below) (excluding the Net Cash Proceeds from the issuance of Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(C) 100% of the aggregate Net Cash Proceeds received after the date of this Indenture by the Company (other than from any of its Subsidiaries) upon the exercise of any options, warrants or rights to purchase Qualified Capital Stock of the Company (excluding the Net Cash Proceeds from the exercise of any options, warrants or rights to purchase Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(D) 100% of the aggregate Net Cash Proceeds received after the date of this Indenture by the Company from the conversion or exchange, if any, of debt securities or Redeemable Capital Stock of the Company or its Restricted Subsidiaries into or for Qualified Capital Stock of the Company plus, to the extent such debt securities or Redeemable Capital Stock so converted or exchanged were issued after the date of this Indenture, the aggregate of Net Cash Proceeds from their original issuance (excluding the Net Cash Proceeds from the conversion or exchange of debt securities or Redeemable Capital Stock financed, directly or indirectly, using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid);

(E) (a) in the case of the disposition or

repayment of any Investment constituting a Restricted Payment made after the date of this Indenture, an amount (to the extent not included in Consolidated Net Income (Loss)) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes, and

(b) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Company's interest in such Subsidiary as of the date of such designation; provided that such amount shall not in any case exceed the amount of the Restricted Payment deemed made at the time the Subsidiary was designated as an Unrestricted Subsidiary;

(F) any amount which previously qualified as a Restricted Payment on account of any Guarantee entered into by the Company or any Restricted Subsidiary; provided that such Guarantee has not been called upon and the obligation arising under such Guarantee no longer exists; and

(G) $5 million.

(b) The foregoing provisions shall not prohibit the following Restricted Payments (each a "Permitted Payment"):

(i) the payment of any dividend or redemption of any Capital Stock within 60 days after the date of declaration thereof or call for redemption, if at such date of declaration or call for redemption such payment or redemption was permitted by the provisions of paragraph (a) of this Section 1009 (the declaration of such payment will be deemed a Restricted Payment under paragraph (a) of this Section 1009 as of the date of declaration, and the payment itself will be deemed to have been paid on such date of declaration and will not also be deemed a Restricted Payment under paragraph (a) of this Section 1009);

(ii) the repurchase, redemption, or other acquisition or retirement for value of any shares of any class of Capital Stock of the Company in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of, Qualified Capital Stock of the Company; provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(B) of paragraph (a) of this Section 1009;

(iii) the repurchase, redemption, defeasance, retirement or acquisition for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary) of any Qualified Capital Stock of the Company, provided that the Net Cash Proceeds from the issuance of such shares of Qualified Capital Stock are excluded from clause (3)(B) of paragraph (a) of this Section 1009;

(iv) the repurchase, redemption, defeasance, retirement, or acquisition for value of any Subordinated Indebtedness (other than Redeemable Capital Stock) (a "refinancing") in

exchange for, or out of the Net Cash Proceeds of, the substantially concurrent issuance of new Subordinated Indebtedness of the Company, provided that any such new Subordinated Indebtedness

(A) shall be in a principal amount that does not exceed the principal amount so refinanced, plus the amount of premium or other payment reasonably determined as necessary to refinance the Indebtedness, plus the amount of expenses of the Company incurred in connection with such refinancing;

(B) has an Average Life to Stated Maturity equal to or greater than the remaining Average Life to Stated Maturity of the Subordinated Indebtedness being refinanced;

(C) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Subordinated Indebtedness being refinanced; and

(D) is expressly subordinated in right of payment to the Securities at least to the same extent as the Subordinated Indebtedness to be refinanced;

(v) the repurchase of Capital Stock deemed to occur upon (A) exercise of stock options to the extent that shares of such Capital Stock represent a portion of the exercise price of such options and (B) the withholding of a portion of the Capital Stock granted or awarded to an employee to pay taxes associated therewith;

(vi) the payment of cash in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exercisable for Capital Stock of the Company;

(vii) the repurchase, redemption, or other acquisition or retirement for value of Redeemable Capital Stock of the Company made by exchange for, or out of the proceeds of the sale of, Redeemable Capital Stock;

(viii) so long as no Default or Event of Default exists or would occur, cash payments made pursuant to the Earn-Out Agreement in an amount (A)(1) up to $6.25 million per year in respect of each Earn-Out Year and (2) the Cumulative Additional Earn-Out Payment, plus (B) up to $6.25 million per year in respect of each Earn-Out Year, if on the date of such payment pursuant to this clause (B) the Company's Consolidated Fixed Charge Coverage Ratio for the most recent four full fiscal quarters for which consolidated financial statements are available immediately preceding such Earn-Out Agreement payment taken as one period is at least equal to or greater than 3:1 (to the extent any portion of any payment made pursuant to the Earn-Out Agreement in respect of any Earn-Out Year is paid in cash, such amount so paid in cash shall be deemed to be paid first pursuant to clause (A) up to the amounts permitted thereby and then pursuant to clause (B));

(ix) so long as no Default or Event of Default exists or would occur, the repurchase, redemption, or other acquisition or retirement for value of any shares of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any Restricted Subsidiary or their authorized representatives upon the death, disability or

termination of employment of such employees, former employees, directors or former directors, in an amount of up to $5 million in the aggregate during the term of the Securities; and

(x) so long as no Default or Event of Default exists or would occur, payments or distributions to stockholders pursuant to appraisal rights required under applicable law in connection with any consolidation, merger or transfer of assets, including the Acquisition, that complies with Article Eight hereof.

For clarity purposes, (1) any cash Earn-Out Agreement payments made pursuant to clause (viii)(B) of paragraph (b) of this Section 1009 shall be Restricted Payments and shall reduce the amount that would otherwise be available for Restricted Payments under paragraph (a) of this Section 1009, and (2) all payments made pursuant to clauses (i) through (viii)(A), (ix) and (x) of paragraph (b) of this Section 1009 shall not reduce the amount that would otherwise be available for Restricted Payments under paragraph (a) of this Section 1009.

SECTION 1010. LIMITATION ON TRANSACTIONS WITH AFFILIATES.

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with or for the benefit of any Affiliate of the Company (other than the Company or a Restricted Subsidiary), including any Person that becomes a Restricted Subsidiary as a result of such transaction) unless:

(1) such transaction or series of related transactions is on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that would be available in a comparable transaction in arm's-length dealings with an unrelated third party,

(2) with respect to any transaction or series of related transactions involving aggregate value in excess of $2.5 million, the Company delivers an Officers' Certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (1) above, and

(3) with respect to any transaction or series of related transactions involving aggregate value in excess of $10 million, either

(a) such transaction or series of related transactions has been approved by a majority of the Disinterested Directors of the Board of Directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director, or

(b) the Company delivers to the Trustee a written opinion of an investment banking firm of national standing or other recognized independent expert stating that the transaction or series of related transactions is fair to the Company or such Restricted Subsidiary from a financial point of view; provided, however, that this provision shall not apply to:

(i) directors' fees, consulting fees, employee salaries, bonuses or employment agreements, incentive arrangements, compensation or employee benefit arrangements with any officer, director or employee of the Company or a Subsidiary of the Company, including under any stock option or stock incentive plans, customary indemnification arrangements with officers, directors or employees of the Company or a Subsidiary of the Company, in each case entered into in the ordinary course of business;

(ii) any Restricted Payments or Permitted Payments made in compliance with Section 1009;

(iii) any Qualified Securitization Transaction;

(iv) any issuance or sale of Qualified Capital Stock of the Company to Affiliates;

(v) transactions among the Company and/or any Restricted Subsidiary (other than a Securitization Entity) and/or any Related Business Entity;

(vi) loans or advances to employees or consultants of the Company in the ordinary course of business for bona fide business purposes of the Company and its Restricted Subsidiaries (including travel, entertainment and moving expenses) made in compliance with applicable law;

(vii) transactions pursuant to any of the Acquisition Agreements or agreements of Viewpoint and its Subsidiaries in effect on the date the Acquisition is consummated; and

(viii) any transactions undertaken pursuant to any agreements in existence on the Issue Date or the date the Acquisition is consummated in the case of Viewpoint and its Subsidiaries (as in

effect on the Issue Date or the date the Acquisition is consummated in the case of Viewpoint and its Subsidiaries) and any renewals, replacements or modifications of such contracts (pursuant to new transactions or otherwise) on terms no less favorable in any material respect to the Holders of the Securities than those in effect on the Issue Date or the date the Acquisition is consummated in the case of Viewpoint and its Subsidiaries;

SECTION 1011. LIMITATION ON LIENS.

(a) The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create or incur any Lien of any kind (other than Permitted Liens) securing Indebtedness of the Company or any Restricted Subsidiary unless the Securities (or a Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with (or, in the case of Subordinated Indebtedness, prior or senior thereto, with the same relative priority as the Securities shall have with respect to such Subordinated Indebtedness) the Indebtedness secured by such Lien.

Notwithstanding the foregoing, any Lien securing the Securities granted pursuant to this Section 1011 shall be automatically and unconditionally released and discharged upon the release by the holders of the Indebtedness described above of their Lien on the property or assets of the Company or any Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), securing such Indebtedness, or upon any sale, exchange or transfer to any Person not an Affiliate of the Company of the property or assets subject to such Lien, or of all of the Capital Stock held by the Company or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary that owns the property or assets subject to such Lien.

SECTION 1012. LIMITATION ON SALE OF ASSETS.

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless (1) at least 75% of the consideration from such Asset Sale is received in cash, Cash Equivalents or Replacement Assets and (2) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at

least equal to the Fair Market Value of the shares or assets subject to such Asset Sale. For purposes of Section (a)(1) of this Section 1012, the following will be deemed to be cash: (A) the amount of any liabilities (other than Subordinated Indebtedness) of the Company or any Restricted Subsidiary that is actually assumed by the transferee in such Asset Sale and from which the Company and the Restricted Subsidiaries are fully and unconditionally released (excluding any liabilities that are incurred in connection with or in anticipation of such Asset Sale and contingent liabilities); (B) the amount of any notes, securities or other similar obligations received by the Company or any Restricted Subsidiary from such transferee that is converted, sold or exchanged within 90 days of the related Asset Sale by the Company or the Restricted Subsidiaries into cash in an amount equal to the net cash proceeds realized upon such conversion, sale or exchange; and (C) the amount of any Designated Non-cash Consideration received by the Company or any of its Restricted Subsidiaries in the Asset Sale; provided that the aggregate of such Designated Non-cash Consideration received in connection with Asset Sales (and still held) shall not exceed $5 million at any one time (with the Fair Market Value in each case being measured at the time received and without giving effect to subsequent changes in value).

(b) All or a portion of the Net Cash Proceeds of any Asset Sale may be applied by the Company or a Restricted Subsidiary, to the extent the Company or such Restricted Subsidiary elects (or is required by the terms of any Indebtedness under the Credit Agreement or any Credit Facility):

(i) to repay permanently any Indebtedness under the Credit Agreement or any other Credit Facility or Indebtedness of any non-Guarantor with respect to the proceeds from the sale of assets of any non-Guarantor then outstanding as required by the terms thereof (and in the case of any such Indebtedness under the Credit Agreement or any other Credit Facility, effect a permanent reduction in the

availability under the Credit Agreement or any other Credit Facility); (excluding any Indebtedness created in connection with any registered offering of securities under the Securities Act or a private placement of securities (including under Rule 144A) pursuant to an exemption from the registration requirements of the Securities Act);

(ii) to repay or repurchase any secured Indebtedness;

(iii) to repay or repurchase, within one year of its final Stated Maturity, any Indebtedness with a final Stated Maturity that is prior to the final Stated Maturity of the Securities;

(iv) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, a Permitted Business;

(v) to make a capital expenditure; or

(vi) to invest the Net Cash Proceeds (or enter into a legally binding agreement to invest) in Replacement Assets.

Pending the final application of any such Net Cash Proceeds, the Company may temporarily reduce Indebtedness or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by this Indenture. If any such legally binding agreement to invest such Net Cash Proceeds is terminated, the Company shall, within 90 days of such termination or within 365 days of such Asset Sale, whichever is later, invest such Net Cash Proceeds as provided in clauses (i) through (vi) above

(without regard to the parenthetical contained in clause (vi)). The amount of such Net Cash Proceeds not used or invested in accordance with the preceding clauses (i) through (vi) within 365 days of the Asset Sale constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds exceeds $15 million or more, the Company will apply the Excess Proceeds to the repayment of the Securities and at the Company's option, any other Pari Passu Indebtedness outstanding with similar provisions requiring the Company to make an offer to purchase such Indebtedness with the proceeds from any Asset Sale as follows:

(A) the Company will make an offer to purchase (an "Offer") from all holders of the Securities in accordance with the procedures set forth in this Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Securities that may be purchased out of an amount (the "Security Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Securities, and the denominator of which is the sum of the outstanding principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of the Securities and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price (as defined herein) of all Securities tendered) and

(B) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness (or accreted value in the case of Indebtedness issued with original issue discount), the Company will make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the Excess Proceeds over the Security Amount; provided that in no event will the Company be required to make a Pari Passu Offer in a Pari Passu Debt Amount exceeding the principal amount (or accreted value) of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness.

The offer price for the Securities will be payable in cash in an amount equal to 100% of the principal amount of the Securities plus accrued and unpaid interest, if any, to the date (the "Offer Date") such Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in this Indenture. To the extent that the aggregate Offered Price of the Securities tendered pursuant to the Offer is less than the Security Amount relating thereto, or the aggregate amount of Pari Passu Indebtedness that is purchased in a Pari Passu Offer is less than the Pari Passu Debt Amount, the Company may use any remaining Excess Proceeds for general corporate purposes,

subject to the other covenants contained in this Indenture. If the aggregate principal amount of Securities and Pari Passu Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Securities to be purchased on a pro rata basis. Upon the completion of the Offer and the completion of any Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Securities and the Pari Passu Indebtedness shall be purchased by the Company, at the option of the holders thereof, in whole or in part in integral multiples of $1,000, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Offer is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act.

(e) The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer.

(f) Subject to paragraph (e) above, within 30 days after the date on which the amount of Excess Proceeds equals or exceeds $15 million, the Company shall send or cause to be sent by first-class mail, postage prepaid, to the Trustee and to each Holder, at his address appearing in the Security Register, a notice stating or including:

(1) that the Holder has the right to require the Company to repurchase, subject to proration, such Holder's Securities at the Offered Price;

(2) the Offer Date;

(3) the instructions a Holder must follow in order to have his Securities purchased in accordance with paragraph (c) of this Section;

(4) the Offered Price;

(5) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(6) that Securities must be surrendered prior to the Offer Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(7) that any Securities not tendered will continue to accrue interest and that unless the Company defaults in the payment of the Offered Price, any Security accepted for payment pursuant to the Offer shall cease to accrue interest on and after the Offer Date;

(8) the procedures for withdrawing a tender; and

(9) that the Offered Price for any Security which has been properly tendered and not withdrawn and which has been accepted for payment pursuant to the Offer will be paid promptly following the Offered Date.

(g) Holders electing to have Securities purchased hereunder will be required to surrender such Securities at the address specified in the notice prior to the Offer Date. Holders will be entitled to withdraw their election to have their Securities purchased pursuant to this Section 1012 if the Company receives, not later than one Business Day prior to the Offer Date, a telegram, telex, facsimile transmission or letter setting forth (1) the name of the Holder, (2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted, (3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which his election is to be withdrawn, (4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased, and (5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original notice of the Offer and that has been or will be

delivered for purchase by the Company.

(h) The Company shall (i) not later than the Offer Date, accept for payment Securities or portions thereof tendered pursuant to the Offer, (ii) not later than 10:00 a.m. (New York

time) on the Offer Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds sufficient to pay the aggregate Offered Price of all the Securities or portions thereof which are to be purchased on that date and (iii) not later than 10:00 a.m. (New York time) on the Offer Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Offered Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. For purposes of this Section 1012, the Company shall choose a Paying Agent which shall not be the Company.

Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Offered Price; provided, however, that (x) to the extent that the aggregate amount of cash deposited by the Company with the Trustee in respect of an Offer exceeds the aggregate Offered Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Offer Date the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon.

(i) Securities to be purchased shall, on the Offer Date, become due and payable at the Offered Price and from and after such date (unless the Company shall default in the payment of the Offered Price) such Securities shall cease to bear interest. Such Offered Price shall be paid to such Holder promptly following the later of the Offer Date and the time of delivery of such Security to the relevant Paying Agent at the office of such Paying Agent by the Holder thereof in the manner required. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Offered Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Offer Date shall be payable to the Person in whose name the Securities (or any Predecessor Securities) is registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309; provided, further, that Securities to be purchased are subject to proration in the event the Excess Proceeds are less than the aggregate Offered Price of all Securities tendered for purchase, with such adjustments as may be appropriate by the Trustee so that only Securities in denominations of $1,000 or integral multiples thereof, shall be purchased. If any Security tendered for purchase shall not be so paid upon surrender thereof by deposit of funds with the Trustee or a Paying Agent in accordance with paragraph (h) above, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Offer Date at the rate borne by such Security. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased. The Company shall publicly announce the results of the Offer on or as soon as practicable after the Offer Date.

SECTION 1013. LIMITATION ON ISSUANCES OF GUARANTEES OF INDEBTEDNESS.

(a) The Company will not cause or permit any Restricted Subsidiary (which is not a Guarantor), directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Material Indebtedness (other than Acquired Indebtedness) of the Company or any other Restricted Subsidiary (other than any Permitted Indebtedness which may be incurred by a Restricted Subsidiary which is not a Guarantor) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture in the form of Exhibit E hereto or as reasonably acceptable to the Trustee providing for a Guarantee of the Securities on the same terms as the guarantee of such Indebtedness except that: (A) such Guarantee need not be secured unless required pursuant to Section 1011 herein and (B) if such Indebtedness is by its terms expressly subordinated to the Securities, any such assumption, guarantee or other liability of such Restricted Subsidiary with respect to such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Securities at least to the same extent as such Indebtedness is subordinated to the Securities.

(b) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Securities shall provide by its terms that it (and all Liens securing the same) shall be automatically and unconditionally released and discharged upon:

(1) any sale, exchange, transfer or disposition, to any Person not a Subsidiary of the Company, of all of the Company's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (including by way of merger or consolidation), or the designation of such Restricted Subsidiary as an Unrestricted Subsidiary, which transaction is in compliance with the terms of this Indenture,

(2) the merger or dissolution of a Guarantor into the Company or another Guarantor or the transfer or sale of all or substantially all of the assets of a Guarantor to the Company or another Guarantor, or

(3) the release by the holders of the Indebtedness of the Company or such other Restricted Subsidiary described in clause (a) above of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at such time as:

(A) no other Indebtedness of the Company (other than the Securities) or any other Restricted Subsidiary has been guaranteed by such Restricted Subsidiary, or

(B) the holders of all such other Indebtedness which is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

SECTION 1014. PURCHASE OF SECURITIES UPON A CHANGE OF CONTROL.

(a) If a Change of Control occurs, each Holder of Securities will have the right to require that the Company purchase all or any part (in integral multiples of $1,000) of such Holder's Securities pursuant to a "Change of Control Offer." In the Change of Control Offer, the Company will offer to purchase all of the Securities, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Securities, plus accrued and unpaid

interest, if any, to the date of purchase (the "Change of Control Purchase Date") (subject to the rights of Holders of record on relevant record dates to receive interest due on an interest payment date).

(b) Within 30 days of any Change of Control or, at the Company's option, prior to such Change of Control but after it is publicly announced, the Company must notify the Trustee and give written notice (a "Change of Control Purchase Notice") of the Change of Control to each Holder of Securities, by first-class mail, postage prepaid, at his address appearing in the Security Register. The notice must state, among other things:

(1) that a Change of Control has occurred or will occur, the date of such event, and that such Holder has the right to require the Company to repurchase such Holder's Securities at the Change of Control Purchase Price;

(2) that the Change of Control Offer is being made pursuant to this Section 1014 and that all Securities properly tendered pursuant to the Change of Control Offer will be accepted for payment at the Change of Control Purchase Price;

(3) the Change of Control Purchase Date, which shall be fixed by the Company on a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act; provided that the Change of Control Purchase Date may not occur prior to the Change of Control;

(4) the Change of Control Purchase Price;

(5) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(6) that Securities must be surrendered on or prior to the Change of Control Purchase Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(7) that the Change of Control Purchase Price for any Security which has been properly tendered and not withdrawn will be paid promptly following the Change of Control Offer Purchase Date;

(8) the procedures that a Holder must follow to accept a Change of Control Offer or to withdraw such acceptance;

(9) that any Security not tendered will continue to accrue interest; and

(10) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Securities accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date.

(c) Upon receipt by the Company of the proper tender of Securities, the Holder of the Security in respect of which such proper tender was made shall (unless the tender of such Security is properly withdrawn) thereafter be entitled to receive solely the Change of Control Purchase Price with respect to such Security. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Change of Control

Purchase Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Change of Control Purchase Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309. If any Security tendered for purchase in accordance with the provisions of this Section 1014 shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change of Control Purchase Date at the rate borne by such Security. Holders electing to have Securities purchased will be required to surrender such Securities to the Paying Agent at the address specified in the Change of Control Purchase Notice at least one Business Day prior to the Change of Control Purchase Date. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge,

one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased.

(d) The Company shall (i) not later than the Change of Control Purchase Date, accept for payment Securities or portions thereof tendered pursuant to the Change of Control Offer, (ii) not later than 10:00 a.m. (New York time) on the Business Day following the Change of Control Purchase Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds sufficient to pay the aggregate Change of Control Purchase Price of all the Securities or portions thereof which have been so accepted for payment and (iii) not later than 10:00 a.m. (New York time) on the Business Day following the Change of Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Change of Control Purchase Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer on the Change of Control Purchase Date. For purposes of this Section 1014, the Company shall choose a Paying Agent which shall not be the Company.

(e) A tender made in response to a Change of Control Purchase Notice may be withdrawn if the Company receives, not later than one Business Day prior to the Change of Control Purchase Date, a telegram, telex, facsimile transmission or letter, specifying, as applicable:

(1) the name of the Holder;

(2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted;

(3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which such notice of withdrawal is being submitted;

(4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased; and

(5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original Change of Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(f) Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Change of Control Purchase Price; provided, however, that, (x) to the extent that the aggregate amount of cash deposited by the Company pursuant to clause (ii) of paragraph (d) above exceeds the aggregate Change of Control Purchase Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Change of Control Purchase Date the Trustee shall return any such excess to the Company together with interest, if any, thereon.

(g) The Company shall comply, to the extent applicable, with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

(h) Notwithstanding the foregoing, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer, in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture

applicable to a Change of Control Offer made by the Company and purchases all the Securities validly tendered and not withdrawn under such Change of Control Offer.

SECTION 1015. LIMITATION ON SUBSIDIARY PREFERRED STOCK.

(a) The Company will not permit any Restricted Subsidiary of the Company to issue, sell or transfer any Preferred Stock of such Restricted Subsidiary, except for (1) Preferred Stock issued or sold to, held by or transferred to the Company or a Restricted Subsidiary, and (2) Preferred Stock issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary, (B) such Person consolidates or merges with or into the Company or a Restricted Subsidiary or (C) a Restricted Subsidiary consolidates or merges with or into such Person; provided that such Preferred Stock was not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C). This clause (a) shall not apply upon the acquisition by a third party of all the outstanding Preferred Stock of such Restricted Subsidiary in accordance with the terms of this Indenture.

(b) The Company will not permit any Person (other than the Company or a Restricted Subsidiary) to acquire Preferred Stock of any Restricted Subsidiary from the Company or any Restricted Subsidiary, except upon the acquisition of all the outstanding Preferred Stock of such Restricted Subsidiary in accordance with the terms of this Indenture.

SECTION 1016. LIMITATION ON DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES.

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock;

(2) pay any Indebtedness owed to the Company or any other Restricted Subsidiary;

(3) make any Investment in the Company or any other Restricted Subsidiary, or

(4) transfer any of its properties or assets to the Company or any other Restricted Subsidiary.

(b) However, paragraph (a) of this Section 1016 will not prohibit any:

(1) encumbrance or restriction pursuant to an agreement or instrument (including the Credit Agreement, the Securities, this Indenture and the Guarantees) in effect on the date of this Indenture (or in respect of the Credit Agreement on the date of the Credit Agreement);

(2) encumbrance or restriction with respect to a Restricted Subsidiary that is not a Restricted Subsidiary of the Company on the date of this Indenture, in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, provided that such encumbrances and restrictions are not applicable to the Company or any Restricted Subsidiary or the properties or assets of the Company or any Restricted Subsidiary other than such Subsidiary which is becoming a Restricted Subsidiary;

(3) encumbrance or restriction pursuant to any agreement governing any Indebtedness represented by Capital Lease Obligations or Purchase Money Obligations permitted to be incurred under the provisions of Section 1008 or otherwise existing as a result of the Acquisition;

(4) encumbrance or restriction contained in any

Acquired Indebtedness (including Acquired Indebtedness incurred in connection with the Acquisition) or other agreement of any Person or related to assets acquired (whether by merger, consolidation or otherwise) by the Company or any Restricted Subsidiaries, so long as such encumbrance or restriction (A) was not entered into in contemplation of the acquisition, merger or consolidation transaction, and (B) is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, so long as the agreement containing such restriction does not violate any other provision of this Indenture;

(5) encumbrance or restriction existing under applicable law or any requirement of any regulatory body;

(6) in the case of clause (4) of paragraph (a) of this Section 1016, Liens securing Indebtedness otherwise permitted to be incurred under the provisions of Section 1011 herein that limit the right of the debtor to dispose of the assets subject to such Liens;

(7) customary non-assignment provisions in leases, licenses or contracts;

(8) customary restrictions contained in (A) asset sale agreements permitted to be incurred under the provisions of Section 1012 herein that limit the transfer of such assets pending the closing of such sale and (B) any other agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) customary restrictions imposed by the terms of shareholders', partnership or joint venture agreements entered into in the ordinary course of business in connection with a joint venture arrangement which is permitted pursuant to clause (8) of the definition of Permitted Investment; provided, however, that such restrictions do not apply to any Restricted Subsidiaries other than the applicable company, partnership or joint venture;

(10) restrictions contained in Indebtedness of Foreign Subsidiaries permitted to be incurred under clause (xii) of the definition of Permitted Indebtedness, so long as such restrictions or encumbrances are customary for Indebtedness of the type incurred;

(11) encumbrance or restriction with respect to a Securitization Entity in connection with a Qualified Securitization Transaction; provided, however, that such encumbrances and restrictions are customarily required by the institutional sponsor or arranger of such Qualified Securitization Transaction in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof;

(12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(13) encumbrance or restriction under any of the Acquisition Agreements;

(14) encumbrance or restriction under any agreement that amends, extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (13), or in this clause (14), provided that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced.

SECTION 1017. LIMITATIONS ON UNRESTRICTED SUBSIDIARIES.

The Company may designate after the Issue Date any Subsidiary as an Unrestricted Subsidiary under this Indenture (a "Designation") only if:

(a) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(b) the Company would be permitted to make an Investment (other than a Permitted Investment) at the time of Designation (assuming the effectiveness of such Designation) pursuant to

paragraph (a) of Section 1009 hereof in an amount (the "Designation Amount") equal to the Fair Market Value of the Company's interest in such Subsidiary;

(c) such Unrestricted Subsidiary does not own any Capital Stock in any Restricted Subsidiary of the Company which is not simultaneously being designated an Unrestricted Subsidiary;

(d) such Unrestricted Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Non-recourse Indebtedness, provided that an Unrestricted Subsidiary may provide a Guarantee for the Securities; and

(e) such Unrestricted Subsidiary is not a party to any agreement, contract, arrangement or understanding at such time with the Company or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company or, in the event such condition is not satisfied, the value of such agreement, contract, arrangement or understanding to such Unrestricted Subsidiary from and after the date of Designation shall be deemed a Restricted Payment.

In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to Section 1009 hereof for all purposes of this Indenture in the Designation Amount.

The Company shall not and shall not cause or permit any Restricted Subsidiary to at any time provide credit support for, guarantee, be directly or indirectly liable for or subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) (other than Permitted Investments in Unrestricted Subsidiaries). For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to be the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries. Unless so designated as an Unrestricted Subsidiary, any Person that becomes a Subsidiary of the Company will be classified as a Restricted Subsidiary.

The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(a) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation;

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of this Indenture; and

(c) unless such redesignated Subsidiary shall not have any Indebtedness outstanding (other than Indebtedness that would be Permitted Indebtedness), (x) if prior to such Revocation the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 1008 immediately after giving effect to such proposed Revocation, and after giving pro forma effect to the incurrence of any such Indebtedness of such redesignated Subsidiary as if such Indebtedness was incurred on the date of the Revocation, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 1008 herein or (y) if prior to

such Revocation the Company could not incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 1008 herein, the Company's Consolidated Fixed Charge Coverage Ratio does not decline as a result of such Revocation.

All Designations and Revocations must be evidenced by a resolution of the Board of Directors of the Company delivered to the Trustee certifying compliance with the foregoing provisions.

SECTION 1018. PROVISION OF FINANCIAL STATEMENTS.

Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company would have been required to file with the Commission pursuant to Section 13(a) or 15(d) if the Company were so subject, such documents to be filed with the Commission on or prior to the date (the "Required Filing Date") by which the Company would have been required so to file such documents if the Company were so subject.

The Company will also in any event within 15 days of each Required Filing Date (a) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company filed with the Commission or would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to either of such Sections and (b) if filing such reports and documents by the Company with the Commission is not accepted by the Commission or is not permitted under the Exchange Act, transmit by mail to all Holders of the Securities, as their names and addresses appear in the Security Register, without cost to such Holders, copies of such reports and documents.

In addition, so long as any of the Securities remain outstanding, the Company will make available to any prospective purchaser of Securities or beneficial owner of Securities in connection with any sale thereof the information required by Rule 144A(d)(4) under the Securities Act, until such time as the Company has either exchanged the Securities for securities identical in all material respects which have been registered under the Securities Act or until such time as the Holders thereof have disposed of such Securities pursuant to an effective registration statement under the Securities Act.

SECTION 1019. STATEMENT BY OFFICERS AS TO DEFAULT.

(a) The Company will deliver to the Trustee, on or before a date not more than 120 days after the end of each fiscal year of the Company and 60 days after the end of each fiscal quarter, an Officers' Certificate, as to compliance herewith, including whether or not, after a review of the activities of the Company during such year or such quarter and of the Company's and each Guarantor's performance under this Indenture, to the best knowledge, based on such review, of the signers thereof, the Company and each Guarantor have fulfilled all of their respective obligations and are in compliance with all conditions and covenants under this Indenture throughout such year or quarter, as the case may be, and, if there has been a Default specifying each Default and the nature and status thereof and any actions being taken by the Company and the Guarantors with respect thereto.

(b) When any Default or Event of Default has occurred and is continuing, the Company shall deliver to the Trustee by registered or certified mail or facsimile transmission of an

Officers' Certificate specifying such Default or Event of Default, within five Business Days after the occurrence of such Default or Event of Default.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. RIGHTS OF REDEMPTION.

(a) The Securities are subject to redemption at any time on or after June 1, 2007, at the option of the Company, in whole or in part,

subject to the conditions, and at the Redemption Prices specified in the form of Security, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant Regular Record Dates and Special Record Dates to receive interest due on relevant Interest Payment Dates and Special Payment Dates).

(b) In addition, at any time prior to June 1, 2006, the Company, at its option, may use the net proceeds of one or more Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under this Indenture at a Redemption Price equal to 108.875% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Redemption Date (subject to the rights of Holders of record on relevant record dates to receive interest due on an Interest Payment Date); provided that this redemption provision shall not be applicable with respect to any transaction that results in a Change of Control; provided, further, that at least 65% of the initial aggregate principal amount of Securities must remain outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Company must mail a notice of redemption no later than 60 days after the closing of the related Equity Offering and must complete such redemption within 90 days of the closing of the Equity Offering.

(c) In addition, at any time prior to June 1, 2007, the Company may redeem all or a portion of the Securities in amounts of $1,000 or an integral multiple thereof, at a price equal to the greater of:

(i) 100% of the aggregate principal amount of the Securities to be redeemed, together with accrued and unpaid interest, if any, to the date of redemption, and

(ii) as determined by an Independent Investment Banker, the sum of the present values of 104.438% of the principal of the Securities being redeemed plus scheduled payments of interest (not including any portion of such payments of interest accrued as of the date of redemption) from the date of redemption to June 1, 2007 discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 50 basis points, together with accrued and unpaid interest, if any, to the date of redemption.

SECTION 1102. APPLICABILITY OF ARTICLE.

Redemption of Securities at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

SECTION 1103. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Company Order and an Officers' Certificate. In case of any redemption at the election of the Company, the Company shall, not less than 45 nor more than 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice period shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of Securities to be redeemed.

SECTION 1104. SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED.

If less than all the Securities are to be redeemed, the particular Securities or portions thereof to be redeemed shall be selected not more than 30 days prior to the Redemption Date. The Trustee shall select the Securities or portions thereof to be redeemed in compliance with the requirements of the principal national security exchange, if any, on which the Securities are listed, or if the Securities are not so listed, pro rata, by lot or by any other method the Trustee shall deem fair and reasonable. The amounts to be redeemed shall be equal to $1,000 or any integral multiple thereof. Redemption pursuant to the provisions of Section 1101(b) relating to an Equity Offering must be made on a pro rata basis or on as nearly a pro rata basis as practicable (subject to the procedures of DTC or any other depositary).

The Trustee shall promptly notify the Company and the Security

Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 1105. NOTICE OF REDEMPTION.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at its address appearing in the Security Register.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Securities are to be redeemed, the identification of the particular Securities to be redeemed;

(d) in the case of a Security to be redeemed in part, the principal amount of such Security to be redeemed and that after the Redemption Date upon surrender of such Security, new Security or Securities in the aggregate principal amount equal to the unredeemed portion thereof will be issued;

(e) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(f) that on the Redemption Date the Redemption Price will become due and payable upon each such Security or portion thereof to be redeemed, and that (unless the Company shall default in payment of the Redemption Price) interest thereon shall cease to accrue on and after said date;

(g) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002 where such Securities are to be surrendered for payment of the Redemption Price;

(h) the CUSIP number, if any, relating to such Securities; and

(i) the procedures that a Holder must follow to surrender the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's written request, by the Trustee in the name and at the expense of the Company. If the Company elects to give notice of redemption, it shall provide the Trustee with a certificate stating that such notice has been given in compliance with the requirements of this Section 1105.

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

SECTION 1106. DEPOSIT OF REDEMPTION PRICE.

On or prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company or any of its Affiliates is acting as Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money in same day funds sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest

Payment Date or Special Payment Date) accrued interest on, all the Securities or portions thereof which are to be redeemed on that date. The Paying Agent shall promptly mail or deliver to Holders of Securities so redeemed payment in an amount equal to the Redemption Price of the Securities purchased from each such Holder. All money, if any, earned on funds held in trust by the Trustee or any Paying Agent shall be remitted to the Company. For purposes of this Section 1106, the Company shall choose a Paying Agent which shall not be the Company.

SECTION 1107. SECURITIES PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price together with accrued interest to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to

the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates and Special Record Dates according to the terms and the provisions of Section 309.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the Redemption Date at the rate borne by such Security.

SECTION 1108. SECURITIES REDEEMED OR PURCHASED IN PART.

Any Security which is to be redeemed or purchased only in part shall be surrendered to the Paying Agent at the office or agency maintained for such purpose pursuant to Section 1002 (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Security so surrendered that is not redeemed or purchased.

SECTION 1109. SPECIAL MANDATORY REDEMPTION; NOTICES TO TRUSTEE AND SECURITIES INTERMEDIARY.

If (1) the Release has not occurred on or before 5:00 p.m., New York City time, on the Deadline, or (2) the Company has earlier notified the Securities Intermediary that it will not proceed with the Acquisition, then the Company will, on a Business Day designated by the Company that is not more than 20 Business Days following the Deadline, or such earlier date as permitted by applicable law, (the "Special Mandatory Redemption Date"), notify the Trustee thereof and deliver to the Trustee an Officers' Certificate stating that such redemption will comply with the conditions contained in form of Security (the "Special Mandatory Redemption") and setting forth the Special Mandatory Redemption Price applicable to such Special Mandatory Redemption. Simultaneously with the giving of such notice by the Company to the Trustee, the Company shall notify the Securities Intermediary thereof pursuant to Section 3(b) of the Escrow Agreement.

SECTION 1110. NOTICE OF SPECIAL MANDATORY REDEMPTION TO HOLDERS.

Notice of the Special Mandatory Redemption will be promptly mailed by first class mail by the Company to each Holder of Securities at his or her last address as the same appears in the Security Register.

The notice shall state that all the Securities will be redeemed (including the CUSIP numbers thereof) and shall state:

(1) the Special Mandatory Redemption Date;

(2) the Special Mandatory Redemption Price;

(3) the name and address of the Paying Agent;

(4) that Securities must be surrendered to the Paying Agent to collect the redemption price;

(5) that unless the Company defaults in making the redemption payment, interest on the Securities ceases to accrue on and after the Special Mandatory Redemption Date; and

(6) that the Securities are being redeemed pursuant to the provision of the Securities related to Special Mandatory Redemption.

SECTION 1111. EFFECT OF NOTICE OF SPECIAL MANDATORY REDEMPTION.

Once the notice of redemption described in Section 1110 is mailed, the Securities will become due and payable on the Special Mandatory Redemption Date at the Special Mandatory Redemption Price. Upon surrender to the Paying Agent, the Securities shall be paid at the Special Mandatory Redemption Price.

SECTION 1112. DEPOSIT OF SPECIAL MANDATORY REDEMPTION PRICE.

On or prior to 10:00 A.M., New York City time, on the Special Mandatory Redemption Date, the Company shall direct the Securities Intermediary, pursuant to Section 3(b) of the Escrow Agreement, to deposit with the Paying Agent the applicable Special Mandatory Redemption Price.

On and after the Special Mandatory Redemption Date, if money sufficient to pay the applicable Special Mandatory Redemption Price shall have been made available in accordance with the immediately preceding paragraph, the Securities will cease to accrue interest and the only right of the Holders of the Securities will be to receive payment of the Special Mandatory Redemption Price. If any Securities surrendered for redemption shall not be so paid, interest will be paid, from the Special Mandatory Redemption Date until such redemption payment is made, on the unpaid principal of the Securities and any interest not paid on such unpaid principal, in each case at the rate and in the manner provided in the Securities.

SECTION 1113. NO OTHER MANDATORY REDEMPTIONS.

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Securities, other than a Special Mandatory Redemption.

ARTICLE TWELVE

SATISFACTION AND DISCHARGE

SECTION 1201. SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Securities as expressly provided for herein) as to all Outstanding Securities hereunder, and the Trustee, upon Company Request and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(1) all the Securities theretofore authenticated and delivered (other than (i) lost, stolen or destroyed Securities which have been replaced or paid as provided in Section 308 or (ii) all Securities for whose payment money has theretofore been deposited in

trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(2) all such Securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company;

(b) the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount in United States dollars sufficient to pay and discharge the entire Indebtedness on the Securities not theretofore delivered to the Trustee for cancellation, including the principal of, premium, if any, and accrued interest on, such Securities at such Maturity, Stated Maturity or Redemption Date;

(c) after giving effect thereto, no Default or Event of Default shall have occurred and be continuing under any Indebtedness of the Company or any Restricted Subsidiary on the date of such deposit;

(d) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company, any Guarantor or any Restricted Subsidiary is a party or by which the Company, any Guarantor or any Restricted Subsidiary is bound;

(e) the Company or any Guarantor has paid or caused to be paid all other sums payable hereunder by the Company and any Guarantor; and

(f) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, in form and substance satisfactory to the Trustee, each stating that (i) all conditions precedent herein relating to the satisfaction and discharge hereof have been complied with.

Notwithstanding the satisfaction and discharge hereof, the obligations of the Company to the Trustee under Section 607 and, if United States dollars shall have been deposited with the Trustee pursuant to subclause (2) of subsection (a) of this Section 1201, the obligations of the Trustee under Section 1202 and the last paragraph of Section 1003 shall survive.

SECTION 1202. APPLICATION OF TRUST MONEY.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars deposited with the Trustee pursuant to Section 1201 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium, if any, and interest on, the Securities for whose payment such United States dollars have been deposited with the Trustee.

ARTICLE THIRTEEN

GUARANTEES

SECTION 1301. GUARANTORS' GUARANTEE.

For value received, each of the Guarantors, in accordance with this Article Thirteen, hereby absolutely, fully, unconditionally and irrevocably guarantees, jointly and severally with each other and with each other Person which may become a Guarantor hereunder, to the Trustee and the Holders, the punctual payment and performance when due of all Indenture Obligations (which for purposes of this Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this Guarantee).

SECTION 1302. CONTINUING GUARANTEE; NO RIGHT OF SET-OFF; INDEPENDENT OBLIGATION.

(a) This Guarantee shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guarantor, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in this Indenture including those set forth in Article Eight. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under this Indenture and the Securities but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

(b) Each Guarantor, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in lawful currency of the United States of America.

(c) Each Guarantor, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Holders of the Securities.

(d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 106 hereof.

(e) Except as provided herein, the provisions of this Article Thirteen cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any Person relative thereto which is not embodied herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guarantor free of any conditions whatsoever and that no representations, warranties or promises have

been made to any Guarantor affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guarantor.

(f) This Guarantee is a guarantee of payment, performance and compliance and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Company or upon any event or condition whatsoever.

(g) The obligations of the Guarantors set forth herein constitute the full recourse obligations of the Guarantors enforceable against them to the full extent of all their assets and properties.

SECTION 1303. GUARANTEE ABSOLUTE.

The obligations of the Guarantors hereunder are independent of the obligations of the Company under the Securities and this Indenture and a separate action or actions may be brought and prosecuted against any Guarantor whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guarantors hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guarantors hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by:

(a) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other

Person under this Indenture or the Securities, or any agreement or instrument relating to any of the foregoing;

(b) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor or any other Person, or any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from, this Indenture or the Securities, including any increase or decrease in the Indenture Obligations;

(c) the taking of security from the Company, any Guarantor or any other Person, and the release, discharge or alteration of, or other dealing with, such security;

(d) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guarantor hereunder;

(e) the abstention from taking security from the Company, any Guarantor or any other Person or from perfecting, continuing to keep perfected or taking advantage of any security;

(f) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor or any other Person, and including any other guarantees received by the Trustee;

(g) any other dealings with the Company, any Guarantor or any other Person, or with any security;

(h) the Trustee's or the Holders' acceptance of compositions from the Company or any Guarantor;

(i) the application by the Holders or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor or any other Person on account of any indebtedness and liabilities owing by the Company or any Guarantor to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any collateral;

(j) the release or discharge of the Company or any Guarantor of the Securities or of any Person liable directly as surety or otherwise by operation of law or otherwise for the Securities, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guarantor hereunder;

(k) any change in the name, business, capital structure or governing instrument of the Company or any Guarantor or any refinancing or restructuring of any of the Indenture Obligations;

(l) the sale of the Company's or any Guarantor's business or any part thereof;

(m) subject to Section 1314, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor, any Person resulting from the merger or consolidation of the Company or any Guarantor with any other Person or any other successor to such Person or merged or consolidated Person or any other change in the corporate existence, structure or ownership of the Company or any Guarantor or any change in the corporate relationship between the Company and any Guarantor, or any termination of such relationship;

(n) the insolvency, bankruptcy, liquidation, winding-up, dissolution, receivership, arrangement, readjustment, assignment for the benefit of creditors or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor (whether voluntary or involuntary) or the loss of corporate existence;

(o) subject to Section 1314, any arrangement or plan of reorganization affecting the Company or any Guarantor;

(p) any failure, omission or delay on the part of the Company to conform or comply with any term of this Indenture;

(q) any limitation on the liability or obligations of the Company or any other Person under this Indenture, or any discharge, termination, cancellation, distribution, irregularity, invalidity or unenforceability in whole or in part of this Indenture;

(r) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company or any Guarantor; or

(s) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Securities, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other guarantor in connection with any of the Indenture Obligations,

whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors.

SECTION 1304. RIGHT TO DEMAND FULL PERFORMANCE.

In the event of any demand for payment or performance by the Trustee from any Guarantor hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the Guarantors shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under this Indenture and the Securities. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof. Each Guarantor, promptly after demand, will reimburse the Trustee and the Holders for all costs and expenses of collecting such amount under, or enforcing this Guarantee, including, without limitation, the reasonable fees and expenses of counsel.

SECTION 1305. WAIVERS.

(a) Each Guarantor hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal, extension or the non-performance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of this Indenture or the Securities or any other notice whatsoever to or upon the Company or such Guarantor with respect to the Indenture Obligations, whether by statute, rule of law or otherwise. Each Guarantor hereby acknowledges communication to it of the terms of this Indenture and the Securities and all of the provisions therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment with respect to (i) any notice of sale, transfer or other disposition of any right, title to or interest in the Securities by the Holders or in this Indenture, (ii) any release of any Guarantor from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder and (iii) any other circumstances whatsoever that might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or that might otherwise limit recourse against such Guarantor.

(b) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(i) enforce, assert, exercise, initiate or

exhaust any rights, remedies or recourse against the Company, any Guarantor or any other Person under this Indenture or otherwise;

(ii) value, realize upon, or dispose of any security of the Company or any other Person held by the Trustee or the Holders;

(iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity; or

(iv) mitigate the damages resulting from any Default under this Indenture;

before requiring or becoming entitled to demand payment from such Guarantor under this Guarantee.

SECTION 1306. THE GUARANTORS REMAIN OBLIGATED IN EVENT THE COMPANY IS NO LONGER OBLIGATED TO DISCHARGE INDENTURE OBLIGATIONS.

It is the express intention of the Trustee and the Guarantors that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing by the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guarantors contained in this Article Thirteen shall nevertheless be binding upon the Guarantors, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 402 shall apply to the Securities and the Guarantors shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

SECTION 1307. FRAUDULENT CONVEYANCE; CONTRIBUTION; SUBROGATION.

(a) Each Guarantor that is a Subsidiary of the Company and, by its acceptance hereof, each Holder hereby confirm that it is the intention of all such parties that the Guarantee by such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the obligations of such Guarantor under its Guarantee shall be limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, will result in the obligations of such Guarantor under its Guarantee not constituting such fraudulent transfer or conveyance.

(b) Each Guarantor that makes a payment or distribution under its Guarantee shall be entitled to a contribution from each other Guarantor, if any, in a pro rata amount based on the net assets of each Guarantor, determined in accordance with GAAP.

(c) Each Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article Thirteen.

SECTION 1308. GUARANTEE IS IN ADDITION TO OTHER SECURITY.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company and (except as may be required by law) the Trustee

shall be under no obligation to marshal in favor of each of the Guarantors any other guarantees or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

SECTION 1309. RELEASE OF SECURITY INTERESTS.

Without limiting the generality of the foregoing and except as otherwise provided in this Indenture, each Guarantor hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guarantors hereunder, shall not be affected by any and all releases for any purpose of any collateral, if any, from the Liens and security interests created by any collateral document and that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

SECTION 1310. NO BAR TO FURTHER ACTIONS.

Except as provided by law, no action or proceeding brought or instituted under this Article Thirteen and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under this Article Thirteen and this Guarantee by reason of any further default or defaults under this Article Thirteen and this Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

SECTION 1311. FAILURE TO EXERCISE RIGHTS SHALL NOT OPERATE AS A WAIVER; NO SUSPENSION OF REMEDIES.

(a) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Article Thirteen and this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, powers, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.

(b) Nothing contained in this Article Thirteen shall limit the right of the Trustee or the Holders to take any action to accelerate the maturity of the Securities pursuant to Article Five or to pursue any rights or remedies hereunder or under applicable law.

SECTION 1312. TRUSTEE'S DUTIES; NOTICE TO TRUSTEE.

(a) Any provision in this Article Thirteen or elsewhere in this Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guarantor, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of this Indenture or where the failure of the Trustee to request any such information or to take any such action arises from the Trustee's gross negligence, bad faith or willful misconduct.

(b) The Trustee shall not be required to inquire into the existence, powers or capacities of the Company, any Guarantor or the officers, directors or agents acting or purporting to act on their respective behalf.

SECTION 1313. SUCCESSORS AND ASSIGNS.

All terms, agreements and conditions of this Article Thirteen shall extend to and be binding upon each Guarantor and its successors and permitted assigns and shall enure to the benefit of

and may be enforced by the Trustee and its successors and assigns; provided,

however, that the Guarantors may not assign any of their rights or obligations hereunder other than in accordance with Article Eight.

SECTION 1314. RELEASE OF GUARANTEE.

Concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Article Thirteen. Upon the delivery by the Company to the Trustee of an Officers' Certificate and, if requested by the Trustee, an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of this Indenture and the Securities, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantors from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guarantors under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guarantor shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

This Guarantee shall terminate with respect to each Guarantor and shall be automatically and unconditionally released and discharged as provided in Section 1013(b).

SECTION 1315. EXECUTION OF GUARANTEE.

(a) To evidence the Guarantee, each Guarantor hereby agrees to execute the guarantee substantially in the form set forth in Section 204, to be endorsed on each Security authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of each Guarantor by its Chairman of the Board, its President, its Chief Executive Officer, Chief Operating Officer or one of its Vice Presidents. The signature of any of these officers on the Securities may be manual or facsimile.

(b) Any person that was not a Guarantor on the date of this Indenture may become a Guarantor by executing and delivering to the Trustee (i) a supplemental indenture in form and substance satisfactory to the Trustee, which subjects such person to the provisions (including the representations and warranties) of this Indenture as a Guarantor, (ii) in the event that as of the date of such supplemental indenture any registrable Securities are Outstanding, an instrument in form and substance satisfactory to the Trustee which subjects such person to the provisions of the Registration Rights Agreement with respect to such Outstanding registrable Securities, and (iii) an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized and executed by such person and constitutes the legal, valid and binding obligation of such person (subject to such customary assumptions and exceptions as may be acceptable to the Trustee in its reasonable discretion).

(c) If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates a Security on which this Guarantee is endorsed, such Guarantee shall be valid nevertheless.

ARTICLE FOURTEEN

SECURITY DOCUMENTS

SECTION 1401. SECURITY DOCUMENTS.

The due and punctual payment of the principal of and interest on the Securities when and as the same shall be due and payable, whether on an Interest Payment Date, at maturity, by acceleration , repurchase, redemption, special redemption or otherwise, and interest on the overdue principal of and interest on the Securities and performance of all other obligations of the Company and the Guarantors to the Holders or the Trustee under this Indenture and the Securities, according to the terms hereunder or thereunder, shall be secured as provided in the Security Documents. Each Holder, by its acceptance of the Securities, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms. The Company shall deliver to the Trustee

copies of all documents delivered to the Securities Intermediary pursuant to the Security Documents, The Company shall take any and all actions with respect to the Security Documents that are necessary to comply with the Trust Indenture Act. The Company shall at all times comply with the provisions of Trust Indenture Act ss.314(b), whether or not the Trust Indenture Act is then applicable to the obligations of the Company and the Guarantors under this Indenture.

SECTION 1402. RELEASE OF COLLATERAL.

Collateral may (and, as applicable, shall) be released or substituted only in accordance with the terms of the Security Documents.

The release of any Collateral from the terms of this Indenture and the Security Documents shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms of the Security Documents.

SECTION 1403. CERTIFICATES OF THE COMPANY.

To the extent applicable, the Company shall comply with Trust Indenture Act Section 313(b), relating to reports, and Trust Indenture Act Section 314(d), relating to the release of property or securities from the lien and security interest of the Security Documents and relating to the substitution therefor of any property or securities to be subjected to the lien and security interest of the Security Documents. Any certificate or opinion required by Trust Indenture Act Section 314(d) may be made by an Officer of the Company except in cases where Trust Indenture Act Section 314(d) requires that such certificate or opinion be made by an independent Person, which Person shall be an independent engineer, appraiser or other expert selected or approved by the Collateral Agent in the exercise of reasonable care.

SECTION 1404. CERTIFICATES OF THE TRUSTEE.

In the event that the Company wish to release Collateral in accordance with the Security Documents and have delivered the certificates and documents required by the Security Documents and Sections 1402 and 1403 hereof, the Trustee shall determine whether it has received all documentation

required by Trust Indenture Act Section 314(d) in connection with such release and, based on the Opinion of Counsel delivered pursuant to Section 103, shall deliver a certificate to the Securities Intermediary setting forth such determination. The Trustee, however, shall have no duty to confirm the legality or validity of such documents, its sole duty being to certify that it has received such documentation which on their face conform to Section 314(d) of the Trust Indenture Act.

SECTION 1405. AUTHORIZATION OF ACTIONS TO BE TAKEN BY THE TRUSTEE UNDER THE SECURITY DOCUMENTS.

The Trustee shall have power to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by an acts that may be unlawful or in violation of the Security Documents or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the holders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders or to the Trustee).

SECTION 1406. DOCUMENTS.

The Trustee is authorized to receive any funds for the benefit of the Holders distributed under the Security Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture and the Security Documents.

SECTION 1407. TERMINATION OF SECURITY INTEREST.

Upon the consummation of (x) the Release or (y) the Special Mandatory Redemption, or upon defeasance, the Trustee shall, at the request of the Company, deliver a certificate to the Securities Intermediary stating that such obligations have been paid in full.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

OXFORD INDUSTRIES, INC.

By: _____
Name:
Title:

LIONSHEAD CLOTHING COMPANY, INC.
MERONA INDUSTRIES, INC.
OXFORD CARIBBEAN, INC.
OXFORD GARMENT, INC.
OXFORD PRIVATE LIMITED OF DELAWARE, INC.
OXFORD RECEIVABLES COMPANY
OXFORD CLOTHING
OXFORD INTERNATIONAL, INC.
OXFORD OF SOUTH CAROLINA
PIEDMONT APPAREL CORPORATION

By: _____
Name:
Title:

SUNTRUST BANK, as Trustee

By: _____
Authorized Signatory

EXHIBIT A

REGULATION S CERTIFICATE

(For transfers pursuant to Section 307(a)(i) and Section 307(a)(v) of the Indenture)

SunTrust Bank
25 Park Place
24th Floor
Atlanta, Georgia 30303

Re: 8 7/8% Senior Notes due 2011 of Oxford Industries, Inc. (the "Securities")

Reference is made to the Indenture, dated as of May 16, 2003 (the "Indenture"), among Oxford Industries, Inc., a Georgia corporation (the "Company"), Lionshead Clothing Company, Inc., a Delaware corporation, Merona Industries Inc., a Delaware corporation, Oxford Caribbean, Inc., a Delaware corporation, Oxford Garment, Inc., a Delaware corporation, Oxford Private Limited of Delaware, Inc., a Delaware corporation, Oxford Receivables Company, a Delaware corporation, Oxford Clothing, a Georgia corporation, Oxford International, Inc., a Georgia corporation, Oxford of South Carolina, a South Carolina corporation and Piedmont Apparel Corporation, a Delaware corporation (collectively, the "Guarantors"), and SunTrust Bank, as Trustee. Terms used herein and defined in the Indenture or in Regulation S or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified

Securities"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner." The Specified Securities are represented by a Global Security and are held through the Depositary or an Agent Member in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "Transferee") who will take delivery in the form of a Regulation S Global Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 904 or Rule 144 under the Securities Act and with all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(1) Rule 904 Transfers. If the transfer is being effected in accordance with Rule 904:

(A) the Owner is not a distributor of the Securities, an affiliate of the Company or any such distributor or a person acting on behalf of any of the foregoing;

(B) the offer of the Specified Securities was not made to a person in the United States;

(C) either:

(i) at the time the buy order was originated, the Transferee was outside the United States or the Owner and any person acting on its behalf reasonably believed that the Transferee was outside the United States, or

(ii) the transaction is being executed in, on or through the facilities of the Eurobond market, as regulated by the Association of International Bond Dealers, or another designated offshore securities market and neither the Owner nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(D) no directed selling efforts have been made in the United States by or on behalf of the Owner or any affiliate thereof;

(E) if the Owner is a dealer in securities or has received a selling concession, fee or other remuneration in respect of the Specified Securities, and the transfer is to occur during the Restricted Period, then the requirements of Rule 904(c)(1) have been satisfied; and

(F) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

(2) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

(B) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By: _____
Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXHIBIT B

RESTRICTED SECURITIES CERTIFICATE

(For transfers pursuant to Section 307(a)(iii) and Section 307(a)(vi) of the Indenture)

SunTrust Bank
25 Park Place
24th Floor
Atlanta, Georgia 30303

Re: 8 7/8% Senior Notes due 2011 of Oxford Industries, Inc. (the "Securities")

Reference is made to the Indenture, dated as of May 16, 2003 (the "Indenture"), among Oxford Industries, Inc., a Georgia corporation (the "Company"), Lionshead Clothing Company, Inc., a Delaware corporation, Merona Industries Inc., a Delaware corporation, Oxford Caribbean, Inc., a Delaware corporation, Oxford Garment, Inc., a Delaware corporation, Oxford Private Limited of Delaware, Inc., a Delaware corporation, Oxford Receivables Company, a Delaware corporation, Oxford Clothing, a Georgia corporation, Oxford International, Inc., a Georgia corporation, Oxford of South Carolina, a South Carolina corporation and Piedmont Apparel Corporation, a Delaware corporation (collectively, the "Guarantors"), and SunTrust Bank, as Trustee. Terms used herein and defined in the Indenture or in Rule 144A or Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s). _____
ISIN No(s). If any. _____
CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner." The Specified Securities are represented by a Global Security and are held through the Depositary or an Agent Member in the name of the Undersigned, as or

on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "Transferee") who will take delivery in the form of a Restricted Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or Rule 144 under the Securities Act and all applicable securities laws of the states of the United States and other jurisdictions. Accordingly, the Owner hereby further certifies as follows:

(1) Rule 144A Transfers. If the transfer is being effected in accordance with Rule 144A:

(A) the Specified Securities are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(B) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection with the transfer; and

(2) Rule 144 Transfers. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least one year (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of Rule 144; or

(B) the transfer is occurring after a holding period of at least two years has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By: _____
Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXHIBIT C

INSTITUTIONAL ACCREDITED INVESTOR CERTIFICATE

(For transfers pursuant to Section 307(a)(ii) and Section 307(a)(iv) of the Indenture)

SunTrust Bank

25 Park Place
24th Floor
Atlanta, Georgia 30303

Re: 8 7/8% Senior Notes due 2011 of Oxford Industries, Inc. (the "Securities")

Reference is made to the Indenture, dated as of May 16, 2003 (the "Indenture"), among Oxford Industries, Inc., a Georgia corporation (the "Company"), Lionshead Clothing Company, Inc., a Delaware corporation, Merona Industries Inc., a Delaware corporation, Oxford Caribbean, Inc., a Delaware corporation, Oxford Garment, Inc., a Delaware corporation, Oxford Private Limited of Delaware, Inc., a Delaware corporation, Oxford Receivables Company, a Delaware corporation, Oxford Clothing, a Georgia corporation, Oxford International, Inc., a Georgia corporation, Oxford of South Carolina, a South Carolina corporation and Piedmont Apparel Corporation, a Delaware corporation (collectively, the "Guarantors"), and SunTrust Bank, as Trustee. Terms used herein and defined in the Indenture are used herein as so defined.

We are delivering this letter in connection with the proposed transfer of $_____ principal amount of Securities.

We, the undersigned, hereby confirm that:

(i) we are an "accredited investor" within the meaning of Rule 501(a)(1), (2) or (3) under the Securities Act of 1933, as amended (the "Securities Act"), or an entity in which all of the equity owners are accredited investors within the meaning of Rule 501(a)(1), (2) or (3) under the Securities Act (an "Institutional Accredited Investor");

(ii) the purchase of the Securities by us is for our own account or for the account of one or more other Institutional Accredited Investors or as fiduciary for the account of one or more trusts, each of which is an "accredited investor" within the meaning of Rule 501(a)(7) under the Securities Act and for each of which we exercise sole investment discretion or (B) we are a "bank," within the meaning of Section 3(a)(2) of the Securities Act, or a "savings and loan association" or other institution described in Section 3(a)(5)(A) of the Securities Act that is acquiring the Securities as fiduciary for the account of one or more institutions for which we exercise sole investment discretion;

(iii) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing the Securities; and

(iv) we are not acquiring the Securities with a view to distribution thereof or with any present intention of offering or selling the Securities, except as permitted below; provided that the disposition of our property and property of any accounts for which we are acting as fiduciary shall remain at all times within our control.

We understand that the Securities were originally offered and sold in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Securities have not been registered under the Securities Act, and we agree, on our own behalf and on behalf of each account for which we acquire any Securities, that if in the future we decide to resell or otherwise transfer such Securities prior to the date (the "Resale Restriction Termination Date") which is two years after the later of the original issuance of the Securities and the last date on which the Company or an affiliate of the Company was the owner of the Security, such Securities may be resold or otherwise transferred only (i) to the Company or any subsidiary thereof, or (ii) for as long as the Securities are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) that purchases for its own account or for the account of a qualified institutional buyer to which notice is given that the transfer is being made in reliance on Rule 144A, or (iii) to an Institutional Accredited Investor that is acquiring the Security for its own account, or for the account of such Institutional Accredited Investor for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act, or (iv) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (v) pursuant to another available exemption from

registration under the Securities Act (if applicable), or (vi) pursuant to a registration statement which has been declared effective under the Securities Act and, in each case, in accordance with any applicable securities laws of any State of the United States or any other applicable jurisdiction and in accordance with the legends set forth on the Securities. We further agree to provide any person purchasing any of the Securities other than pursuant to clause (vi) above from us a notice advising such purchaser that resales of such securities are restricted as stated herein. We understand that the trustee or the transfer agent, as the case may be, for the Securities will not be required to accept for registration of transfer any Securities pursuant to (iii), (iv) or (v) above except upon presentation of evidence satisfactory to the Company that the foregoing restrictions on transfer have been complied with. We further understand that any Securities are represented by a Global Security and are held through the Depositary or an Agent Member in the name of the undersigned, as or on behalf of the owner and that such Global Security will bear a legend reflecting the substance of this paragraph other than certificates representing Securities transferred pursuant to clause (vi) above.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Institutional Accredited Investor)

By: _____
Name:
Title:

EXHIBIT D

UNRESTRICTED SECURITIES CERTIFICATE

(For removal of Securities Act Legends pursuant to Section 307(b) of the Indenture)

SunTrust Bank
25 Park Place
24th Floor
Atlanta, Georgia 30303

Re: 8 7/8% Senior Notes due 2011 of Oxford Industries, Inc. (the "Securities")

Reference is made to the Indenture, dated as of May 16, 2003 (the "Indenture"), among Oxford Industries, Inc., a Georgia corporation (the "Company"), Lionshead Clothing Company, Inc., a Delaware corporation, Merona Industries Inc., a Delaware corporation, Oxford Caribbean, Inc., a Delaware corporation, Oxford Garment, Inc., a Delaware corporation, Oxford Private Limited of Delaware, Inc., a Delaware corporation, Oxford Receivables Company, a Delaware corporation, Oxford Clothing, a Georgia corporation, Oxford International, Inc., a Georgia corporation, Oxford of South Carolina, a South Carolina corporation and Piedmont Apparel Corporation, a Delaware corporation (collectively, the "Guarantors"), and SunTrust Bank, as Trustee. Terms used herein and defined in the Indenture or in Rule 144 under the U.S. Securities Act of 1933 (the "Securities Act") are used herein as so defined.

This certificate relates to US$_____ principal amount of Securities, which are evidenced by the following certificate(s) (the "Specified Securities"):

CUSIP No(s). _____

CERTIFICATE No(s). _____

The person in whose name this certificate is executed below (the "Undersigned") hereby certifies that either (i) it is the sole beneficial owner of the Specified Securities or (ii) it is acting on behalf of all the beneficial

owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "Owner." If the Specified Securities are represented by a Global Security, they are held through the Depositary or an Agent Member in the name of the Undersigned, as or on behalf of the Owner. If the Specified Securities are not represented by a Global Security, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be exchanged for Securities bearing no Private Placement Legend pursuant to Section 307(b) of the Indenture. In connection with such exchange, the Owner hereby certifies that the exchange is occurring after a holding period of at least two years (computed in accordance with paragraph (d) of Rule 144) has elapsed since the Specified Securities were last acquired from the Company or from an affiliate of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company. The Owner also acknowledges that any future transfers of

the Specified Securities must comply with all applicable securities laws of the states of the United States and other jurisdictions.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and the Initial Purchasers.

Dated:

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By: _____
Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

EXHIBIT E

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of ____, 2003, by and among Oxford Industries, Inc., a Georgia corporation (the "Company"), the Company's subsidiaries listed on Schedule A hereto (each, a "New Guarantor"), the Company's subsidiaries listed on Schedule B hereto (collectively the "Existing Guarantors") and SunTrust Bank, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company, the Existing Guarantors and the Trustee are parties to an indenture (the "Indenture"), dated as of May 16, 2003 providing for the issuance of 8 7/8% Senior Securities due 2011 (the "Securities");

WHEREAS, the Indenture provides that, without the consent of any Holders, the Company and the Existing Guarantors, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into indentures supplemental thereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for the purpose of adding a Guarantor;

WHEREAS, each New Guarantor wishes to guarantee the Securities pursuant to the Indenture;

WHEREAS, pursuant to the Indenture the Company, the Existing Guarantors, the New Guarantors and the Trustee have agreed to enter into this

Supplemental Indenture for the purposes stated herein; and

WHEREAS, all things necessary have been done to make this Supplemental Indenture, when executed and delivered by the Company, the Existing Guarantors, and each New Guarantor, the legal, valid and binding agreement of the Company, the Existing Guarantors, and each New Guarantor, in accordance with its terms.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, each New Guarantor, the Existing Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Guarantee. Each New Guarantor hereby agrees to guarantee the Indenture and the Securities related thereto pursuant to the terms and conditions of Article Thirteen of the Indenture, such Article Thirteen being incorporated by reference herein as if set forth at length herein (each such guarantee, a "Guarantee") and such New Guarantor agrees to be bound as a Guarantor under the Indenture as if it had been an initial signatory thereto.

(3) Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

(4) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(5) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

(6) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company, the New Guarantors and the Existing Guarantors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated:

OXFORD INDUSTRIES, INC.

By: _____
Name:
Title:

EACH GUARANTOR LISTED ON SCHEDULE A HERETO

By: _____
Name:
Title:

EACH GUARANTOR LISTED ON SCHEDULE B HERETO

By: _____
Name:
Title:

SUNTRUST BANK, as Trustee

By: _____
Authorized Signatory

Schedule A

[New Guarantors]

Schedule B

Lionshead Clothing Company, Inc.
Merona Industries, Inc.
Oxford Caribbean, Inc.
Oxford Garment, Inc.
Oxford Private Limited of Delaware, Inc.
Oxford Receivables Company
Piedmont Apparel Corporation
Oxford Clothing
Oxford International, Inc.
Oxford of South Carolina

EXECUTION COPY

EXHIBIT 10 O

CREDIT AGREEMENT

among

OXFORD INDUSTRIES, INC.
and certain of its Subsidiaries party hereto as Borrowers,

The Subsidiaries of the Borrowers party hereto as Guarantors,

The financial institutions party hereto as Lenders,

The financial institutions party hereto as Issuing Banks,

MERRILL LYNCH CAPITAL (a division of Merrill Lynch Business Financial Services Inc.), as Syndication Agent,

and

SUNTRUST BANK, as Administrative Agent

SUNTRUST ROBINSON HUMPHREY (a division of SunTrust Capital Markets, Inc.) AND MERRILL LYNCH CAPITAL (a division of Merrill Lynch Business Financial Services Inc.), as Joint Lead Arrangers,

THE CIT GROUP/COMMERCIAL SERVICES, INC., as Co-Syndication Agent,

JPMORGAN CHASE BANK and GENERAL ELECTRIC CAPITAL CORPORATION, as Co-Documentation Agents

June 13, 2003

EXECUTION COPY

INDEX

EXHIBITS

SCHEDULES

Schedule 5.1(w)-2	-	Owned Real Property
Schedule 5.1(x)-1	-	Environmental Matters - Hazardous Materials
Schedule 5.1(x)-2	-	Environmental Matters - Compliance
Schedule 5.1(x)-3	-	Environmental Matters - Notices
Schedule 5.1(x)-4	-	Environmental Matters - Handling of Hazardous Materials
Schedule 5.1(x)-5	-	Environmental Matters - Actions and Orders
Schedule 5.1(x)-6	-	Environmental Matters - Releases

Schedule 6.11	-	Location of Collateral
Schedule 6.15	-	Bank Accounts
Schedule 8.1	-	Letters of Credit Existing on the Agreement Date that are not "Existing Letters of Credit"
Schedule 8.6	-	Affiliate Transactions
Schedule 8.7		Factoring Arrangements

CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of June 13, 2003 is by and among Oxford Industries, Inc., a Georgia corporation, Oxford of South Carolina, Inc., a South Carolina corporation, and, after giving effect to the Acquisition and execution by Viewpoint International, Inc. of the Joinder Agreement, Viewpoint International, Inc., a Delaware corporation, as Borrowers, the Subsidiaries of the Borrowers party hereto as Guarantors, the financial institutions party hereto as Lenders, the financial institutions party hereto as Issuing Banks, Merrill Lynch Capital (a division of Merrill Lynch Business Financial Services Inc.), as Syndication Agent, and SunTrust Bank, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, the Parent (as defined below), the Target (as defined below) and the Sellers (as defined below) are parties to the Acquisition Agreement (as defined below); and

WHEREAS, pursuant to the Acquisition Agreement, the Parent will, upon the funding of the Loans (as defined below) under this Agreement (as defined below), acquire all of the Equity Interests (as defined below) of the Target; and

WHEREAS, the Borrowers (as defined below) have requested that the Lenders make available to them the Revolving Loan Commitment (as defined below), on the terms and conditions set forth herein, to, among other things, finance the acquisition by the Parent of the Equity Interests of the Target, to fund transaction costs and to finance general operating and working capital needs of the Borrowers; and

WHEREAS, the Lenders are willing to make the Revolving Loan Commitment available to the Borrowers upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS, ACCOUNTING PRINCIPLES AND OTHER INTERPRETIVE MATTERS

Section 1.1 Definitions. For the purposes of this Agreement:

"Account Debtor" shall mean any Person who is obligated to make payments under an Account.

"Accounts" shall mean all "accounts," as such term is defined in the UCC, of each Borrower Party whether now existing or hereafter created or arising, including, without limitation, (i) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by chattel paper (as defined in the UCC) or instruments (as defined in the UCC)), (including any such obligations that may be characterized as an account or contract right under the UCC), (ii) all of each Borrower Party's rights in, to and under all purchase orders or receipts for goods or services, (iii) all of each Borrower Party's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (iv) all rights to payment due to a Borrower Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by such Borrower Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Borrower Party), (v) all health care insurance receivables and (vi) all collateral security of any kind, given by any Account Debtor or any other Person with respect to any of the foregoing.

"ACH Transactions" means any cash management or related services including the automated clearinghouse transfer of funds by the Administrative Agent (or any affiliate of the Administrative Agent) for the account of the Borrowers pursuant to agreement or overdrafts.

"Acquisition" shall mean the acquisition by the Parent on the Agreement Date of all of the Equity Interests of the Target pursuant to the Acquisition Agreement.

"Acquisition Agreement" shall mean that certain Stock Purchase Agreement dated as of April 26, 2003 among the Parent, the Target and the Sellers, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.13.

"Acquisition Documents" shall mean the Acquisition Agreement, the Earnout Agreement, the Acquisition Escrow Agreement, the Registration Rights Agreement dated as of June 13, 2003 among the Target, the Sellers, the "Sellers Representatives" identified therein and the Parent, the Noncompetition Agreements dated as of June 13, 2003 between the Parent and each of S. Anthony Margolis, Lucio Dalla Gasperina, Bonita Beach Blues, Inc. and Robert Emfield and the Nonsolicitation and Nondisclosure Agreements dated as of June 13, 2003 between the Parent and each of Whole Duty Investments, Ltd., Tony Yeung and SKM-TB, LLC, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.13.

"Acquisition Escrow Agreement" shall mean that certain Escrow Agreement dated as of June 13, 2003 among the Parent, the Target, the Sellers, S. Anthony Margolis and David

Oddi as the "Sellers Representatives" and JPMorgan Chase Bank, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.13.

"Administrative Agent" shall mean SunTrust Bank, acting as administrative agent for the Lender Group, and any successor Administrative Agent appointed pursuant to Section 10.12.

"Administrative Agent's Office" shall mean the office of the Administrative Agent located at 303 Peachtree Street, Atlanta, Georgia 30308, or such other office as may be designated pursuant to the provisions of Section 11.1.

"Administrative Borrower" shall have the meaning specified in Section 13.4.

"Administrative Questionnaire" shall mean a questionnaire substantially in the form of Exhibit A.

"Advance" or "Advances" shall mean amounts of the Revolving Loans advanced by the Lenders to the Borrowers pursuant to Section 2.2 on the occasion of any borrowing.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, and any other Person who is a director, officer or partner of such Person. For purposes of this definition, "control", when used with respect to any Person, includes, without limitation, the direct or indirect beneficial ownership of ten percent (10%) or more of the outstanding voting securities or voting equity of such Person or the power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent Advance Settlement Date" shall have the meaning specified in Section 2.1(e)(iii).

"Agent Advances" shall have the meaning specified in Section 2.1(e) hereof.

"Agents" shall mean, collectively, the Administrative Agent and the Syndication Agent.

"Aggregate Letter of Credit Commitment" shall mean the several obligations of the Issuing Banks to issue (or arrange with a Foreign Issuer for the issuance of) Letters of Credit for the account of Borrowers from time to time in an aggregate face amount not to exceed $175,000,000 pursuant to the terms of this Agreement.

"Aggregate Revolving Credit Obligations" shall mean, as of any particular time, the sum of (a) the aggregate principal amount of all Revolving Loans then outstanding, plus (b) the aggregate amount of all Letter of Credit Obligations then outstanding, plus (c) the aggregate amount of all Swing Loans then outstanding, plus (d) the aggregate principal amount of all Agent Advances then outstanding.

"Agreement" shall mean this Credit Agreement, together with all Exhibits and Schedules hereto, as amended, restated, supplemented or otherwise modified from time to time.

"Agreement Date" shall mean the date as of which this Agreement is dated.

"Applicable Law" shall mean, in respect of any Person, all provisions of constitutions, statutes, rules, regulations, and orders of governmental bodies or regulatory agencies applicable to such Person, and all orders and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Approved Freight Handler" shall mean any freight forwarder, customs broker, customs agent, shipper, shipping company or similar Person utilized by a Borrowing Base Borrower Party from time to time in connection with the importation of Inventory that has delivered a Lien Acknowledgment Agreement in favor of the Administrative Agent, so long as such Lien Acknowledgement Agreement remains in full force and effect and the Administrative Agent has not received any notice of termination with respect thereto.

"Approved Fund" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity that administers or manages a Lender.

"Assignment and Assumption Agreement" shall mean that certain form of Assignment and Assumption Agreement attached hereto as Exhibit B, pursuant to which each Lender may, as further provided in Section 11.5, sell a portion of its Loans and Revolving Loan Commitments.

"Assignments of Life Insurance Policy" shall mean the assignments of life insurance policies as collateral from the applicable Borrower Party in favor of the Administrative Agent, for the benefit of the Lender Group, assigning such Borrower Party's life insurance policy or policies on the lives of (a) S. Anthony Margolis and (b) Lucio Dalla Gasperina, and acknowledged by the applicable insurance company issuing such policy or policies, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Assignment of Rights under Acquisition Agreement" shall mean that certain Assignment of Rights under Acquisition Agreement of even date herewith, executed by the Parent in favor of the Administrative Agent, for the benefit of the Lender Group, and acknowledged by the Sellers, as the same may be amended,

restated, supplemented or otherwise modified from time to time.

"Authorized Signatory" shall mean such personnel of each Borrower Party as may be duly authorized and designated in writing to the Administrative Agent by such Borrower Party to execute documents, agreements, and instruments on behalf of such Borrower Party.

"Availability" shall mean, as of any particular time, (a) the lesser of (i) the Revolving Loan Commitment and (ii) the Borrowing Base, minus (b) in each case, the Aggregate Revolving Credit Obligations.

"Available Letter of Credit Amount" shall mean, as of any particular time, an amount equal to the lesser of (a) the Aggregate Letter of Credit Commitment at such time, minus the aggregate amount of all Letter of Credit Obligations at such time and (b) Availability at such time.

"Available Revolving Loan Commitment" shall mean, as of any particular time, (a) the amount of the Revolving Loan Commitment at such time minus (b) the Aggregate Revolving Credit Obligations at such time.

"Avoidance Provisions" shall have the meaning specified in Section 13.5(b).

"Bank Product Reserves" means all reserves that the Administrative Agent, from time to time, establishes in its reasonable discretion for the Bank Products then provided or outstanding.

"Bank Products" shall mean any one or more of the following types of services or facilities extended to the Borrower Parties by the Administrative Agent (or any affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. (or any affiliate of Bank of America, N.A.) or, in the case of Hedge Agreements, the Administrative Agent (or any affiliate of the Administrative Agent) or any Lender: (a) credit cards; (b) ACH Transactions; (c) cash management, including controlled disbursement services; and (d) Hedge Agreements.

"Bank Products Documents" shall mean all agreements entered into from time to time by the Borrower Parties in connection with any of the Bank Products and shall include the Hedge Agreements.

"Bankruptcy Code" shall mean the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as now or hereafter amended, and any successor statute.

"Base Rate" shall mean, at any time, a fluctuating and floating rate per annum equal to the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the rate of interest announced publicly by SunTrust Bank from time to time as its "prime rate" for the determination of interest rate loans of varying maturities in Dollars to United States residents of varying degrees of credit worthiness. Such "prime rate" is not necessarily the lowest rate of interest charged to borrowers of SunTrust Bank, and SunTrust Bank may make commercial loans or other loans at rates of interest at, above, or below such "prime rate". Each change in the prime rate announced by SunTrust Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Advance" shall mean an Advance which the Administrative Borrower requests to be made as a Base Rate Advance or which is reborrowed as a Base Rate Advance, in accordance with the provisions of Section 2.2.

"Blocked Account" shall have the meaning specified in Section 6.15.

"Blocked Account Agreement" shall mean any agreement executed by a depository bank and the Administrative Agent, for the benefit of the Lender Group, and acknowledged and agreed to by the Administrative Borrower, in the form of Exhibit C or such other form acceptable to the Administrative Agent in its sole discretion, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Borrower Parties" shall mean, collectively, the Borrowers and each of their respective Domestic Subsidiaries.

"Borrowers" shall mean the Parent, Oxford of South Carolina, Inc., a South Carolina corporation, and, after giving effect to the Acquisition and execution by the Target of a Joinder Agreement, the Target.

"Borrowing Base" shall mean, at any particular time, the sum of:

(a) up to 85% of Eligible Non-Factored Accounts and Eligible Factored Accounts (With Recourse); plus

(b) up to 90% of Eligible Factored Accounts (Without Recourse), plus

(c) the sum of (i) the lesser of (A) up to 65% of the Value of Eligible Landed Inventory of the Target and the Target Retail Borrower Parties consisting of finished goods and (B) up to 85% of the net appraised OLV of Eligible Landed Inventory of the Target and the Target Retail Borrower Parties consisting of finished goods, and (ii) the lesser of (A) up to 60% of the Value of Eligible Landed Inventory of the Borrowing Base Borrower Parties (other than the Target and the Target Retail Borrower Parties) consisting of finished goods and (B) up to 85% of the net appraised OLV of Eligible Landed Inventory of the Borrowing Base Borrower Parties (other than the Target and the Target Retail Borrower Parties) consisting of finished goods, plus

(d) the lesser of (i) up to 40% of the Value of Eligible Landed Inventory consisting of raw materials, and (ii) up to 70% of the net appraised OLV of Eligible Landed Inventory consisting of raw materials, plus

(e) (i) with respect to the Target and the Target Retail Borrower

Parties, up to 55% of the Value of their Eligible In-Transit Inventory, and (ii) with respect to the Borrowing Base Borrower Parties (other than the Target and the Target Retail Borrower Parties), up to 50% of the Value of their Eligible In-Transit Inventory, plus

(f) The lesser of (i) $10,100,000, and (ii)(A) from the Agreement Date to but excluding the first anniversary of the Agreement 70% of the fair market value (as of the Agreement Date) of Eligible Real Estate, (B) from the first anniversary of the Agreement Date to but excluding the second anniversary of the Agreement Date, 47% of the fair market value (as of the Agreement Date) of Eligible Real Estate, (C) from the second anniversary of the Agreement Date to but excluding the third anniversary of the Agreement Date, 23% of the fair market value (as of the Agreement Date) of Eligible Real Estate and (D) thereafter, zero, minus

(g) the Reserves;

provided, however, that the amount of availability created under clauses (a), (b), (c), (d) and (e) of this definition in respect of any and all Borrower Parties included in clause (c) of the definition of Borrowing Base Borrower Party shall be limited to $15,000,000.

"Borrowing Base Borrower Parties" shall mean, collectively, (a) the Borrowers, (b) the Target Retail Borrower Parties and (c) any other Borrower Party or Borrower Parties approved by the Administrative Agent in writing after the Agreement Date, in any event, after the Administrative Agent has completed its

due diligence with respect to such Borrower Party's or Borrower Parties' Accounts and Inventory.

"Borrowing Base Certificate" shall mean a certificate of an Authorized Signatory of the Administrative Borrower substantially in the form of Exhibit D.

"Business Day" shall mean any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of Georgia or is a day on which banking institutions located in such state are closed; provided, however, that when used with reference to a Eurodollar Advance (including the making, continuing, prepaying or repaying of any Eurodollar Advance), the term "Business Day" shall also exclude any day in which banks are not open for dealings in deposits of Dollars on the London interbank market.

"Capital Expenditures" shall mean, for any period, on a consolidated basis for the Borrower Parties, the aggregate of all expenditures made by the Borrower Parties during such period that, in conformity with GAAP, are required to be included in or reflected on the consolidated balance sheet as a capital asset of the Borrower Parties, including Capitalized Lease Obligations of the Borrower Parties.

"Capitalized Lease Obligation" shall mean that portion of any obligation of a Person as lessee under a lease which at the time would be required to be capitalized on the balance sheet of such lessee in accordance with GAAP.

"Change in Control" shall mean the occurrence of one or more of the following events: (a) any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the SEA) of thirty five percent (35%) or more of the outstanding shares of the voting Equity Interest of the Parent; (b) as of any date a majority of the board of directors of the Parent consists (other than vacant seats) of individuals who were not either (i) directors of the Parent as of the Agreement Date, (ii) selected or nominated to become directors by the board of directors of the Parent of which a majority consisted of individuals described in clause (i), or (iii) selected or nominated to become directors by the board of directors of the Parent of which a majority consisted of individuals described in clause (i) and individuals described in clause (ii), or (c) except as otherwise specifically permitted hereunder and except for directors qualifying shares (required by Applicable Law) in certain Foreign Subsidiaries, the Parent ceases to directly or indirectly own and control one hundred percent (100%) of the outstanding Equity Interests of all of its Subsidiaries.

"Clearing Account" shall mean Account No. 1000004189469 (or such other account number established by the Administrative Agent for purposes of Section 6.15) maintained by the Administrative Agent at SunTrust Bank, in Atlanta, Georgia pursuant to Section 6.15 of this Agreement, and over which the Administrative Agent has the sole dominion and exclusive access and control for withdrawal purposes pursuant to Section 6.15 of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean all property pledged as collateral security for the Obligations pursuant to the Security Documents or otherwise, and all other property of any Borrower Party that is now or hereafter in the possession or control of the Administrative Agent, any Issuing Bank or any Lender or on which the Administrative Agent, any Issuing Bank or any Lender has been granted a Lien in connection with the Obligations.

"Commercial Letter of Credit" shall mean a documentary Letter of Credit issued in respect of the purchase of goods or services by any Borrower Party in the ordinary course of its business.

"Confidential Information" means information that any Borrower Party furnishes to any member of the Lender Group in a writing designated as confidential, and all information relating to the Acquisition, but does not include any such information that is or becomes generally available to the public or that is or becomes available to such member of the Lender Group from a source other than a Borrower Party.

"Contributing Borrower" shall have the meaning specified in Section 13.5(e).

"Customer Dispute" shall mean all instances in which (i) a customer of a Borrowing Base Borrower Party has rejected or returned the goods and such return or rejection has not been accepted by such Borrowing Base Borrower Party as a valid return or rejection, or (ii) a customer of a Borrowing Base Borrower Party has otherwise affirmatively asserted grounds for nonpayment of an Account or any portion thereof, including, without limitation, any repossession of goods by such Borrowing Base Borrower Party, or any claim by an Account Debtor of total or partial failure of delivery, set-off, counterclaim or breach of warranty.

"Date of Issue" shall mean the date on which an Issuing Bank issues (or arranges with a Foreign Issuer for the issuance of) a Letter of Credit pursuant to Section 2.15.

"Default" shall mean any Event of Default, and any of the events specified in Section 9.1 regardless of whether there shall have occurred any passage of time or giving of notice (or both) that would be necessary in order to constitute such event an Event of Default.

"Default Rate" shall mean a simple per annum interest rate equal to, (a) with respect to outstanding principal, the sum of (i) the applicable Interest Rate Basis, plus (ii) the applicable Interest Rate Margin plus (iii) two percent (2%), and (b) with respect to all other Obligations, the sum of (i) the Base Rate, plus (ii) the Interest Rate Margin applicable to Base Rate Advances plus (iii) two percent (2%); provided, however, that with respect to any Eurodollar Advance outstanding on the date on which the Default Rate becomes applicable, the Default Rate shall be based on the then applicable Eurodollar Basis until the end of the current Eurodollar Advance Period and thereafter the Default Rate shall be based on the Base Rate as in effect from time to time.

"Disbursement Account" shall mean account number 8800828975 maintained at SunTrust Bank, or as otherwise designated to the Administrative Agent by the Borrowers.

"Dividends" shall mean, any direct or indirect distribution, dividend, or payment to any Person on account of any Equity Interests of any Borrower or any Borrower's Subsidiaries.

"Dollars" or "$" shall mean United States dollars.

"Domestic Subsidiary" shall mean any Subsidiary of a Borrower Party that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia.

"Earnout Agreement" means that certain Earnout Agreement dated as of June 13, 2003 among the Sellers, the Parent and the Target, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.13.

"Earnout Subordination Agreement" shall mean that certain Earnout Subordination Agreement of even date hereof among the Parent, the Sellers, the Indenture Trustee and

the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.13.

"EBITDA" shall mean, with respect to the Parent on a consolidated basis with its Subsidiaries for any period, the Net Income for such period, plus, (i) without duplication and to the extent reflected as charges in the statement of Net Income for such period, the sum of (a) income taxes, (b) Interest Expense (c) depreciation and amortization expense, and (d) extraordinary losses, minus (ii) to the extent added in computing Net Income for such period, extraordinary gains; provided, however, that if any such calculation includes any period in which an acquisition or sale of a Person or the assets of a Person occurred, then such calculation shall be made on a Pro Forma Basis.

"Eligible Accounts" shall mean, at any particular date, all Accounts of each

Borrowing Base Borrower Party (less reserves for discounts or allowances, including, without limitation, discounts for prompt payment or volume purchases), but excluding each of the following Accounts:

(a) Accounts with respect to which more than sixty (60) days have elapsed since the due date of the original invoice therefor or that contained terms of one hundred (100) days or more in the original invoice therefor;

(b) Accounts with respect to which any of the representations, warranties, covenants, and agreements contained in Section 5.2 are not or have ceased to be complete and correct or have been breached;

(c) Accounts with respect to which, in whole or in part, a check, promissory note, draft, trade acceptance or other instrument for the payment of money has been received, presented for payment and returned uncollected for any reason;

(d) Accounts as to which such Borrowing Base Borrower Party has not performed, as of the applicable calculation date, all of its obligations then required to have been performed, including, without limitation, the delivery of merchandise or rendition of services applicable to such Accounts;

(e) Accounts as to which any one or more of the following events has occurred with respect to the Account Debtor on such Accounts: death or judicial declaration of incompetency of such Account Debtor who is an individual; the filing by or against such Account Debtor of a request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, winding-up, or other relief under the bankruptcy, insolvency, or similar laws of the United States, any state or territory thereof, or any foreign jurisdiction, now or hereafter in effect; the making of any general assignment by such Account Debtor for the benefit of creditors; the appointment of a receiver or trustee for such Account Debtor or for any of the assets of such Account Debtor, including, without limitation, the appointment of or taking possession by a "custodian," as defined in Title 11 of the United States Code; the institution by or against

such Account Debtor of any other type of insolvency proceeding (under the bankruptcy laws of the United States or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of affairs of, such Account Debtor; the sale, assignment, or transfer of all or substantially all of the assets of such Account Debtor unless the obligations of such Account Debtor in respect of the Accounts are assumed by and assigned to such purchaser or transferee; the nonpayment generally by such Account Debtor of its debts as they become due; or the cessation of the business of such Account Debtor as a going concern;

(f) (i) those Accounts (other than Accounts covered under item (ii) of this clause (f)) of an Account Debtor for whom fifty percent (50%) or more of the aggregate Dollar amount of such Account Debtor's outstanding Accounts are classified as ineligible under the other criteria other than this subsection set forth herein; or (ii) those Accounts with respect to which the aggregate Dollar amount of all Accounts owed by the Account Debtor thereon exceeds twenty percent (20%) (or, with respect to Accounts owed by Target Corporation, thirty percent (30%) or, upon written notice by the Administrative Agent to the Administrative Borrower, such lower percentage down to twenty percent (20%) as shall be determined by the Administrative Agent in its reasonable discretion from time to time based on the Administrative Agent's assessment of Target Corporation's creditworthiness as of any such time) of the aggregate amount of all Accounts at such time to the extent of such excess;

(g) Accounts owed by an Account Debtor which: (i) does not maintain its chief executive office in the United States or Canada; or (ii) is not organized under the laws of the United States or Canada or any state, province or territory thereof; or (iii) is the government of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof; except to the extent that such Accounts do not exceed $5,000,000 in the aggregate and are secured or payable by a letter of credit or acceptance, or insured under foreign credit insurance, in each case, on terms and conditions satisfactory to the Administrative Agent in its sole discretion;

(h) Accounts owed by an Account Debtor which is an Affiliate or employee of such Borrowing Base Borrower Party;

(i) Accounts which are owed by an Account Debtor to which such Borrowing Base Borrower Party is indebted in any way, but only to the extent of such indebtedness, or which are subject to any right of setoff by the Account Debtor, but only to the extent of such right of set off, unless the Account Debtor has entered into an agreement acceptable to the Administrative Agent to waive setoff rights;

(j) Accounts which are subject to any Customer Dispute, but only to the extent of the amount in dispute;

(k) Accounts which are owed by the government of the United States of America or Canada, or any department, agency, public corporation, or other instrumentality thereof, unless all required procedures for the effective collateral assignment of the Accounts under the Federal Assignment of Claims Act of 1940 or any comparable Canadian law and any other steps necessary to perfect the Administrative Agent's security interest, for the benefit of the Lender Group, in such Accounts have been complied with to the Administrative Agent's satisfaction with respect to such Accounts;

(l) Accounts which are owed by any state, municipality, territory or other political subdivision of the United States of America or Canada, or any department, agency, public corporation, or other instrumentality thereof and as to which the Administrative Agent determines in its reasonable discretion that its security interest therein is not or cannot be perfected;

(m) Accounts which represent sales on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or other repurchase or return basis;

(n) Accounts which are evidenced by a promissory note or other instrument or by chattel paper;

(o) Accounts with respect to which the Account Debtor thereunder is located in a state requiring the filing of a Notice of Business Activities Report or similar report in order to permit any Borrowing Base Borrower Party to seek judicial enforcement in such State of payment of such Account unless if, at the time the Accounts were created and at all times thereafter, (i) such Borrowing Base Borrower Party has filed and has maintained effective a current Notice of Business Activities Report with the appropriate office or agency of such state or (ii) such Borrowing Base Borrower Party was and has continued to be exempt from the filing of such Report and has provided the Administrative Agent with satisfactory evidence thereof;

(p) Accounts as to which the applicable Account Debtor has not been sent an invoice;

(q) Accounts that are not a bona fide, valid and, to the best of such Borrowing Base Borrower Party's knowledge, enforceable obligation of the Account Debtor thereunder;

(r) Accounts which are owed by an Account Debtor with whom any Borrowing Base Borrower Party has any agreement or understanding for deductions from the Accounts, except for discounts or allowances which are made in the ordinary course of business, including, without limitation, discounts for prompt payment or volume purchases, and which discounts or allowances are reflected in the calculation of Reserves;

(s) Accounts which are not subject to a valid and continuing first priority Lien in favor of the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Documents as to which all action necessary or desirable to perfect such security interest shall have been taken, and to which such Borrowing Base Borrower Party has good and marketable title, free and clear of any Liens (other than Liens in favor of the Administrative Agent, for the benefit of the Lender Group); or

(t) Accounts as to which a security agreement, financing statement, equivalent security or Lien instrument or continuation statement is on file or of record in any public office, except as may have been filed in favor of the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Documents;

provided, however, that for purposes of calculating Eligible Accounts immediately prior to the Acquisition, references in this definition to "Accounts" shall include accounts of the Target and the Target Retail Borrower Parties.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; or (d) any other Person approved by the Administrative Agent, the Issuing Banks and, unless (x) such Person is taking delivery of an assignment in connection with physical settlement of a credit derivatives transaction or (y) a Default has occurred and is continuing, the Borrowers, such approvals not to be unreasonably withheld or delayed. If the consent of the Borrowers to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment thresholds specified in Section 11.5(b)), the Borrowers shall be deemed to have given their consent five (5) Business Days after the date notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrowers prior to such fifth (5th) Business Day.

"Eligible Factored Accounts (With Recourse)" shall mean any Account (i) created by a Borrowing Base Borrower Party, (ii) sold and assigned to a factor under one of the factoring arrangements specified on Schedule 8.7 hereto (with recourse to the applicable Borrowing Base Borrower Party on account of the creditworthiness of the applicable Account Debtor) or such other collection factoring arrangements (with recourse to the applicable Borrowing Base Borrower Party on account of the creditworthiness of the applicable Borrowing Base Borrower Party) as shall be acceptable to the Administrative Agent, (iii) which meets all of the standards of eligibility set forth in the definition of Eligible Accounts and (iv) with respect to which the factor has executed and delivered to the Administrative Agent a Factoring Intercreditor Agreement.

"Eligible Factored Accounts (Without Recourse)" shall mean any Account (i) created by a Borrowing Base Borrower Party, (ii) sold and assigned to a factor under one of the factoring arrangements specified on Schedule 8.7 hereto (without recourse to any Borrowing Base Borrower Party on account of the creditworthiness of the applicable Account Debtor) or such other collection factoring arrangements (without recourse to any

Borrowing Base Borrower Party on account of the creditworthiness of the applicable Borrowing Base Borrower Party) as shall be acceptable to the Administrative Agent, and (iii) with respect to which the factor has executed and delivered to the Administrative Agent a Factoring Intercreditor Agreement.

"Eligible In-Transit Inventory" shall mean (a) the stated amount of outstanding Commercial Letters of Credit issued to purchase Inventory that does not qualify as Eligible Landed Inventory solely because it is not located in a location described in clause (c) of the definition of Eligible Landed Inventory and (b) Inventory that is currently in transit (whether by vessel, air, or land and, without double counting amounts determined under clause (a) of this definition, and whether or not the purchase of such Inventory has been satisfied by the issuance of a Commercial Letter of Credit) from a location outside of the United States to a location described in clause (c) of the definition of Eligible Landed Inventory and (i) that does not qualify as Eligible Landed Inventory solely because it is not located in a location described in clause (c) of the definition of Eligible Landed Inventory, (ii) with respect to which title to such Inventory has passed to a Borrowing Base Borrower Party, (iii) that constitutes finished goods Inventory, (iv) that is insured against types of loss, damage, hazards, and risks, and in amounts, satisfactory to the Administrative Agent in its reasonable discretion, (v) that is the subject of a bill of lading or a cargo receipt that (A)(x) in the case of a negotiable bill of lading or negotiable cargo receipt, is consigned to the Administrative Agent and/or the Issuing Bank (either directly or by means of endorsement) or (y) in the case of a non-negotiable bill of lading or non-negotiable cargo receipt, is consigned to the Administrative Agent and/or the Issuing Bank (either directly

or by means of endorsements) or to a Borrowing Base Borrower Party if such bill of lading or cargo receipt shall state "[Name of applicable Borrowing Base Borrower Party], subject to the security interest of SunTrust Bank, as agent, 303 Peachtree Street, N.E., Atlanta, Georgia 30308" thereon, (B) was issued by the carrier respecting the subject Inventory, and (C) is in the physical possession of an Approved Freight Handler or, if applicable, an Issuing Bank and (vi) to the knowledge of the Administrative Borrower, that meets all of the Borrowing Base Borrower Parties' representations and warranties contained in the Loan Documents concerning Eligible Inventory; provided, however, that for purposes of calculating Eligible In-Transit Inventory immediately prior to the Acquisition, references in this definition to "Inventory" shall include Inventory of the Target and the Target Retail Borrower Parties.

"Eligible Inventory" shall mean, collectively, as of any date of determination the Eligible Landed Inventory and the Eligible In-Transit Inventory.

"Eligible Landed Inventory" shall mean, as of any particular date, the portion of the Inventory of each Borrowing Base Borrower Party consisting of first quality finished goods held for sale in the ordinary course of such Borrowing Base Borrower Party's business that:

(a) is owned solely by such Borrowing Base Borrower Party;

(b) conforms to all of the warranties and representations regarding the same which are set forth in this Agreement or any of the other Loan Documents;

(c) is located in the United States either (i) on real property owned by a Borrowing Base Borrower Party, or (ii) on leased premises in regard to which the landlord thereof, and any bailee, warehouseman or similar party that will be in possession of such Inventory, shall have executed and delivered to the Administrative Agent an agreement, in form and substance acceptable to the Administrative Agent, waiving any landlord's, bailee's, warehouseman's or other Lien rights such Person may hold in regard to such Borrowing Base Borrower Party's property in favor of the Administrative Agent, for the benefit of the Lender Group;

(d) is not subject to any claim of reclamation, or Lien, adverse claim, interest or right of any other Person;

(e) does not consist of Inventory in transit;

(f) has not been consigned to or by any Person;

(g) is in good condition and meets all standards imposed by any Person having regulatory authority over such goods, its use and/or sale, and is currently saleable in the normal course of such Borrower's business;

(h) does not consist of work-in-process;

(i) does not include any Inventory scheduled for return to vendors, Inventory which is obsolete or slow-moving (for purposes of this subsection, "obsolete or slow-moving" Inventory shall be deemed to be fifty percent (50%) of the Value of finished goods items and one hundred percent (100%) of the Value of raw materials, in each case, which have been in such Borrowing Base Borrower Party's Inventory for twelve (12) months or longer), food and beverage Inventory, Inventory markdown, in-stock Inventory markdown, Inventory shrinkage, intercompany profit, display items, samples, packaging materials, labels or name plates or similar supplies;

(j) is personal property in which such Borrowing Base Borrower Party has granted a valid and continuing first Lien in favor of the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Documents, and as to which all action necessary to perfect such security interest shall have been taken;

(k) is not covered, in whole or in part, by any security agreement, financing statement, equivalent security or Lien instrument or continuation statement which is on file or of record in any public office, except such as may have been filed in favor of the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Documents; and

(l) with respect to any Inventory that is subject to a Licensing Agreement, the applicable Borrowing Base Borrower Party has delivered to the Administrative Agent a Licensor Consent Agreement;

provided, however, that for purposes of calculating Eligible Landed Inventory immediately prior to the Acquisition, references in this definition to "Inventory" shall include Inventory of the Target and the Target Retail Borrower Parties.

"Eligible Non-Factored Accounts" shall mean any Eligible Account which is not an Eligible Factored Account (With Recourse) or an Eligible Factored Account (Without Recourse).

"Eligible Real Estate" shall mean all real property and the improvements thereon described on Schedule 1(a); provided, however, that, if any such real property or improvements are sold or otherwise disposed of by any Borrower, "Eligible Real Estate" shall not include such real property and improvements that are no longer owned by a Borrower.

"Employment Agreements" shall have the meaning specified in Section 4.1.

"Environmental Laws" shall mean, collectively, any and all applicable federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any Governmental Authority regulating, relating to or imposing liability or standards of conduct concerning environmental protection matters, including without limitation, Hazardous Materials or human health, as now or may at any time during the term hereof be in effect.

"Equity Interests" shall mean, as applied to any Person, any capital stock, membership interests, partnership interests or other equity interests of such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as in effect on the Agreement Date and as such Act may be amended thereafter from time to time.

"ERISA Affiliate" shall mean any Person (whether incorporated or unincorporated) that together with the Borrowers would be deemed to be a "single employer" within the meaning of Section 414 of the Code.

"Eurodollar Advance" shall mean an Advance which the Administrative Borrower requests to be made as a Eurodollar Advance or which is reborrowed as a Eurodollar Advance, in accordance with the provisions of Section 2.2.

"Eurodollar Advance Period" shall mean, for each Eurodollar Advance, each one, two, three, or six month period, as selected by the Administrative Borrower pursuant to

Section 2.2, during which the applicable Eurodollar Rate (but not the applicable Interest Rate Margin) shall remain unchanged. Notwithstanding the foregoing, however: (i) any applicable Eurodollar Advance Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Eurodollar Advance Period shall end on the next preceding Business Day; (ii) any applicable Eurodollar Advance Period which begins on a day for which there is no numerically corresponding day in the calendar month during which such Eurodollar Advance Period is to end shall (subject to clause (i) above) end on the last day of such calendar month; and (iii) no Eurodollar Advance Period shall extend beyond the Maturity Date or such earlier date as would interfere with the repayment obligations of the Borrowers under Section 2.6. Interest shall be due and payable with respect to any Advance as provided in Section 2.3.

"Eurodollar Basis" shall mean, with respect to each Eurodollar Advance Period, a simple per annum interest rate equal to the quotient of (i) the Eurodollar Rate divided by (ii) one minus the Eurodollar Reserve Percentage, stated as a decimal. The Eurodollar Basis shall remain unchanged during the applicable Eurodollar Advance Period, except for changes to reflect adjustments in the Eurodollar Reserve Percentage.

"Eurodollar Rate" shall mean, for any applicable Eurodollar Advance Period, the rate per annum quoted at or about 11:00 a.m. (London, England time) two (2) Business Days prior to the first day of the Eurodollar Advance Period on that page of the Reuters, Telerate or Bloombergs reporting service (as then being used by the Administrative Agent to obtain such interest rate quotes) that displays British Banker's Association Interest Settlement Rates for deposits in Dollars for a period equal to such Eurodollar Advance Period or if such page or such service shall cease to be available, such other page or service (as the case may be) for the purpose of displaying British Banker's Association Interest Settlement Rates as reasonably determined by the Administrative Agent upon advising the Administrative Borrower as to the use of any such other service; provided, that if the Administrative Agent determines that the relevant foregoing sources are unavailable for the relevant Eurodollar Advance Period, the Eurodollar Rate shall mean the rate of interest determined by the Administrative Agent to be the average (rounded upward, if necessary, to the nearest one one-hundredth of one percent (1/100th of 1%)) of the rates per annum at which deposits in the applicable currency are offered to the Administrative Agent two (2) Business Days preceding the first day of such Eurodollar Advance Period by leading banks in the London interbank market as of 10:00 a.m. for delivery on the first day of such Eurodollar Advance Period, for the number of days comprised therein and in an amount comparable to the amount of the applicable Eurodollar Advance of the Administrative Agent.

"Eurodollar Reserve Percentage" shall mean the aggregate of the maximum reserve percentages (including, without limitation, any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upwards to the next one one-hundredth of one percent (1/100th of 1%)) in effect on any day to which the

Administrative Agent is subject with respect to the Eurodollar Basis pursuant to regulations issued by the Board of Governors of the Federal Reserve System (or any Governmental Authority succeeding to any of its principal functions) with respect to Eurocurrency Liabilities (as that term is defined in Regulation D). Eurodollar Advances shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to the Administrative Agent under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage. The Eurodollar Basis for any Eurodollar Advance shall be adjusted as of the effective date of any changes in the Eurodollar Reserve Percentage.

"Event of Default" shall mean any of the events specified in Section 9.1, provided that any requirement for notice or lapse of time, or both, has been satisfied.

"Excess Funding Guarantor" shall have the meaning specified in Section 3.1(m).

"Excess Payment" shall have the meaning specified in Section 3.1(m).

"Existing Letters of Credit" shall have the meaning specified in Section 2.15(a).

"Factoring Intercreditor Agreements" shall mean, collectively, any intercreditor agreement among the Administrative Agent, the applicable Borrowing Base Borrower Party and the applicable factor of Accounts of such Borrowing Base Borrower Party, substantially in the form of Exhibit E hereto or in such other form satisfactory to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Federal Funds Rate" shall mean, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds

(Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 12:00 noon (Atlanta, Georgia time) on that day by each of three leading brokers of Federal funds transactions in New York, New York selected by the Administrative Agent.

"Fee Letter" shall mean that certain fee letter of even date herewith executed by the Borrowers and addressed to the Administrative Agent, the Syndication Agent and SunTrust Capital Markets, Inc..

"Fixed Charge Coverage Ratio" shall mean, with respect to the Parent and its Subsidiaries on a consolidated basis for any period, calculated on a Pro Forma Basis in the event of any acquisition during such period, the ratio of (a) the greater of (i)(x)

EBITDA minus (y) (A) Capital Expenditures made during such period and (B) cash tax payments made during such period and (ii) zero, to (b) the sum of (i) scheduled payments of principal made with respect to Indebtedness during such period, (ii) Interest Expense (other than loan fees that, in accordance with GAAP, are amortized) accrued during such period, (iii) cash earnout payments made to the Sellers pursuant to the Earnout Agreement during such period, and (iv) Dividends paid by the Parent during such period (other than Dividends on common stock which accrue (but are not paid in cash) or are paid in kind or Dividends on preferred stock which accrue (but are not paid in cash) or are paid in kind); provided, however, that for purposes of calculating the components of item (a)(i)(y)(B) and (b)(ii) of this definition (1) for the period ending as of the last day of the first fiscal quarter of the 2004 fiscal year, the actual amount of such components for such fiscal quarter multiplied by 4 shall be included, (2) for the period ending as of the last day of the second fiscal quarter of the 2004 fiscal year, the actual amount of such components for such fiscal year multiplied by 2 shall be included and (3) for the period ending as of the last day of the third fiscal quarter of the 2004 fiscal year, the actual amount of such components for such fiscal year multiplied by 4/3 shall be included.

"Foreign Issuer" shall mean any foreign bank engaged by an Issuing Bank to issue Commercial Letters of Credit on behalf of such Issuing Bank so long as (a) such foreign bank has agreed to hold any and all documents, instruments or other Collateral in its possession in connection with the issuance of any Commercial Letter of Credit as bailee on behalf of the Administrative Agent to perfect the Administrative Agent's security interest in such documents, instruments or other Collateral and (b) the agreement between such Issuing Bank and the Foreign Issuer is satisfactory to the Administrative Agent in its reasonable discretion.

"Foreign Subsidiary" shall mean any Subsidiary of a Borrower Party that does not constitute a Domestic Subsidiary.

"Fund" shall mean any Person that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funding Borrower" shall have the meaning specified in Section 13.5(e).

"GAAP" shall mean, as in effect from time to time (subject to the provisions of Section 1.2), United States generally accepted accounting principles consistently applied.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government.

"Guarantors" shall mean, collectively, all Domestic Subsidiaries (other than the Borrowers and Oxford Receivables Company) of the Parent and "Guarantor" shall mean any one of the foregoing Guarantors.

"Guaranty" or "guaranteed," as applied to an obligation (each a "primary obligation"), shall mean and include (a) any guaranty, direct or indirect, in any manner, of any part or all of such primary obligation, and (b) any agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of any part or all of such primary obligation, including, without limiting the foregoing, any reimbursement obligations as to amounts drawn down by beneficiaries of outstanding letters of credit, and any obligation of any Person, whether or not contingent, (i) to purchase any such primary obligation or any property or asset constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of such primary obligation or (2) to maintain working capital, equity capital or the net worth, cash flow, solvency or other balance sheet or income statement condition of any other Person, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner or holder of any primary obligation of the ability of the primary obligor with respect to such primary obligation to make payment thereof or (iv) otherwise to assure or hold harmless the owner or holder of such primary obligation against loss in respect thereof. All references in this Agreement to "this Guaranty" shall be to the Guaranty provided for pursuant to the terms of Article 3.

"Guaranty Supplement" shall have the meaning specified in Section 6.21.

"Hazardous Materials" shall mean any hazardous materials, hazardous wastes, hazardous constituents, hazardous or toxic substances, petroleum products (including crude oil or any fraction thereof), friable asbestos containing materials defined or regulated as such in or under any Environmental Law.

"Hedge Agreement" shall mean any and all transactions, agreements or documents now existing or hereafter entered into between or among any Borrower Party, on the one hand, and the Administrative Agent (or an Affiliate of the Administrative Agent) or one or more Lenders (or an Affiliate of any Lender), on the other hand, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging such Borrower Party's exposure to fluctuations in interest or exchange rates, loan, credit exchange or security or currency valuations.

"Indebtedness" shall mean, with respect to any Person (a) indebtedness for borrowed money or for the deferred purchase price of property and services (other than trade accounts payable on customary terms in the ordinary course of business), (b) financial obligations evidenced by bonds, debentures, notes or other similar instruments, (c) financial obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, (d) financial obligations of such Person as the issuer of Equity Interests redeemable in whole or in part at the option of a Person other than such issuer, at a fixed and determinable date or upon the

occurrence of an event or condition not solely within the control of such issuer, (e) all net payment obligations with respect to interest rate and currency hedging agreements, including, without limitation under Hedge Agreements, (f) reimbursement obligations (contingent or otherwise) with respect to amounts under letters of credit, bankers acceptances and similar instruments, (g) financial obligations under purchase money mortgages, (h) financial obligations under asset securitization vehicles, (i) conditional sale contracts and similar title retention instruments with respect to property acquired, and (j) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against a loss in respect of, indebtedness or financial obligations of others of the kinds referred to in clauses (a) through (i) above, except to the extent such guaranties are limited to a lesser amount.

"Indenture" shall mean that certain Indenture dated as of May 16, 2003 between the Parent, as issuer, and the Indenture Trustee governing the issuance of the Senior Notes, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.13.

"Indenture Trustee" shall mean SunTrust Bank.

"Insolvency Proceeding" means any proceeding commenced by or against any Person

under any provision of the Bankruptcy Code or under any state or federal bankruptcy or insolvency law, assignment for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement or similar relief.

"Intellectual Property Security Agreement" shall mean that certain Intellectual Property Security Agreement of even date herewith among the Borrower Parties and the Administrative Agent, on behalf of, and for the benefit of, the Lender Group, in substantially in the form of Exhibit P, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Interest Expense" shall mean, for any period, interest expense and loan fees of the Parent and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, and including capitalized and non-capitalized interest and the interest component of Capitalized Lease Obligations.

"Interest Rate Basis" shall mean the Base Rate or the Eurodollar Basis, as appropriate.

"Interest Rate Margin" shall have the meaning specified in Section 2.3(c).

"Inventory" shall mean all "inventory," as such term is defined in the UCC, of each Borrower Party, whether now existing or hereafter acquired, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of a Borrower Party for sale or lease or are furnished or are to be

furnished under a contract of service, goods that are leased by a Borrower Party as lessor, or that constitute raw materials, samples, work-in-process, finished goods, returned goods, promotional materials or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in such Borrower Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"Issuing Bank Joinder Agreement" shall have the meaning specified in Section 2.15(i).

"Issuing Banks" shall mean (a) SunTrust Bank, (b) Bank of America, N.A., (c) Shanghai Commercial Bank Ltd., (d) HSBC Bank U.S.A., (e) any other Person (consented to by the Administrative Agent and, so long as no Default exists, the Administrative Borrower) who hereafter may be designated as an Issuing Bank pursuant to an Assignment and Assumption Agreement or pursuant to an Issuing Bank Joinder Agreement and (f) with respect to Existing Letters of Credit issued by Wachovia Bank, National Association only and not Letters of Credit to be issued on or after the Agreement Date, Wachovia Bank, National Association.

"Joinder Agreement" shall mean that certain Joinder Agreement dated as of the Agreement Date executed and delivered by Target immediately upon consummation of the Acquisition and pursuant to which Target assumes all rights, liabilities, responsibilities and obligations of, and becomes, a Borrower under this Agreement.

"Lender Group" shall mean, collectively, the Administrative Agent, the Syndication Agent, the Issuing Banks and the Lenders.

"Lenders" shall mean those lenders whose names are set forth on the signature pages to this Agreement under the heading "Lenders" and any assignees of the Lenders who hereafter become parties hereto pursuant to and in accordance with Section 11.5.

"Letter of Credit Commitment" means, with respect to any Issuing Bank, the obligation of such Issuing Bank to issue (or arrange with a Foreign Issuer for the issuance of) Letters of Credit in an aggregate face amount from time to time not to exceed the amount set forth on Schedule I or any applicable Assignment and Assumption Agreement.

"Letter of Credit Obligations" shall mean, at any time, the sum of (a) an amount equal to 100% of the aggregate undrawn and unexpired stated amount (including the amount to which any such Letter of Credit can be reinstated pursuant to its terms) of the then outstanding Letters of Credit, plus (b) an amount equal to

100% of the aggregate drawn, but unreimbursed drawings of any Letters of Credit (excluding, for the avoidance of doubt, such drawings that have been reimbursed with Advances made pursuant to Section 2.15(e)).

"Letter of Credit Reserve Account" shall mean any account maintained by the Administrative Agent for the benefit of any Issuing Bank, the proceeds of which shall be applied as provided in Section 9.2(d).

"Letters of Credit" shall mean either Standby Letters of Credit or Commercial Letters of Credit issued by Issuing Banks (or arranged by an Issuing Bank with a Foreign Issuer on or after the Agreement Date) on behalf of the Borrowers from time to time in accordance with Section 2.15 and shall include the Existing Letters of Credit.

"License Agreement" shall mean any license agreement or other agreement between a Borrower Party and a Person duly holding rights in a trademark, trade name or service mark pursuant to which such Borrower Party is granted a license to use such trademark, trade name or service mark on Inventory of such Borrower Party.

"Licensor Consent Agreement" shall mean an agreement among the applicable Borrower Party, the Administrative Agent and the applicable licensor in form and substance reasonably acceptable to the Administrative Agent.

"Lien" shall mean, with respect to any property, any mortgage, lien, pledge, negative pledge agreement, assignment, charge, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment or other encumbrance of any kind in respect of such property, whether or not choate, vested, or perfected.

"Lien Acknowledgment Agreement" means an agreement between an Approved Freight Handler and the Administrative Agent, in form and substance satisfactory to the Administrative Agent, pursuant to which, among other things, the Approved Freight Handler acknowledges the Lien of the Administrative Agent in the Collateral in the possession of the Approved Freight Handler and any documents evidencing same.

"Loan Account" shall have the meaning specified in Section 2.7.

"Loan Documents" shall mean this Agreement, any Revolving Loan Notes, the Security Documents, the Blocked Account Agreements, the Earnout Subordination Agreement, the Factoring Intercreditor Agreements, the Fee Letter, the Joinder Agreement, the Guaranty Supplements, all reimbursement agreements relating to Letters of Credit, the Licensor Agreements, any Lien Acknowledgment Agreement, all landlord, warehouseman or bailee waiver agreements in favor of the Administrative Agent, all Requests for Advance, all Requests for Issuance of Letters of Credit, all Notices of Conversion/Continuation, all Borrowing Base Certificates, and all other lockbox agreements, and other agreements executed or delivered by a Borrower Party in connection with or contemplated by this Agreement, including, without limitation, any security agreements or guaranty agreements from the Borrowers' Subsidiaries to the Administrative Agent, the Lenders and the Issuing Banks; provided, however, that none of the Bank Products Documents shall be deemed to constitute Loan Documents.

"Loans" shall mean, collectively, the Revolving Loans, the Swing Loans and Agent Advances.

"Majority Lenders" shall mean (i) as of any date of calculation prior to the termination of the Revolving Loan Commitment, Lenders the sum of whose Revolving Commitment Ratios of the Revolving Loan Commitment on such date of calculation equals or exceeds fifty-one percent (51%) of the amount of the Revolving Loan Commitment on such date of calculation, or (ii) as of any date of calculation after termination of the Revolving Loan Commitment, Lenders the total of whose Revolving Loans outstanding plus participation interests in Letter of Credit Obligations, Agent Advances and Swing Loans outstanding, as applicable, on such date of calculation equals or exceeds fifty-one percent (51%) of the total principal amount of the Revolving Loans, Agent Advances and Swing Loans outstanding plus Letters of Credit Obligations as of such date of calculation.

"Materially Adverse Effect" shall mean any materially adverse effect (a) upon the business, condition (financial or otherwise), operations, properties or prospects of the Parent and its Subsidiaries, taken as a whole, or (b) upon the ability of the Borrower Parties, taken as a whole, to perform under the Loan Documents, or (c) upon the rights, benefits or interests of the Administrative Agent, the Lenders or the Issuing Banks in or to this Agreement, any other Loan Document or the Collateral.

"Maturity Date" shall mean June 13, 2008 or such earlier date as payment of the Loans shall be due (whether by acceleration or otherwise).

"Maximum Borrower Liability" shall have the meaning specified in Section 13.5(b).

"Moody's" shall mean Moody's Investor Service, Inc.

"Mortgage" shall mean, collectively, any mortgage, deed of trust or deed to secure debt entered into between a Borrower Party and the Administrative Agent, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Multiemployer Plan" shall have the meaning specified in Section 4001(a)(3) of ERISA.

"Necessary Authorizations" shall mean all material authorizations, consents, permits, approvals, licenses, and exemptions from, and all filings and registrations with, and all reports to, any Governmental Authority whether federal, state, local, and all agencies thereof, which are required for the consummation of the Acquisition and the transactions contemplated by the Loan Documents and the conduct of the businesses and the ownership (or lease) of the properties and assets of the Borrower Parties and their Subsidiaries, as applicable.

"Net Cash Proceeds" shall mean, with respect to any sale, lease, transfer, casualty loss or other disposition or loss of assets by any Borrower Party or any issuance by any Borrower Party of any Equity Interests or the incurrence by any Borrower Party of any

Total Debt (other than the Obligations), the aggregate amount of cash received for such assets or Equity Interests, or as a result of such Total Debt, net of reasonable and customary transaction costs properly attributable to such transaction and payable by such Borrower Party to a non-Affiliate in connection with such sale, lease, transfer or other disposition of assets or the issuance of any Equity Interests or the incurrence of any Total Debt, including without limitation, sales commissions and underwriting discounts.

"Net Income" shall mean, with respect to any Person for any period, the consolidated net income (or deficit) of such Person and its Subsidiaries for such period, determined in accordance with GAAP.

"Notice of Conversion/Continuation" shall mean a notice in substantially the form of Exhibit F.

"Obligations" shall mean (a) all payment and performance obligations as existing from time to time of the Borrower Parties to the Lender Group under this Agreement and the other Loan Documents (including all Letter of Credit Obligations and including any interest, fees and expenses that, but for the provisions of the Bankruptcy Code, would have accrued), as they may be amended from time to time, or as a result of making the Loans or issuing the Letters of Credit, (b) any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. (or an affiliate of Bank of America, N.A.) arising from or in connection with Bank Products and (c) any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or any Lender (or an Affiliate of a Lender), as applicable, arising from or in connection with any Hedge Agreement.

"OLV" shall mean, as to any particular asset, the value that is estimated to be recoverable in an orderly liquidation thereof, as determined from time to time

by a qualified appraiser selected by the Administrative Agent.

"Other Debt Relief Law" shall have the meaning specified in Section 13.5(b).

"Overadvance" shall have the meaning specified in Section 2.1(d).

"Oxford Receivables Company" shall mean Oxford Receivables Company, a Delaware corporation.

"Parent" shall mean Oxford Industries, Inc., a Georgia corporation.

"Participant" shall have the meaning specified in Section 11.5.

"Payment Date" shall mean the last day of each Eurodollar Advance Period for a Eurodollar Advance.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Liens" shall mean, as applied to any Person:

(a) Any Lien in favor of the Administrative Agent or any other member of the Lender Group given to secure the Obligations;

(b) (i) Liens on real estate for real estate taxes not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies, or claims not yet delinquent or the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books;

(c) Liens of carriers, warehousemen, mechanics, laborers, suppliers, workers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if such reserve or appropriate provision, if any, as shall be required by GAAP shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance or other types of social security benefits;

(e) Easements, rights-of-way, restrictions (including zoning or deed restrictions), and other similar encumbrances on the use of real property which do not interfere with the ordinary conduct of the business of such Person;

(f) Purchase money security interests and Liens securing Capitalized Lease Obligations provided that such Lien attaches only to the asset (which asset shall not constitute Inventory) so purchased or leased by the applicable Borrower Party and secures only Indebtedness incurred by such Borrower Party in order to purchase or lease such asset, but only to the extent permitted by Section 8.1(d) ;

(g) Deposits to secure the performance of bids, trade contracts, tenders, sales, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) Liens arising in connection with the sale of Accounts permitted by Section 8.7 and subject to a Factoring Intercreditor Agreement;

(i) Liens on assets of the Borrower Parties on the Agreement Date (after giving effect to the Acquisition) which are set forth on Schedule 1(c); and

(j) With respect to Collateral consisting of real property, Liens that are exceptions to the commitments for title insurance issued in connection with the Mortgage, as accepted by the Administrative Agent in its sole and absolute discretion.

"Person" shall mean an individual, corporation, partnership, trust, joint stock company, limited liability company, unincorporated organization, other legal entity or joint venture or a government or any agency or political subdivision thereof.

"Plan" shall mean an employee benefit plan within the meaning of Section 3(3) of ERISA or any other plan maintained for employees of any Person or any ERISA Affiliate of such Person.

"Pledge Agreement" shall mean that certain Pledge Agreement of even date herewith by certain Borrower Parties in favor of the Administrative Agent for the benefit of the Lender Group, substantially in the form of Exhibit G, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Pro Forma Basis" shall mean for purposes of determining compliance with the covenants set forth in Sections 8.8, 8.9 and 8.10 hereof and the defined terms relating thereto, giving pro forma effect to any acquisition or sale of a Person, business or asset, and any related incurrence, repayment or refinancing of Indebtedness, Capital Expenditures or other related transactions which would otherwise be accounted for as an adjustment permitted by Regulation S-X under the Securities Act or on a pro forma basis under GAAP, in each case, as if such acquisition or sale and related transactions were realized on the first day of the relevant period.

"Property" shall mean any real property or personal property, plant, building, facility, structure, underground storage tank or unit, equipment, Inventory or other asset owned, leased or operated by any Borrower Party or any Subsidiary of a Borrower Party (including, without limitation, any surface water thereon or adjacent thereto, and soil and groundwater thereunder).

"Pro Rata Share" shall have the meaning specified in Section 3.1(m).

"Reimbursement Obligations" shall mean the payment obligations of the Borrowers under Section 2.15(d).

"Replacement Asset" shall have the meaning specified in Section 2.6(b)(ii).

"Replacement Event" shall have the meaning specified in Section 11.16.

"Reportable Event" shall have the meaning specified in Section 4043(c) of ERISA and the regulations thereunder, but shall not include any event which is not subject to the thirty (30) day notice requirement for which notice is waived under the regulations to Section 4043 of ERISA.

"Request for Advance" shall mean any certificate signed by an Authorized Signatory of the Administrative Borrower requesting an Advance hereunder which will increase the aggregate amount of the Loans outstanding, which certificate shall be denominated a

"Request for Advance," and shall be in substantially the form of Exhibit H. Each Request for Advance shall, among other things, specify the date of the Advance, which shall be a Business Day, the amount of the Advance, and the type of Advance.

"Request for Issuance of Letter of Credit" shall mean any certificate signed by an Authorized Signatory of the Administrative Borrower requesting that an Issuing Bank issue (or arrange with a Foreign Issuer for the issuance of) a Letter of Credit hereunder, increase the stated amount of a Letter of Credit or extend the expiration date of a Letter of Credit, which certificate shall be in substantially the form of Exhibit I, and shall, among other things, (a) with respect to any new Letter of Credit, specify that the requested Letter of Credit is either a Commercial Letter of Credit or a Standby Letter of Credit, (b) with respect to any increase in the stated amount of an existing Letter of Credit or extension of the expiration date of any existing Letter of Credit, identify the Letter of Credit to be amended and the Issuing Bank therefor, (c) the stated amount of the Letter of Credit (which shall be in Dollars), (c) the effective date (which shall be a Business Day) for the issuance or amendment of such Letter of Credit, (d) the date on which such Letter of Credit is to expire (which shall be a Business Day and which shall be subject to Section 2.15(a)), (e) the Person for whose benefit such Letter of Credit (or amendment to a Letter

of Credit) is to be issued, (f) other relevant terms of such Letter of Credit, and (g) the Available Letter of Credit Amount as of the scheduled date of issuance (or amendment) of such Letter of Credit.

"Reserves" shall mean reserves that the Administrative Agent may establish from time to time in its reasonable credit judgment for such purposes as the Administrative Agent shall deem necessary. Without limiting the generality of the foregoing, the following reserves shall be deemed an exercise of the Administrative Agent's reasonable credit judgment: (a) reserves for price adjustments and damages, (b) reserves for obsolescence of Inventory; (c) reserves for special order goods and deferred shipment sales; (d) reserves for accrued but unpaid ad valorem and personal property tax liability; (e) reserves for market value declines; (f) receivable reserves; (g) reserves in the amount of Net Cash Proceeds provisionally applied to the Swing Loans, Agent Advances and the Revolving Loans after an asset sale or casualty loss pending reinvestment of the Net Cash Proceeds of the applicable sale or loss in a Replacement Asset pursuant to the terms of Section 2.6(b)(ii); (h) Bank Product Reserves; (i) reserves for accrued, unpaid interest on the Obligations; (j) reserves for warehousemen's, bailees', shippers' or carriers' charges; (k) reserves for royalty payments on License Agreements; and (l) reserves for any other matter that has a negative impact on the value of the Collateral;

"Restricted Payment" shall mean (a) Dividends, (b) any payment of management, consulting or similar fees payable by any Borrower Party or any Subsidiary of a Borrower Party to any Affiliate, (c) any earnout payments to the Sellers, including, without limitation earnout payments made pursuant to the Earnout Agreement, (d) any payment prior to the scheduled maturity of any Total Debt of any Borrower Party (other than the Obligations) or (e) any payment or prepayment of principal of, premium, if any,

or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, the Senior Notes.

"Restricted Purchase" shall mean any payment on account of the purchase, redemption, or other acquisition or retirement of any shares of Equity Interests of any Borrower Party.

"Revolving Commitment Ratio" shall mean, with respect to any Lender, the ratio, expressed as a percentage, of (i) the Revolving Loan Commitment of such Lender, divided by (ii) the aggregate Revolving Loan Commitments of all Lenders, which, as of the Agreement Date, are set forth (together with Dollar amounts thereof) on Schedule 1(b); and "Revolving Commitment Ratios" shall mean, collectively, the Revolving Commitment Ratio of each Lender.

"Revolving Loan Commitment" shall mean the several obligations of the Lenders to advance the aggregate amount of up to $275,000,000 to the Borrowers on or after the Agreement Date, in accordance with their respective Revolving Commitment Ratios, pursuant to the terms hereof, and as such amount may be reduced from time to time, pursuant to the terms of this Agreement.

"Revolving Loan Notes" shall mean those certain promissory notes issued by the Borrowers to each of the Lenders that requests a promissory note, in accordance with each such Lender's Revolving Commitment Ratio of the Revolving Loan Commitment, in substantially in the form of Exhibit J, and any amendments, replacements, extensions, or renewals thereof.

"Revolving Loans" shall mean, collectively, the amounts (other than Agent Advances and Swing Loans) advanced from time to time by the Lenders to the Borrowers under the Revolving Loan Commitment, not to exceed the amount of the Revolving Loan Commitment.

"S&P" shall mean Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc.

"SEA" shall mean the Securities and Exchange Act of 1934 and the rules promulgated thereunder by the Securities and Exchange Commission, as amended from time to time or any similar Federal law then in force

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar Federal law then in force.

"Security Agreement" shall mean that certain Security Agreement of even date herewith among the Borrower Parties and the Administrative Agent, on behalf of, and for the benefit of, the Lender Group, substantially in the form of Exhibit K, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Security Documents" shall mean, collectively, the Assignments of Life Insurance Policy, the Assignment of Rights under Acquisition Agreement, the Intellectual Property Security Agreement, each Mortgage, the Pledge Agreement, the Security Agreement, all UCC-1 financing statements and any other document, instrument or agreement granting Collateral for the Obligations, as the same may be amended or modified from time to time.

"Sellers" shall mean, collectively SKM-TB, LLC, a Delaware limited liability company, S. Anthony Margolis, The Margolis Family Stock Trust u/a/d May 1, 2000, Whole Duty Investment, Ltd., a Hong Kong corporation, Bonita Beach Blues, Inc., a Florida corporation, and Lucio Dalla Gasperina.

"Senior Notes" shall mean the senior debt securities of the Parent issued under and pursuant to the terms of the Indenture in the aggregate principal amount of $200,000,000 and due June 11, 2011.

"Senior Notes Debt" shall mean Indebtedness evidenced by the Senior Notes Documents.

"Senior Notes Documents" shall mean the Senior Notes and the Indenture, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.13.

"Standby Letter of Credit" shall mean a Letter of Credit issued to support obligations of any Borrower Party incurred in the ordinary course of its business, and which is not a Commercial Letter of Credit.

"Standby Letter of Credit Issuers" shall mean Issuing Banks consisting of SunTrust Bank and any other Issuing Bank (consented to by the Administrative Agent and, so long as no Default exists, the Administrative Borrower) who may be designated as a Standby Letter of Credit Issuer pursuant to an Assignment and Assumption Agreement or otherwise.

"Subsidiary" shall mean, as applied to any Person, (a) any corporation of which more than fifty percent (50%) of the outstanding stock (other than directors' qualifying shares) having ordinary voting power to elect a majority of its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such voting power by reason of the happening of any contingency, or any partnership of which more than fifty percent (50%) of the outstanding partnership interests is at the time owned by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, and (b) any other entity which is controlled or capable of being controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person.

"SunTrust Bank" shall mean SunTrust Bank, a bank organized under the laws of the State of Georgia.

"Swing Bank" shall mean SunTrust Bank, or any other Lender who shall agree with the Administrative Agent and the Administrative Borrower to act as Swing Bank.

"Swing Loans" shall mean any Loans made to the Borrowers by the Swing Bank from time to time, in accordance with Section 2.2(g).

"Syndication Agent" shall mean Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., in its capacity as syndication agent.

"Target" shall mean Viewpoint International, Inc., a Delaware corporation.

"Target Retail Borrower Parties" shall mean, collectively, all Domestic Subsidiaries of the Target that are parties to this Agreement and whose principal business is the operation of retail stores.

"Total Debt" shall mean as of any date of determination, all Indebtedness of the Parent and its Subsidiaries on a consolidated basis, excluding Indebtedness of the type described in clause (e) the definition of Indebtedness.

"UCC" shall mean the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles or Divisions of the UCC, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Administrative Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"Uniform Customs" shall mean the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"Value" shall mean, at any particular date: (a) the lower of the fair market value of the Inventory and its cost, valued in accordance with the "First-In, First-Out" method of accounting, minus (b) an amount which is equal to the amount of reserves which, under FASB No. 48, "Revenue recognition when the right of return exists," the Borrowing Base Borrower Parties shall be required to take in regard to the amount identified in subparagraph (a) hereof.

"Voidable Transfer" shall have the meaning specified in Section 13.6.

Section 1.2 Accounting Principles. The classification, character and amount of all assets, liabilities, capital accounts and reserves and of all items of income and expense to be determined, and any consolidation or other accounting computation to be made, and the interpretation of any definition containing any financial term, pursuant to this Agreement shall be determined and made in accordance with GAAP consistently applied, provided that if because of a change in GAAP after the date of this Agreement the Parent or any of its Subsidiaries would be required to alter a previously utilized accounting principle, method or policy in order to remain in compliance with GAAP, such determination shall continue to be made in accordance with the Parent's or such Subsidiary's previous accounting principles, methods and policies.

Section 1.3 Other Interpretive Matters. Each definition of an agreement in this Article 1 shall include such instrument or agreement as modified, amended, or supplemented from time to time with, if required, the prior written consent of the Majority Lenders, except as provided in Section 11.12. Except where the context otherwise requires, definitions imparting the singular shall include the plural and vice versa. Except where otherwise specifically provided herein, each reference to a "Section", "Article", "Exhibit" or "Schedule" shall be to a Section or Article hereof or an Exhibit or Schedule attached hereto. Except where otherwise specifically restricted, reference to a party to a Loan Document includes that party and its successors and assigns. All terms used herein which are defined in Article 9 of the Uniform Commercial Code in effect in the State of New York on the Agreement Date and which are not otherwise defined herein shall have the same meanings herein as set forth therein. All financial calculations hereunder shall, unless otherwise stated, be determined for the Parent on a consolidated basis with its Subsidiaries.

ARTICLE 2.

THE LOANS AND THE LETTERS OF CREDIT

Section 2.1 Extension of Credit. Subject to the terms and conditions of, and in reliance upon the representations and warranties made in, this Agreement and the other Loan Documents, the Lenders have extended and agree, severally in accordance with their respective Revolving Commitment Ratios, and

not jointly, to extend credit in an aggregate principal amount not to exceed Two Hundred Seventy Five Million Dollars ($275,000,000).

(a) The Revolving Loans. The Lenders agree, severally in accordance with their respective Revolving Commitment Ratios and not jointly, upon the terms and subject to the conditions of this Agreement, to lend and relend to the Borrowers, on any Business Day prior to the Maturity Date, amounts which do not exceed such Lender's ratable share (based upon such Lender's Revolving Commitment Ratio) of Availability as of such Business Day. Subject to the terms and conditions hereof and prior to the

Maturity Date, Advances under the Revolving Loan Commitment may be repaid and reborrowed from time to time on a revolving basis.

(b) The Letters of Credit. Subject to the terms and conditions hereof, each Issuing Bank agrees, severally in accordance with its Letter of Credit Commitment and not jointly, to issue Letters of Credit (or to arrange with a Foreign Issuer for the issuance of a Letter of Credit on behalf of such Issuing Bank) for the account of the Borrowers pursuant to Section 2.15 (i) in an aggregate outstanding face amount (A) for all Issuing Banks, not to exceed the Aggregate Letter of Credit Commitment at any time, (B) for any individual Issuing Bank, not to exceed such Issuing Bank's Letter of Credit Commitment, and (ii) with respect to the issuance of any Letter of Credit as of any Business Day, not to exceed the Available Letter of Credit Amount as of such Business Day.

(c) The Swing Loans. Subject to the terms and conditions hereof, the Swing Bank, in its sole discretion, may from time to time after the Agreement Date but prior to the Maturity Date, make Swing Loans to the Borrowers in an aggregate principal amount not to exceed at any time outstanding the least of (i) the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of Availability, (ii) the excess of (x) the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of the Revolving Loan Commitment less (y) the sum of the aggregate outstanding principal amount of Swing Loans and Revolving Loans made by it and the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of the outstanding Letter of Credit Obligations and Agent Advances, and (iii) $25,000,000.

(d) Overadvances; Optional Overadvances. If at any time the amount of the Aggregate Revolving Credit Obligations exceeds the Borrowing Base, the Revolving Loan Commitment or any other applicable limitation set forth in this Agreement (including, without limitation, the limitations on Swing Loans, Agent Advances and Letters of Credit), such excess (an "Overadvance") shall nevertheless constitute a portion of the Obligations that are secured by the Collateral and are entitled to all benefits thereof. In no event, however, shall the Borrowers have any right whatsoever to (i) receive any Revolving Loan, (ii) receive any Swing Loan, or (iii) request the issuance of any Letter of Credit if, before or after giving effect thereto, there shall exist a Default. In the event that (1) any Lender shall make any Revolving Loans, (2) any Issuing Bank shall agree to the issuance of any Letter of Credit, (3) the Swing Bank shall make any Swing Loan, or (4) the Administrative Agent shall make any Agent Advances, which in any such case gives rise to an Overadvance, the Borrowers shall make, on demand, a payment on the Obligations to be applied to the Revolving Loans, the Swing Loans, the Agent Advances and the Letter of Credit Reserve Account, as appropriate, in an aggregate principal amount equal to such Overadvance.

(e) Agent Advances. (i) Subject to the limitations set forth below and notwithstanding anything else in this Agreement to the contrary, the Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the

Administrative Agent's sole discretion, (A) after the occurrence and during the continuance of a Default, or (B) at any time that any of the other conditions precedent set forth in Article 4 have not been satisfied, to make Base Rate Advances to the Borrowers on behalf of the Lenders in an aggregate amount outstanding at any time not to exceed $5,000,000, but, together with all

Revolving Loans, Swing Loans and Letters of Credit outstanding, not in excess of the Revolving Loan Commitment, which the Administrative Agent, in its reasonable business judgment, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, (2) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (3) to pay any other amount chargeable to the Borrowers pursuant to the terms of this Agreement, including costs, fees and expenses as provided under this Agreement (any of such advances are herein referred to as "Agent Advances"); provided, that the Majority Lenders may at any time revoke the Administrative Agent's authorization to make Agent Advances. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. The Administrative Agent shall promptly provide to the Administrative Borrower written notice of any Agent Advance.

(ii) The Agent Advances shall be secured by the Collateral and shall constitute Obligations hereunder. Each Agent Advance shall bear interest at the same rate as a Base Rate Advance. Each Agent Advance shall be subject to all terms and conditions of this Agreement and the other Loan Documents applicable to Revolving Loans, except that all payments thereon shall be made to the Administrative Agent solely for its own account. The Administrative Agent shall have no duty or obligation to make any Agent Advance hereunder.

(iii) The Administrative Agent shall notify each Lender no less frequently than weekly, as determined by the Administrative Agent, of the principal amount of Agent Advances outstanding as of 12:00 noon (Atlanta, Georgia time) as of such date, and each Lender's pro rata share thereof. Each Lender shall before 2:00 p.m. (Atlanta, Georgia time) on such Business Day (the "Agent Advance Settlement Date") make available to the Administrative Agent, in immediately available funds, the amount of its pro rata share of such principal amount of Agent Advances outstanding. Upon such payment by a Lender, such Lender shall be deemed to have made a Revolving Loan to the Borrowers, notwithstanding any failure of the Borrowers to satisfy the conditions in Section 4.2. The Administrative Agent shall use such funds to repay the principal amount of Agent Advances. Additionally, if at any time any Agent Advances are outstanding, any of the events described in clauses (g) or (h) of Section 9.1 shall have occurred, then each Lender shall automatically, upon the occurrence of such event, and without any action on the part of the Administrative Agent, the Borrowers or the Lenders, be deemed to have purchased an undivided participation in the principal and interest of all Agent Advances then outstanding in an amount equal to such Lender's Revolving Commitment Ratio and each Lender shall, notwithstanding such Event of Default, immediately pay to the Administrative Agent in immediately available funds, the amount

of such Lender's participation (and upon receipt thereof, the Administrative Agent shall deliver to such Lender, a loan participation certificate dated the date of receipt of such funds in such amount).

Section 2.2 Manner of Borrowing and Disbursement of Loans.

(a) Choice of Interest Rate, etc. Any Advance of the Revolving Loans shall, at the option of the Borrowers, be made either as a Base Rate Advance or as a Eurodollar Advance (except for the first two (2) Business Days after the Agreement Date, during which period the Revolving Loans shall bear interest as a Base Rate Advance); provided, however, that (i) if the Administrative Borrower fails to give the Administrative Agent written notice specifying whether a Eurodollar Advance is to be repaid, continued or converted on a Payment Date, such Advance shall be converted to a Base Rate Advance on the Payment Date in accordance with Section 2.3(a)(iii), and (ii) the Administrative Borrower may not select a Eurodollar Advance (A) with respect to Swing Loans, (B) with respect to an Advance, the proceeds of which are to reimburse an Issuing Bank pursuant to Section 2.15, or (C) if, at the time of such Advance or at the time of the continuation of, or conversion to, a Eurodollar Advance pursuant to Section 2.2(c), a Default has occurred and is continuing. Any notice given to the Administrative Agent in connection with a requested Advance hereunder (other than a request for a Swing Loan) shall be given to the Administrative Agent prior to 11:00 a.m. (Atlanta, Georgia time) in order for such Business Day to count toward the minimum number of Business Days required.

(b) Base Rate Advances.

(i) Initial and Subsequent Advances. The Administrative Borrower shall give the Administrative Agent in the case of Base Rate Advances, not later than 11:00 a.m. (Atlanta, Georgia time) on the Business Day of a proposed Advance irrevocable prior notice by telephone and shall confirm any such telephone notice with a written Request for Advance; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone or telecopy with a Request for Advance shall not invalidate any notice so given.

(ii) Repayments and Conversions. The Borrowers may (A) at any time without prior notice repay or prepay a Base Rate Advance, or (B) upon at least three (3) Business Days' irrevocable prior written notice to the Administrative Agent in the form of a Notice of Conversion/Continuation, convert all or a portion of the principal thereof to one or more Eurodollar Advances. Upon the date indicated by the Administrative Borrower, such Base Rate Advance shall be so repaid or converted.

(c) Eurodollar Advances.

(i) Initial and Subsequent Advances. The Administrative Borrower shall give the Administrative Agent in the case of Eurodollar Advances at least three (3) Business Days' irrevocable prior notice by telephone and shall immediately confirm any such telephone notice with a written Request for Advance; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone or telecopy with a Request for Advance shall not invalidate any notice so given.

(ii) Repayments, Continuations and Conversions. At least three (3) Business Days prior to each Payment Date for a Eurodollar Advance, the Administrative Borrower shall give the Administrative Agent written notice in the form of a Notice of Continuation/Conversion specifying whether all or a portion of such Eurodollar Advance outstanding on such Payment Date is to be continued in whole or in part as one or more new Eurodollar Advances and also specifying the new Eurodollar Advance Period applicable to the continuation of such Eurodollar Advance (and subject to the provisions of this Agreement, upon such Payment Date such Eurodollar Advance shall be so continued). Upon such Payment Date, any Eurodollar Advance (or portion thereof) not so continued shall be converted to a Base Rate Advance, subject to Section 2.5, or prepaid or repaid.

(iii) Miscellaneous. Notwithstanding any term or provision of this Agreement which may be construed to the contrary, each Eurodollar Advance shall be in a principal amount of no less than $1,000,000 and in an integral multiple of $500,000 in excess thereof, and at no time shall the aggregate number of all Eurodollar Advances then outstanding exceed ten (10).

(d) Notification of Lenders. Upon receipt of a (i) Request for Advance or a telephone or telecopy request for Advance, (ii) notification from an Issuing Bank that a draw has been made under any Letter of Credit (unless such Issuing Bank will be reimbursed through the funding of a Swing Loan), (iii) notification from the Swing Bank with respect to any outstanding Swing Loans pursuant to Section 2.2(g)(ii) or (iv) notice from the Administrative Borrower with respect to any outstanding Advance prior to the Payment Date for such Advance, the Administrative Agent shall promptly notify each Lender by telephone or telecopy of the contents thereof and the amount of each Lender's portion of any such Advance. Each Lender shall, not later than 1:00 p.m. (Atlanta, Georgia time) on the date specified for such Advance in such notice, make available to the Administrative Agent at the Administrative Agent's Office, or at such account as the Administrative Agent shall designate, the amount of such Lender's portion of the Advance in immediately available funds.

(e) Disbursement. Prior to 3:00 p.m. (Atlanta, Georgia time) on the date of an Advance hereunder, the Administrative Agent shall, subject to the satisfaction of the conditions set forth in Article 4 hereof, disburse the amounts made available to the

Administrative Agent by the Lenders in like funds by (i) transferring the amounts so made available by wire transfer to the Disbursement Account or (ii) in the case of an Advance the proceeds of which are to reimburse an Issuing Bank pursuant to Section 2.15, transferring such amounts to such Issuing Bank. Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 Noon (Atlanta, Georgia time) on the date of any Advance that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Advance, the Administrative Agent may assume that such Lender has made or will make such portion available to the Administrative Agent on the date of such Advance and the Administrative Agent may, in its sole discretion and in reliance upon such assumption, make available to the Borrowers on such date a corresponding amount. If and to the extent such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrowers until the date such amount is repaid to the Administrative Agent, (x) for the first two (2) Business Days, at the Federal Funds Rate on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day by the Federal Reserve Bank of New York, and (y) thereafter, at the Base Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's portion of the applicable Advance for purposes of this Agreement, and if both such Lender and the Borrowers shall pay and repay such corresponding amount, the Administrative Agent shall promptly relend to the Borrowers such corresponding amount. If such Lender does not repay such corresponding amount immediately upon the Administrative Agent's demand therefor, the Administrative Agent shall notify the Administrative Borrower, and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent. The failure of any Lender to fund its portion of any Advance shall not relieve any other Lender of its obligation, if any, hereunder to fund its respective portion of the Advance on the date of such borrowing, but no Lender shall be responsible for any such failure of any other Lender. In the event that a Lender for any reason fails or refuses to fund its portion of an Advance in violation of this Agreement, then, until such time as such Lender has funded its portion of such Advance, or all other Lenders have received payment in full (whether by repayment or prepayment) of the principal and interest due in respect of such Advance, such non-funding Lender shall not (i) have the right to vote regarding any issue on which voting is required or advisable under this Agreement or any other Loan Document, and with respect to any such Lender, the amount of the Revolving Loan Commitment or Loans, as applicable, held by such Lender shall not be counted as outstanding for purposes of determining "Majority Lenders" hereunder, and (ii) be entitled to receive any payments of principal, interest or fees from the Borrowers or the Administrative Agent (or the other Lenders) in respect of its Loans.

(f) Deemed Requests for Advance. Unless payment is otherwise timely made by the Borrowers, the becoming due of any amount required to be paid under this Agreement or any of the other Loan Documents as principal, interest, reimbursement

obligations in connection with Letters of Credit, premiums, fees, reimbursable expenses or other sums payable hereunder shall be deemed irrevocably to be a Request for Advance on the due date of, and in an aggregate amount required to pay, such principal, interest, reimbursement obligations in connection with Letters of Credit, premiums, fees, reimbursable expenses or other sums payable hereunder, and the proceeds of a Revolving Loan made pursuant thereto may be disbursed by way of direct payment of the relevant Obligation and shall bear interest as a Base Rate Advance; provided, however, that the Administrative Agent shall provide the Administrative Borrower with ten (10) days prior written notice before making any such Advance that will be made for the purpose of paying an Obligation other than principal, interest, reimbursement obligations in connection with Letters of Credit, premiums or fees. The Lenders shall have no obligation to the Borrowers to honor any deemed Request for Advance under this Section 2.2(f) unless all the conditions set forth in Section 4.2 have been satisfied, but, with the consent of the Lenders required under the last sentence of Section 4.2, may do so in their sole discretion and without regard to the

existence of, and without being deemed to have waived, any Default and without regard to the existence or creation of an Overadvance or the failure by the Borrowers to satisfy any of the conditions set forth in Section 4.2. No further authorization, direction or approval by the Borrowers shall be required to be given by the Administrative Borrower for any deemed Request for Advance under this Section 2.2(f). The Administrative Agent shall promptly provide to the Administrative Borrower written notice of any Advance pursuant to this Section 2.2(f).

(g) Special Provisions Pertaining to Swing Loans.

(i) The Administrative Borrower shall give the Swing Bank written notice in the form of a Request for Advance, or notice by telephone, followed immediately by a written request for Advance no later than 1:00 p.m. (Atlanta, Georgia time) on the date on which the Borrowers wish to receive an Advance of any Swing Loan, in each case, with a copy to the Administrative Agent; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone with a written Request for Advance shall not invalidate any notice so given; provided further, however, that any request by the Administrative Borrower of a Base Rate Advance under the Revolving Loan Commitment shall be deemed to be a request for a Swing Loan unless the Administrative Borrower specifically requests otherwise. Each Swing Loan shall bear interest at the same rate as a Base Rate Advance. If the Swing Bank, in its sole discretion, elects to make the requested Swing Loan, the Advance shall be made on the date specified in the notice or the Request for Advance and such notice or Request for Advance shall specify (i) the amount of the requested Advance, and (ii) instructions for the disbursement of the proceeds of the requested Advance. Each Swing Loan shall be subject to all the terms and conditions applicable to Revolving Loans, except that all payments thereon shall be payable to the Swing Bank solely for its own account. The Swing Bank shall have no duty or obligation to make any Swing Loans hereunder. The Swing Bank

shall not make any Swing Loans if (i) the Swing Bank has received written notice from any Lender (or the Swing Bank has actual knowledge) that one or more applicable conditions precedent set forth in Section 4.2 will not be satisfied on the requested Advance date or (ii) the requested Swing Loan would exceed Availability on the Advance date. In the event the Swing Bank in its sole and absolute discretion elects to make any requested Swing Loan, the Swing Bank shall make the proceeds of such Swing Loan available to the Borrowers by deposit of Dollars in same day funds by wire transfer to the Disbursement Account.

(ii) The Swing Bank shall notify the Administrative Agent and each Lender no less frequently than weekly, as determined by the Administrative Agent, of the principal amount of Swing Loans outstanding as of 12:00 noon (Atlanta, Georgia time) as of such date and each Lender's pro rata share thereof. Each Lender shall before 2:00 p.m. (Atlanta, Georgia time) on such Business Day (the "Settlement Date") make available to the Administrative Agent, in immediate available funds, the amount of its pro rata share of such principal amount of Swing Loans outstanding. Upon such payment by a Lender, such Lender shall be deemed to have made a Revolving Loan to the Borrowers, notwithstanding any failure of the Borrowers to satisfy the conditions in Section 4.2. The Administrative Agent shall use such funds to repay the principal amount of Swing Loans to the Swing Bank. Additionally, if at any time any Swing Loans are outstanding, any of the events described in clauses (g) or (h) of Section 9.1 shall have occurred, then each Lender shall automatically upon the occurrence of such event and without any action on the part of the Swing Bank, the Borrowers, the Administrative Agent or the Lenders be deemed to have purchased an undivided participation in the principal and interest of all Swing Loans then outstanding in an amount equal to such Lender's Revolving Commitment Ratio and each Lender shall, notwithstanding such Event of Default, immediately pay to the Administrative Agent for the account of the Swing Bank in immediately available funds, the amount of such Lender's participation (and upon receipt thereof, the Swing Bank shall deliver to such Lender a loan participation certificate dated the date of receipt of such funds in such amount).

Section 2.3 Interest.

(a) On Revolving Loans. Interest on Advances, subject to Section 2.3(b) and (c) shall be payable as follows:

(i) On Base Rate Advances. Interest on each Base Rate Advance shall be computed for the actual number of days elapsed on the basis of a hypothetical year of 365 days and shall be payable monthly in arrears on the second day of each calendar month for the prior calendar month, commencing on July 2, 2003. Interest on Base Rate Advances then outstanding shall also be due

and payable on the Maturity Date. Interest shall accrue and be payable on each Base Rate Advance made with respect to the Revolving Loans at the simple per annum interest rate equal to the sum of (A) the Base Rate, and (B) the applicable Interest Rate Margin.

(ii) On Eurodollar Advances. Interest on each Eurodollar Advance shall be computed on the basis of a hypothetical 360-day year for the actual number of days elapsed and shall be payable in arrears on (x) the Payment Date for such Advance, and (y) if the Eurodollar Advance Period for such Advance is greater than three (3) months, on each three month anniversary of such Advance. Interest on Eurodollar Advances then outstanding shall also be due and payable on the Maturity Date. Interest shall accrue and be payable on each Eurodollar Advance made with respect to the Revolving Loans at a rate per annum equal to the sum of (A) the Eurodollar Basis applicable to such Eurodollar Advance, and (B) the applicable Interest Rate Margin.

(iii) If No Notice of Selection of Interest Rate. If the Administrative Borrower fails to give the Administrative Agent timely notice of its selection of a Eurodollar Basis, or if for any reason a determination of a Eurodollar Basis for any Advance is not timely concluded, the Base Rate shall apply to such Advance. If the Administrative Borrower fails to elect to continue any Eurodollar Advance then outstanding prior to the last Payment Date applicable thereto in accordance with the provisions of Section 2.2, as applicable, the Base Rate shall apply to such Advance commencing on and after such Payment Date.

(b) Upon Default. Unless the Majority Lenders shall otherwise agree in writing (which agreement shall not be deemed to be a waiver of any Event of Default), upon the occurrence and during the continuance of an Event of Default, interest on the outstanding Obligations shall accrue at the Default Rate. Interest accruing at the Default Rate shall be payable on demand and in any event on the Maturity Date. The Lenders shall not be required to (A) accelerate the maturity of the Loans, (B) terminate the Revolving Loan Commitments, or (C) exercise any other rights or remedies under the Loan Documents in order to charge interest hereunder at the Default Rate.

(c) Interest Rate Margin. The interest rate margin (the "Interest Rate Margin") shall be that per annum rate of interest determined as set forth below:

With respect to any Advance under the Revolving Loan Commitment, the applicable Interest Rate Margin shall be (x) from the Agreement Date through the date six (6) months following the Agreement Date, 2.50% with respect to Eurodollar Advances and 1.00% with respect to Base Rate Advances, and (y) from the date six (6) months and one (1) day following the Agreement Date and thereafter, the interest rate margin determined by the Administrative Agent based upon the Fixed Charge Coverage Ratio as of the fiscal quarter most recently

ended for the immediately preceding four (4) fiscal quarter periods (with respect to which the financial statements referred to below have been delivered), effective as of the second Business Day after the

financial statements referred to in Section 7.1(b), hereof, and an accompanying certificate of an Authorized Signatory of the Administrative Borrower certifying the calculations of the Fixed Charge Coverage Ratio as set forth in Section 7.3 hereof, are delivered by the Administrative Borrower to the Administrative Agent and each Lender as of such fiscal quarter most recently ended, expressed as a per annum rate of interest as follows:

FIXED CHARGE COVERAGE RATIO	BASE RATE ADVANCE (INCLUDING SWING LOANS) INTEREST RATE MARGIN	EURODOLLAR ADVANCE INTEREST RATE MARGIN
Greater than 2.50 to 1.00	0.25%	1.75%
Greater than 2.00 to 1.00 but less than or equal to 2.50 to 1.00	0.50%	2.00%
Greater than 1.50 to 1.00 but less than or equal to 2.00 to 1.00	0.75%	2.25%
Greater than 1.25 to 1.00 but less than or equal to 1.50 to 1.00	1.00%	2.50%
Less than or equal to 1.25 to 1.00	1.25%	2.75%

In the event that the Administrative Borrower fails to timely provide the quarterly financial statements and certificate referred to above in accordance with the terms of Sections 7.1(b) and 7.3, and without prejudice to any additional rights under Section 9.2, as of the second Business Day after delivery of such financial statements were due until the date two (2) Business Days following the date such financial statements and certificate are delivered, the applicable Interest Rate Margin shall be 2.75% with respect to Eurodollar Advances and 1.25% with respect to Base Rate Advances.

(d) Computation of Interest. In computing interest on any Advance, the date of making the Advance shall be included and the date of payment shall be excluded; provided, however, that if an Advance is repaid on the date that it is made, one (1) day's interest shall be due with respect to such Advance.

Section 2.4 Fees.

(a) Fee Letter. The Borrowers agree to pay to the Administrative Agent such fees as are set forth in the Fee Letter.

(b) Unused Line Fee. The Borrowers agree to pay to the Administrative Agent for the account of the Lenders, in accordance with their respective Revolving Commitment Ratios, an unused line fee on the Available Revolving Loan Commitment (without taking into account any Swing Loans) for each day from the Agreement Date through the Maturity Date (or the date of any earlier prepayment in full of the Obligations), (x) from the Agreement Date through and including the date six (6) months following the Agreement Date, at a rate of one-half of one percent (0.50%) per annum, and (y) from the date which is one day after the date six (6) months following the Agreement Date, and thereafter, the unused line fee as set forth below based upon the Fixed Charge Coverage Ratio as of the last day of the fiscal quarter most recently ended for the immediately preceding four (4) fiscal quarter period, effective as of the second (2nd) Business Day after the quarterly financial statements referred to in Section 7.1(b) hereof, and an accompanying certificate of an Authorized Signatory of the Administrative Borrower certifying the calculations of Fixed Charge Coverage Ratio as set forth in Section 7.3 hereof, are delivered by the Administrative Borrower to the Administrative Agent and each Lender as of such fiscal quarter most recently ended, expressed as a per annum rate as follows:

Fixed Charge Coverage Ratio	Unused Line Fee
Greater than 1.50 to 1.00	0.375%
Less than or equal to 1.50 to 1.00	0.500%

In the event that the Administrative Borrower fails to timely provide the quarterly financial statements and certificate referred to above in accordance with the terms of Sections 7.1(b) and 7.3, and without prejudice to any additional rights under Section 9.2, as of the second Business Day after delivery of such financial statements were due until the date two (2) Business Days following the date such financial statements and certificate are delivered, the applicable unused line fee rate shall be 0.500% per annum. Such unused line fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable in arrears on July 2, 2003, for the immediately preceding calendar quarter and thereafter shall be payable quarterly in arrears on the second day of each calendar quarter thereafter for the immediately preceding calendar quarter, and if then unpaid, on the Maturity Date (or the date of any earlier prepayment in full of the Obligations), and shall be fully earned when due and non-refundable when paid.

(c) Letter of Credit Fees.

(i) The Borrowers shall pay to the Administrative Agent for the account of the Lenders, in accordance with their respective Revolving Commitment Ratios, a fee on the stated amount of any outstanding Letters of Credit for each day from the Date of Issue through the Maturity Date (or the date of any earlier prepayment in full of the Obligations) at a rate per annum on the

amount of the Letter of Credit Obligations equal to the applicable Interest Rate Margin in effect from time to time with respect to Eurodollar Advances under the Revolving Loan Commitment. Such Letter of Credit fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable quarterly in arrears for each calendar quarter on the second day of the immediately succeeding calendar quarter, commencing on July 2, 2003, and if then unpaid, on the Maturity Date (or the date of any earlier prepayment in full of the Obligations), and shall be fully earned when due and non-refundable when paid.

(ii) The Borrowers shall also pay to the Administrative Agent, for the account of each applicable Issuing Bank (A) a fee on the undrawn stated amount of each Letter of Credit issued by or on behalf of such Issuing Bank for each day from the Date of Issue through the expiration date of each such Letter of Credit (or any earlier prepayment in full of the Obligations) at a rate of one-eighth of one percent (0.1250%) per annum which fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable quarterly in arrears on the second day of each calendar quarter for the immediately preceding calendar quarter, commencing on July 2, 2003, and, if unpaid on the Maturity Date (or any earlier prepayment in full of the Obligations) and (B) any reasonable and customary fees charged by the Issuing Banks for issuance and administration of such Letters of Credit. The foregoing fees shall be fully earned when due, and non-refundable when paid.

(d) Computation of Fees. In computing any fees payable under this Section 2.4, the first day of the applicable period shall be included and the date of the payment shall be excluded.

Section 2.5 Prepayment/Reduction of Commitment.

(a) Prepayment of Advances. The principal amount of any Base Rate Advance may be prepaid in full or in part at any time, without penalty; and the principal amount of any Eurodollar Advance may be prepaid prior to the applicable Payment Date, upon three (3) Business Days' prior written notice to the Administrative Agent, provided that the Borrowers shall reimburse the Lenders and the Administrative Agent, on the earlier of demand and the Maturity Date, for any loss or reasonable out-of-pocket expense incurred by the Lenders

or the Administrative Agent in connection with such prepayment, as set forth in Section 2.9. Each notice of prepayment shall be irrevocable, and each such prepayment shall include the accrued interest on the amount so prepaid. Upon receipt of any notice of prepayment, the Administrative Agent shall promptly notify each Lender of the contents thereof by telephone or telecopy and of such Lender's portion of the prepayment. Notwithstanding the foregoing, the Borrowers shall not make any prepayment of the Revolving Loans unless and until the balance of the Swing Loans and Agent Advances then outstanding is zero. Other than with respect to amounts

required to be applied to the Revolving Loans pursuant to Section 2.1(d), 2.6(b) or Section 6.15, and other than with respect to prepayment in full of the principal amount of the Advances, prepayments of principal hereunder shall be in minimum amounts of $1,000,000 and integral multiples of $500,000 in excess thereof. Except as provided in Section 2.5(b), any prepayment of Advances outstanding under the Revolving Loan Commitment shall not reduce the Revolving Loan Commitment.

(b) Permanent Prepayment or Reduction. The Borrowers shall have the right, at any time and from time to time after the Agreement Date and prior to the Maturity Date, upon at least three (3) Business Days' prior written notice to the Administrative Agent by the Administrative Borrower, without premium or penalty, to cancel or reduce permanently all or a portion of the Revolving Loan Commitment on a pro rata basis among the Lenders in accordance with their Revolving Commitment Ratios, provided that any such partial reduction shall be made in an amount not less than $1,000,000 and in integral multiples of $500,000 in excess thereof. As of the date of cancellation or reduction set forth in such notice, the Revolving Loan Commitment shall be permanently reduced to the amount stated in the Administrative Borrower's notice for all purposes herein, and the Borrowers shall pay to the Administrative Agent for the account of the Lenders the amount necessary to reduce the principal amount of the Revolving Loans then outstanding to not more than the amount of the Revolving Loan Commitment as so reduced, together with accrued interest on the amount so prepaid and the unused line fee set forth in Section 2.4(b) accrued through the date of the reduction with respect to the amount reduced, and shall reimburse the Administrative Agent and the Lenders for any loss or out-of-pocket expense incurred by any of them in connection with such payment as set forth in Section 2.9.

Section 2.6 Repayment.

(a) The Loans. All unpaid principal and accrued interest on the Loans shall be due and payable in full on the Maturity Date. Notwithstanding the foregoing, however, in the event that at any time and for any reason there shall exist an Overadvance, the Borrowers, in accordance with Section 2.1(d), shall pay to the Administrative Agent an amount equal to the Overadvance, which payment shall constitute a mandatory payment of the Obligations to be applied to the Revolving Loans, Agent Advances, Swing Loans and Letter of Credit Reserve Account, as appropriate.

(b) Other Mandatory Repayments.

(i) In the event that after the Agreement Date, the Parent shall issue any Equity Interests (other than Equity Interests issued to sellers in connection with any acquisition permitted under Section 8.7(d)) or any Borrower Party shall incur any Total Debt other than Total Debt permitted under Section 8.1, one hundred percent (100%) of the Net Cash Proceeds received by such Borrower Party from such issuance or incurrence shall be paid on the date of receipt of the proceeds thereof by such Borrower Party to the Lenders as a

mandatory payment of the Loans. Any payment due hereunder shall be applied first to repay outstanding Agent Advances, then outstanding Swing Loans and then to repay outstanding Revolving Loans. Nothing in this Section shall authorize any Borrower Party to issue any Equity Interests or incur any Total Debt except as expressly permitted by this Agreement.

(ii) All Net Cash Proceeds of Collateral (including, without limitation, from the sale of inventory in the ordinary course of business, from the sale of other assets permitted under Section 8.7(b) and insurance and condemnation proceeds) shall be remitted to the Administrative Agent in accordance with Section 6.15 and shall be applied to the repayment of the Obligations as set forth in Section 2.11.

(c) In addition to the foregoing, the Borrowers hereby promise to pay all Obligations, including, without limitation, the principal amount of the Loans and interest and fees thereon, as the same become due and payable hereunder and, in any event, on the Maturity Date.

Section 2.7 Revolving Loan Notes; Loan Accounts.

(a) The Revolving Loans shall be repayable in accordance with the terms and provisions set forth herein and, upon request by any Lender, the Revolving Loans owed to such Lender shall be evidenced by Revolving Loan Notes. A Revolving Loan Note shall be payable to the order of each Lender requesting such a Revolving Loan Note in accordance with such Lender's Revolving Commitment Ratio of the Revolving Loan Commitment. Any such Revolving Loan Notes shall be issued by the Borrowers to the Lenders and shall be duly executed and delivered by Authorized Signatories of the Borrowers.

(b) The Administrative Agent shall open and maintain on its books in the name of the Borrowers a loan account with respect to the Loans and interest thereon (the "Loan Account"). The Administrative Agent shall debit such Loan Account for the principal amount of each Advance made by it on behalf of the Lenders, accrued interest thereon, and all other amounts which shall become due from the Borrowers pursuant to this Agreement (including any Swing Loans and Agent Advances) and shall credit the Loan Account for each payment which the Borrowers shall make in respect to the Obligations. The records of the Administrative Agent with respect to such Loan Account shall be conclusive evidence of the Loans and accrued interest thereon, absent manifest error.

Section 2.8 Manner of Payment.

(a) When Payments Due.

(i) Each payment (including any prepayment) by the Borrowers on account of the principal of or interest on the Loans, fees, and any other amount owed to any member of the Lender Group under this Agreement, the Revolving Loan Notes, or the other Loan Documents shall be made not later than 1:00 p.m. (Atlanta, Georgia time) on the date specified for payment under this Agreement or any other Loan Document to the Administrative Agent at the Administrative Agent's Office, for the account of the Lenders, the Issuing Bank or the Administrative Agent, as the case may be, in lawful money of the United States of America in immediately available funds. Any payment received by the Administrative Agent after 1:00 p.m. (Atlanta, Georgia time) shall be deemed received on the next Business Day. In the case of a payment for the account of a Lender, the Administrative Agent will promptly thereafter (but in any event no more than two (2) Business Days following receipt thereof by the Administrative Agent) distribute the amount so received in like funds to such Lender. If the Administrative Agent shall not have received any payment from the Borrowers as and when due, the Administrative Agent will promptly notify the Lenders accordingly.

(ii) If any payment under this Agreement or any Revolving Loan Note shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day, and such extension of time shall in such case be included in computing interest and fees, if any, in connection with such payment.

(b) No Deduction.

(i) Any and all payments of principal and interest, or of any fees or indemnity or expense reimbursements by the Borrowers hereunder or under any other Loan Documents (the "Borrower Payments") shall be made without setoff or counterclaim and free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings with respect to such Borrower Payments and all interest, penalties

or similar liabilities with respect thereto, excluding taxes imposed on the net income of any member of the Lender Group (or any transferee or assignee thereof) by the jurisdiction under the laws of which such member of the Lender Group is organized or conducts business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges or withholdings and liabilities collectively or individually "Taxes"). If a Borrower shall be required to deduct any Taxes from or in respect of any sum payable to any member of the Lender Group hereunder or under any other Loan Document, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after

making all required deductions (including deductions applicable to additional sums payable under this Section 2.8(b)(i), such member of the Lender Group shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions, and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(ii) In addition, the Borrowers shall pay to the relevant Governmental Authority in accordance with Applicable Law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document (such taxes being "Other Taxes").

(iii) The Borrowers shall indemnify the members of the Lender Group for the full amount of Taxes and Other Taxes with respect to Borrower Payments paid by such Person, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate setting forth and containing an explanation in reasonable detail of the manner in which such amount shall have been determined and the amount of such payment or liability prepared by a member of the Lender Group or the Administrative Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within thirty (30) days after the date the Administrative Agent or such member, as the case may be, makes written demand therefor. If any Taxes or Other Taxes for which the Administrative Agent or any member of the Lender Group has received indemnification from a Borrower hereunder shall be finally determined to have been incorrectly or illegally asserted and are refunded to the Administrative Agent or such member, the Administrative Agent or such member, as the case may be, shall promptly forward to such Borrower any such refunded amount (after deduction of any Tax or Other Tax paid or payable by any member of the Lender Group as a result of such refund), not exceeding the increased amount paid by such Borrower pursuant to this Section 2.8(b).

(iv) As soon as practicable after the date of any payment of Taxes or Other Taxes by a Borrower to the relevant Governmental Authority, such Borrower will deliver to the Administrative Agent, at its address, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(v) On or prior to the Agreement Date (or, in the case of any Lender that becomes a party to this Agreement pursuant to an Assignment and

Assumption Agreement, on or prior to the effective date of such Assignment and Assumption Agreement), each Lender which is organized in a jurisdiction other than the United States or a political subdivision thereof shall provide each of the Administrative Agent and the Borrowers with either (a) two (2) properly executed originals of Form W-8ECI or Form W-8BEN (or any successor forms) prescribed by the Internal Revenue Service or other documents satisfactory to the Borrowers and the Administrative Agent, as the case may be, certifying (i) as to such Lender's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to such Lender hereunder and under any other Loan Documents or (ii) that all payments to be made to such Lender hereunder and under any other Loan Documents are subject to

such taxes at a rate reduced to zero by an applicable tax treaty, or (b)(i) a certificate executed by such Lender certifying that such Lender is not a "bank" and that such Lender qualifies for the portfolio interest exemption under Section 881(c) of the Code, and (ii) two (2) properly executed originals of Internal Revenue Service Form W-8BEN (or any successor form), in each case, certifying such Lender's entitlement to an exemption from United States withholding tax with respect to payments of interest to be made hereunder or under any other Loan Documents. Each such Lender agrees to provide the Administrative Agent and the Borrowers with new forms prescribed by the Internal Revenue Service upon the expiration or obsolescence of any previously delivered form, or after the occurrence of any event requiring a change in the most recent forms delivered by it to the Administrative Agent and the Borrowers.

(vi) The Borrowers shall not be required to indemnify any member of the Lender Group that is organized in a jurisdiction other than the United States or any political subdivision thereof, or to pay any additional amounts to such Lender pursuant to subsection (b)(i) or (b)(iii) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal, state or local withholding tax existed on the date such Lender became a party to this Agreement (or, in the case of a transferee, on the effective date of the Assignment and Assumption Agreement pursuant to which such transferee became a Lender) or, with respect to payments to a new lending office, the date such Lender designated such new lending office; provided, however, that this clause (i) shall not apply to any Lender that became a Lender or new lending office that became a new lending office as a result of an assignment or designation made at the request of a Borrower; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts, if any, that any member of the Lender Group through a new lending office would be entitled to receive (without regard to this clause (i)) do not exceed the indemnity payment or additional amounts that the Person making the assignment or transfer to such member of the Lender Group making the designation of such new lending office would have been entitled to receive in the absence of such assignment, transfer or designation or (ii) the obligation to pay

such additional amounts or such indemnity payments would not have arisen but for a failure by such member of the Lender Group to comply with the provisions of subsection (b)(v) above.

(vii) Any member of the Lender Group claiming any indemnity payment or additional amounts payable pursuant to this Section 2.8(b) shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by any Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amounts that may thereafter accrue and would not, in the good faith determination of such member of the Lender Group, be otherwise disadvantageous to such Person.

(viii) Nothing contained in this Section 2.8(b) shall require any member of the Lender Group to make available to any Borrower any of its tax returns (or any other information) that it deems confidential or proprietary.

Section 2.9 Reimbursement. Whenever any Lender shall sustain or incur any losses (including losses of anticipated profits) or out-of-pocket expenses in connection with (a) failure by the Borrowers to borrow or continue any Eurodollar Advance, or convert any Advance to a Eurodollar Advance, in each case, after having given notice of their intention to do so in accordance with Section 2.2 (whether by reason of the election of the Borrowers not to proceed or the non-fulfillment of any of the conditions set forth in Article 3), or (b) prepayment of any Eurodollar Advance in whole or in part for any reason or (c) failure by the Borrowers to prepay any Eurodollar Advance after giving notice of its intention to prepay such Advance, the Borrowers agree to pay to such Lender, promptly upon such Lender's written demand therefor, accompanied by a certificate setting forth in reasonable detail the nature and calculation of such losses and expenses, an amount sufficient to compensate such Lender for all such losses and out-of-pocket expenses. Such Lender's good faith determination of the amount of such losses and out-of-pocket expenses, absent manifest error, shall be binding and conclusive. Losses subject to reimbursement hereunder shall

include, without limitation, expenses incurred by any Lender or any participant of such Lender permitted hereunder in connection with the re-employment of funds prepaid, repaid, not borrowed, or paid, as the case may be, and any lost profit of such Lender or any participant of such Lender over the remainder of the Eurodollar Advance Period for such prepaid Advance. For purposes of calculating amounts payable to a Lender under this paragraph, each Lender shall be deemed to have actually funded its relevant Eurodollar Advance through the purchase of a deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of that Eurodollar Advance and having a maturity and repricing characteristics comparable to the relevant Eurodollar Advance Period; provided, however, that each Lender may fund each of its Eurodollar Advances in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this Section.

Section 2.10 Pro Rata Treatment.

(a) Advances. Each Advance with respect to the Revolving Loans, from the Lenders under this Agreement shall be made pro rata on the basis of their respective Revolving Commitment Ratios.

(b) Payments. Each payment and prepayment of the principal of the Revolving Loans and each payment of interest on the Revolving Loans received from the Borrowers shall be made by the Administrative Agent to the Lenders pro rata on the basis of their respective unpaid principal amounts thereof outstanding immediately prior to such payment or prepayment (except in cases when a Lender's right to receive payments is restricted pursuant to Section 2.2(e)). If any Lender shall obtain any payment (whether involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Loans in excess of its ratable share of the Revolving Loans under its Revolving Commitment Ratio (or in violation of any restriction set forth in Section 2.2(e)), such Lender shall forthwith purchase from the other Lenders such participation in the Revolving Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery without interest thereon unless the Lender obligated to repay such amount is required to pay interest. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.10(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation.

Section 2.11 Application of Payments.

(a) Payments Prior to Event of Default. Prior to the occurrence and continuance of an Event of Default, all amounts received by the Administrative Agent from the Borrowers (other than payments specifically earmarked for application to certain principal, interest, fees or expenses hereunder), shall be distributed by the Administrative Agent in the following order of priority: FIRST, to the payment of fees and expenses then due and payable to the Administrative Agent hereunder; SECOND, pro rata to the payment of any fees and expenses then due and payable to the Lenders and the Issuing Banks hereunder or under any other Loan Documents; THIRD, to the payment of interest then due and payable on the Swing Loans, Agent Advances and the Revolving Loans; FOURTH, to the payment of principal then due and payable on the Swing Loans and Agent Advances; FIFTH, to the payment of principal then due and payable on the Revolving Loans; SIXTH, to the payment of Obligations arising in respect of Bank Products (including, Hedge Agreements) then due to the Administrative Agent (or any affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a

Lender hereunder, Bank of America, N.A. (or any Affiliate of Bank of America, N.A.) and to the payment of Obligations arising in respect of Hedge Agreements then due to any of the other Lenders (or any Affiliate of any other Lender) from the Borrowers; and SEVENTH, to the payment of all other Obligations not otherwise referred to in this Section 2.11(a) then due and payable.

(b) Payments Subsequent to Event of Default. Subsequent to the occurrence and during the continuance of an Event of Default, payments and prepayments with respect to the Obligations made to the Administrative Agent, the Lenders, the Issuing Banks or otherwise received by the Administrative Agent, any Lender, any Issuing Bank (from realization on Collateral or otherwise) shall be distributed in the following order of priority (subject, as applicable, to Section 2.10): FIRST, to the costs and expenses (including attorneys' fees and expenses), if any, incurred by the Administrative Agent, any Lender, or any Issuing Bank in the collection of such amounts under this Agreement or any other Loan Documents, including, without limitation, any costs incurred in connection with the sale or disposition of any Collateral; SECOND, to any fees then due and payable to the Administrative Agent under this Agreement or any other Loan Document; THIRD, pro rata to any fees then due and payable to the Lenders and the Issuing Banks under this Agreement or any other Loan Document; FOURTH, pro rata to the payment of interest then due and payable on the Swing Loans, Agent Advances and the Revolving Loans; FIFTH, pro rata to (i) the payment of the principal of the Swing Loans and Agent Advances then outstanding, (ii) the payment of principal on the Revolving Loans then outstanding and (iii) the Letter of Credit Reserve Account to the extent of one hundred five percent (105%) of any Letter of Credit Obligations then outstanding; SIXTH, to the payment of any Obligations arising in respect of Bank Products then due to the Administrative Agent (or any affiliate of the Administrative Agent) or any Lender (or any Affiliate of a Lender); SEVENTH, to any other Obligations not otherwise referred to in this Section 2.11(b); and EIGHTH, upon satisfaction in full of all Obligations to the Borrowers or as otherwise required by law.

Section 2.12 Use of Proceeds. The proceeds of the Loans shall be used by the Borrowers as follows:

(a) The initial Advance of Revolving Loans hereunder shall be used on the Agreement Date to provide financing related to the acquisition by the Parent of the Equity Interests of the Target pursuant to the Acquisition Agreement, to fund transaction fees, costs and expenses and to refinance, in conjunction with proceeds of other funds received, certain existing indebtedness of the Borrowers.

(b) The balance of the proceeds of the Loans shall be used to finance the Borrowers' working capital needs, permitted capital expenditures, permitted acquisitions and general corporate needs.

Section 2.13 All Obligations to Constitute One Obligation. All Obligations shall constitute one general obligation of the Borrowers and shall be secured by the

Administrative Agent's security interest (on behalf of, and for the benefit of, the Lender Group) and Lien upon all of the Collateral, and by all other security interests and Liens heretofore, now or at any time hereafter granted by any Borrower Party to the Administrative Agent or any other member of the Lender Group, to the extent provided in the Security Documents under which such Liens arise.

Section 2.14 Maximum Rate of Interest. The Borrowers and the Lender Group hereby agree and stipulate that the only charges imposed upon the Borrowers for the use of money in connection with this Agreement are and shall be the specific interest and fees described in this Article 2 and in any other Loan Document. Notwithstanding the foregoing, the Borrowers and the Lender Group further agree and stipulate that all closing fees, agency fees, syndication fees, facility fees, underwriting fees, default charges, late charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by any member of the Lender Group to third parties or for damages incurred by the Lender Group or any of them are charges to compensate the Lender Group for underwriting and administrative services and costs or losses performed or incurred, and to be performed and incurred, by the Lender Group in connection with this Agreement and the other Loan Documents and shall under no circumstances be deemed to be charges for the use of money pursuant to any Applicable Law. In no event shall the amount of interest and other charges for the use of money payable under this Agreement exceed the maximum amounts permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. The Borrowers and the Lender

Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and other charges for the use of money and manner of payment stated within it; provided, however, that, anything contained herein to the contrary notwithstanding, if the amount of such interest and other charges for the use of money or manner of payment exceeds the maximum amount allowable under applicable law, then, ipso facto as of the date of this Agreement, the Borrowers are and shall be liable only for the payment of such maximum as allowed by law, and payment received from the Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Revolving Loans to the extent of such excess.

Section 2.15 Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, each Issuing Bank, on behalf of the Lenders, and in reliance on the agreements of the Lenders set forth in Section 2.15(c) below, hereby agrees to issue (or arrange with a Foreign Issuer for the issuance of) one or more Letters of Credit up to an aggregate face amount equal to such Issuing Bank's share of the Letter of Credit Commitment as set forth on Schedule 1(b) or any applicable Assignment and Assumption Agreements; provided, however, that except as described in the last sentence of Section 4.3, the Issuing Banks shall not issue (or arrange with a Foreign Issuer for the issuance of) any Letter of Credit unless the conditions precedent to the issuance thereof set forth in Section 4.3 have been satisfied,

and, except as described in the last sentence of Section 4.3, shall not issue (or arrange with a Foreign Issuer for the issuance of) any Letter of Credit if any Default then exists or would be caused thereby or if, after giving effect to such issuance, there would exist an Overadvance; and provided further, however, that at no time shall the total Letter of Credit Obligations outstanding hereunder exceed the Aggregate Letter of Credit Commitment. Each Letter of Credit shall (1) be denominated in Dollars, and (2) expire no later than the earlier to occur of (A) the date thirty (30) days prior to the Maturity Date, and (B) 365 days after its date of issuance (but may contain provisions for automatic renewal provided that no Default exists on the renewal date or would be caused by such renewal and provided no such renewal shall extend beyond the date thirty (30) days prior to the Maturity Date). Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York. None of the Issuing Banks shall at any time be obligated to issue, or to cause to be issued, any Letter of Credit if such issuance would conflict with, or cause such Issuing Bank to exceed any limits imposed by, any Applicable Law. Without limiting the generality of the foregoing, each of the letters of credit set forth on Schedule 2.15 (each, an "Existing Letter of Credit") shall be deemed to constitute a Letter of Credit issued hereunder on the Agreement Date and shall thereafter be subject to each of the terms and conditions of this Agreement and other Loan Documents.

(b) The Administrative Borrower on behalf of the Borrowers may from time to time request that an Issuing Bank issue (or arrange with a Foreign Issuer for the issuance of) a Letter of Credit, increase the stated amount of a Letter of Credit or extend the expiration date of any Letter of Credit; provided, however, that only a Standby Letter of Credit Issuer shall issue Standby Letters of Credit hereunder. The Administrative Borrower on behalf of the Borrowers shall execute and deliver to the Administrative Agent and applicable Issuing Bank a Request for Issuance of Letter of Credit (i) for each Standby Letter of Credit to be issued (or amended) by such Issuing Bank, not later than 12:00 noon (Atlanta, Georgia time) on the third (3rd) Business Day preceding the date on which such requested Standby Letter of Credit is to be issued (or amended), and (ii) for each Commercial Letter of Credit to be issued (or amended) by such Issuing Bank, (x) not later than 2:00 p.m. (Atlanta, Georgia time) one (1) Business Day preceding the date on which such requested Commercial Letter of Credit is to be issued (or amended) or (y) with respect to requests for Commercial Letters of Credit in an aggregate stated amount not to exceed $750,000 in any day (from 12:00 a.m. until 11:59 p.m., Atlanta, Georgia time), not later than 10:00 a.m. (at the location of the office where the applicable Letter of Credit is to be issued) on the Business Day on which such requested Commercial Letter of Credit is to be issued, or, in each case under clauses (i) and (ii) above, such shorter notice as may be acceptable to the applicable Issuing Bank and the Administrative Agent. Each Business Day on which a Request for Issuance of Letter of Credit is delivered to the Administrative Agent and on or before 3:00 p.m. (Atlanta, Georgia time) on such Business Day, the Administrative Agent shall determine whether there is sufficient

Availability, after giving effect to the requirements of Section 4.3(c), for the issuance of such Letter of Credit and shall notify the applicable Issuing Banks of the

same; provided, however, that with respect to any Request for Issuance of Letter of Credit for a Commercial Letter of Credit under clause (y) above, the applicable Issuing Bank shall not be required to obtain confirmation from the Administrative Agent of sufficient Availability prior to issuing such Commercial Letter of Credit requested but rather shall be entitled to rely on the certifications given by the Administrative Borrower pursuant to Section 4.3 and the applicable Request for Issuance of Letter of Credit. Unless an Issuing Bank has received notice from a Lender or the Administrative Agent that a Default exists or unless such Issuing Bank has actual knowledge that a Default exists and except as set forth in the immediately preceding sentence of this Section, such Issuing Bank shall be entitled to rely on the certifications of the Administrative Borrower pursuant to Section 4.3 and the applicable Request for Issuance of Letter of Credit to determine whether the conditions to issuance of any Letter of Credit have been satisfied. Upon receipt of any such Request for Issuance of Letter of Credit, subject to satisfaction (or waiver in accordance with the last sentence of Section 4.3) of all conditions precedent thereto as set forth in Section 4.3 and receipt of a notification from the Administrative Agent that sufficient Availability, after giving effect to the requirements of Section 4.3(c), exists for the issuance of such Letter of Credit, the applicable Issuing Bank shall process such Request for Issuance of Letter of Credit and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue (or amend) (or arrange with a Foreign Issuer for the issuance of) the Letter of Credit requested thereby. Such Issuing Bank shall furnish a copy of such Letter of Credit to the Administrative Borrower and the Administrative Agent following the issuance thereof. In addition to the fees payable pursuant to Section 2.4(c)(ii) the Borrowers shall pay or reimburse each Issuing Bank for normal and customary costs and expenses incurred by such Issuing Bank in issuing, causing the issuance of, effecting payment under, amending or otherwise administering the Letters of Credit. On each Business Day on or before 10:00 a.m. (Atlanta, Georgia time) each Issuing Bank shall deliver to the Administrative Agent and the Administrative Borrower a report in substantially the form of Exhibit O (a "Daily Letter of Credit Report") (A) setting forth the opening balance of its Letters of Credit outstanding on the immediately preceding Business Day, (B) identifying all Letters of Credit issued (or amended) by it (or its Foreign Issuer) on such immediately preceding Business Day, (C) identifying all Letters of Credit cancelled on such immediately preceding Business Day, (D) identifying all draws on such immediately preceding Business Day under Letters of Credit issued by it (or its Foreign Issuer), (E) setting forth the ending balance of its Letters of Credit outstanding on such immediately preceding Business Day and (E) identifying all requests for the issuance of Letters of Credit cancelled on such immediately preceding Business Day.

(c) Immediately upon the issuance (or amendment) by (or on behalf of) an Issuing Bank of a Letter of Credit and in accordance with the terms and conditions of this Agreement, such Issuing Bank shall be deemed to have sold and transferred to each Lender, and each Lender shall be deemed irrevocably and unconditionally to have purchased and received from such Issuing Bank, without recourse or warranty, an

undivided interest and participation, to the extent of such Lender's Revolving Commitment Ratio, in such Letter of Credit (as applicable, as amended) and the obligations of the Borrowers with respect thereto (including, without limitation, all Letter of Credit Obligations with respect thereto). The applicable Issuing Bank shall promptly notify the Administrative Agent of any such draw under a Letter of Credit. At such time as the Administrative Agent shall be notified by the Issuing Bank that the beneficiary under any Letter of Credit has drawn on the same, the Administrative Agent shall promptly notify the Borrowers and the Swing Bank (or, at its option, all Lenders), by telephone or telecopy, of the amount of the draw (and, in the case of each Lender, such Lender's portion of such draw amount as calculated in accordance with its Revolving Commitment Ratio).

(d) The Borrowers hereby agree to immediately reimburse each Issuing Bank for amounts paid by such Issuing Bank in respect of draws under each Letter of Credit. In order to facilitate such repayment, the Borrowers hereby irrevocably request the Lenders, and the Lenders hereby severally agree, on the terms and conditions of this Agreement (other than as provided in Article 2 with respect to the amounts of, the timing of requests for, and the repayment of Advances hereunder and in Article 4 with respect to conditions precedent to Advances hereunder), with respect to any drawing under a Letter of Credit, to make a Base Rate Advance on each day on which a draw is funded under any Letter of Credit and in the amount of such draw, and to pay the proceeds of such Advance directly to the applicable Issuing Bank to reimburse such Issuing Bank for the amount paid by it upon such draw. Each Lender shall pay its share of such Base Rate Advance by paying its portion of such Advance to the Administrative Agent in accordance with Section 2.2(e) and its Revolving Commitment Ratio, without reduction for any set-off or counterclaim of any nature whatsoever and regardless of whether any Default then exists or would be caused thereby. The disbursement of funds in connection with a draw under a Letter of Credit pursuant to this Section hereunder shall be subject to the terms and conditions of Section 2.2(e). The obligation of each Lender to make payments to the Administrative Agent for the account of an Issuing Bank in accordance with this Section 2.15 shall be absolute and unconditional, and no Lender shall be relieved of its obligations to make such payments by reason of noncompliance by any other Person with the terms of the Letter of Credit or for any other reason (other than the gross negligence or willful misconduct of such Issuing Bank (or Foreign Issuer) in paying such Letter of Credit, as determined by a final non-appealable judgment of a court of competent jurisdiction). The Administrative Agent shall promptly remit to such Issuing Bank the amounts so received from the other Lenders. Any overdue amounts payable by the Lenders to an Issuing Bank in respect of a draw under any Letter of Credit shall bear interest, payable on demand, (x) for the first two (2) Business Days, at the Federal Funds Rate and (y) thereafter, at the Base Rate. Notwithstanding the foregoing, at the request of the Administrative Agent the Swing Bank may, at its option and subject to the conditions set forth in Section 2.2(g), make Swing Loans to reimburse Issuing Banks for amounts drawn under Letters of Credit.

(e) The Borrowers agree that each Advance by the Lenders to reimburse an Issuing Bank for draws under any Letter of Credit, shall, for all purposes hereunder unless and until converted into Eurodollar Advances pursuant to Section 2.2(b)(ii), be deemed to be a Base Rate Advance under the Revolving Loan Commitment and shall be payable and bear interest in accordance with all other Base Rate Advances.

(f) The Borrowers agree that any action taken or omitted to be taken by an Issuing Bank in connection with any Letter of Credit, except for such actions or omissions as shall constitute gross negligence or willful misconduct on the part of such Issuing Bank as determined by a final non-appealable judgment of a court of competent jurisdiction, shall be binding on the Borrowers as between the Borrowers and such Issuing Bank, and shall not result in any liability of such Issuing Bank to the Borrowers. The obligation of the Borrowers to reimburse an Issuing Bank for a drawing under any Letter of Credit or the Lenders for Advances made by them to the Issuing Banks on account of draws made under the Letters of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(i) Any lack of validity or enforceability of any Loan Document;

(ii) Any amendment or waiver of or consent to any departure from any or all of the Loan Documents;

(iii) Any improper use which may be made of any Letter of Credit or any improper acts or omissions of any beneficiary or transferee of any Letter of Credit in connection therewith;

(iv) The existence of any claim, set-off, defense or any right which the Borrowers may have at any time against any beneficiary or any transferee of any Letter of Credit (or Persons for whom any such beneficiary or any such transferee may be acting), any Lender or any

other Person, whether in connection with any Letter of Credit, any transaction contemplated by any Letter of Credit, this Agreement, or any other Loan Document, or any unrelated transaction;

(v) Any statement or any other documents presented under any Letter of Credit proving to be insufficient, forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(vi) The insolvency of any Person issuing any documents in connection with any Letter of Credit;

(vii) Any breach of any agreement between the Borrowers and any beneficiary or transferee of any Letter of Credit;

(viii) Any irregularity in the transaction with respect to which any Letter of Credit is issued, including any fraud by the beneficiary or any transferee of such Letter of Credit;

(ix) Any errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, wireless or otherwise, whether or not they are in code;

(x) Any act, error, neglect or default, omission, insolvency or failure of business of any of the correspondents of or Foreign Issuer for the applicable Issuing Bank (other than the gross negligence or willful misconduct of any such Foreign Issuer or correspondent);

(xi) Any other circumstances arising from causes beyond the control of the applicable Issuing Bank;

(xii) Payment by an Issuing Bank (or Foreign Issuer) under any Letter of Credit against presentation of a sight draft or a certificate which does not comply with the terms of such Letter of Credit, provided that such payment shall not have constituted gross negligence or willful misconduct of such Issuing Bank (or Foreign Issuer) as determined by a final non-appealable judgment of a court of competent jurisdiction; and

(xiii) Any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(g) The Borrowers will indemnify and hold harmless each member of the Lender Group and each of their respective employees, representatives, officers and directors from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including reasonable attorneys' fees) which may be imposed on, incurred by or asserted against such member of the Lender Group in any way relating to or arising out of the issuance of a Letter of Credit, except that the Borrowers shall not be liable to any member of the Lender Group for any portion of such claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of such member of the Lender Group, as determined by a final non-appealable judgment of a court of competent jurisdiction. This Section 2.15(g) shall survive termination of this Agreement.

(h) Each Lender shall be responsible (to the extent the applicable Issuing Bank is not reimbursed by the Borrowers) for its pro rata share (based on such Lender's Revolving Commitment Ratio) of any and all reasonable out-of-pocket costs, expenses

(including reasonable legal fees) and disbursements which may be incurred or made by such Issuing Bank in connection with the collection of any amounts due under, the administration of, or the presentation or enforcement of any rights conferred by any Letter of Credit, the Borrowers' or any guarantor's obligations

to reimburse draws thereunder or otherwise. In the event the Borrowers shall fail to pay such expenses of an Issuing Bank within fifteen (15) days of demand for payment by such Issuing Bank, each Lender shall thereupon pay to such Issuing Bank its pro rata share (based on such Lender's Revolving Commitment Ratio) of such expenses within ten (10) days from the date of such Issuing Bank's notice to the Lenders of the Borrowers' failure to pay; provided, however, that if the Borrowers shall thereafter pay such expenses, such Issuing Bank will repay to each Lender the amounts received from such Lender hereunder.

(i) Any Person that is to be a new Issuing Bank (that does not execute an Assignment and Assumption Agreement) is required to enter into this Agreement by executing and delivering to the Administrative Agent a joinder agreement, in form and substance reasonably satisfactory to the Administrative Agent and, so long as no Default exists, the Administrative Borrower (each, an "Issuing Bank Joinder Agreement"). Upon the execution and delivery of an Issuing Bank Joinder Agreement by such Person, such Person shall become an Issuing Bank hereunder with the same force and effect as if originally named as an Issuing Bank herein. The execution and delivery of any Issuing Bank Joinder Agreement adding an additional Person as a party to this Agreement shall not require the consent of any other party hereto.

Section 2.16 Bank Products. Any Borrower Party may request and the Administrative Agent, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. or, with respect to Hedge Agreements, any Lender may, in its sole and absolute discretion, arrange for such Borrower Party to obtain from such Person or any Affiliate of such Person, as applicable, Bank Products although no Borrower Party is required to do so. If any Bank Products are provided by an Affiliate of the Administrative Agent, so long as Bank of America, N.A. is a Lender hereunder, an Affiliate of Bank of America, N.A. or, with respect to Hedge Agreements, any Affiliate of a Lender, the Borrower Parties agree to indemnify and hold the Lender Group, or any of them, harmless from any and all costs and obligations now or hereafter incurred by the Lender Group, or any of them, which arise from any indemnity given by the Administrative Agent to any of its Affiliates, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. to any of its Affiliates or any Lender to any of its Affiliates, as applicable, related to such Bank Products; provided, however, nothing contained herein is intended to limit the Borrower Parties' rights, with respect to the Administrative Agent or any of its Affiliates, Bank of America, N.A. or any of its Affiliates or any Lender or any of its Affiliates, as applicable, if any, which arise as a result of the execution of documents by and between the Borrower Parties and such Person which relate to Bank Products. The agreement contained in this Section shall survive termination of this Agreement. The Borrower Parties acknowledge and agree that the obtaining of Bank Products from the Administrative Agent, Bank of America,

N.A. or any Lender or any of their respective Affiliates (a) is in the sole and absolute discretion of the Administrative Agent, Bank of America, N.A. or such Affiliates, and (b) is subject to all rules and regulations of the Administrative Agent, Bank of America, N.A., such Lender or such Affiliates.

ARTICLE 3.

GUARANTY

Section 3.1 Guaranty

(a) Each Guarantor hereby guarantees to the Administrative Agent, for the benefit of the Lender Group, the full and prompt payment of the Obligations, including, without limitation, any interest therein (including, without limitation, interest as provided in this Agreement, accruing after the filing of a petition initiating any insolvency proceedings, whether or not such interest accrues or is recoverable against the Borrowers after the filing of such petition for purposes of the Bankruptcy Code or is an allowed claim in such proceeding), plus reasonable attorneys' fees and expenses if the obligations represented by this Guaranty are collected by law, through an attorney-at-law, or under advice therefrom.

(b) Regardless of whether any proposed guarantor or any other Person shall become in any other way responsible to the Lender Group, or any of them, for or in respect of the Obligations or any part thereof, and regardless of whether or not any Person now or hereafter responsible to the Lender Group,

or any of them, for the Obligations or any part thereof, whether under this Guaranty or otherwise, shall cease to be so liable, each Guarantor hereby declares and agrees that this Guaranty shall be a joint and several obligation, shall be a continuing guaranty and shall be operative and binding until the Obligations shall have been indefeasibly paid in full in cash (or in the case of Letter of Credit Obligations, secured through delivery of cash collateral in an amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations) and the Revolving Loan Commitments shall have been terminated.

(c) Each Guarantor absolutely, unconditionally and irrevocably waives any and all right to assert any defense (other than the defense of payment in cash in full, to the extent of its obligations hereunder, or a defense that such Guarantor's liability is limited as provided in Section 3.1(g)), set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations of the Guarantors under this Guaranty or the obligations of any other Person or party (including, without limitation, the Borrowers) relating to this Guaranty or the obligations of any of the Guarantors under this Guaranty or otherwise with respect to the Obligations in any action or proceeding brought by the Administrative Agent or any other member of the Lender Group to collect the Obligations or any portion thereof, or to enforce the obligations of any of the Guarantors under this Guaranty.

(d) The Lender Group, or any of them, may from time to time, without exonerating or releasing any Guarantor in any way under this Guaranty, (i) take such further or other security or securities for the Obligations or any part thereof as they may deem proper, or (ii) release, discharge, abandon or otherwise deal with or fail to deal with any guarantor of the Obligations or any security or securities therefor or any part thereof now or hereafter held by the Lender Group, or any of them, or (iii) amend, modify, extend, accelerate or waive in any manner any of the provisions, terms, or conditions of the Loan Documents, all as they may consider expedient or appropriate in their sole discretion. Without limiting the generality of the foregoing, or of Section 3.1(e), it is understood that the Lender Group, or any of them, may, without exonerating or releasing any Guarantor, give up, modify or abstain from perfecting or taking advantage of any security for the Obligations and accept or make any compositions or arrangements, and realize upon any security for the Obligations when, and in such manner, and with or without notice, all as such Person may deem expedient.

(e) Each Guarantor acknowledges and agrees that no change in the nature or terms of the Obligations or any of the Loan Documents, or other agreements, instruments or contracts evidencing, related to or attendant with the Obligations (including any novation), shall discharge all or any part of the liabilities and obligations of such Guarantor pursuant to this Guaranty; it being the purpose and intent of the Guarantors and the Lender Group that the covenants, agreements and all liabilities and obligations of each Guarantor hereunder are absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, each Guarantor agrees that until each and every one of the covenants and agreements of this Guaranty is fully performed, and without possibility of recourse, whether by operation of law or otherwise, such Guarantor's undertakings hereunder shall not be released, in whole or in part, by any action or thing which might, but for this paragraph of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, omission of the Lender Group, or any of them, or their failure to proceed promptly or otherwise, or by reason of any action taken or omitted by the Lender Group, or any of them, whether or not such action or failure to act varies or increases the risk of, or affects the rights or remedies of, such Guarantor or by reason of any further dealings among the Borrowers, on the one hand, and any member of the Lender Group, on the other hand, or any other guarantor or surety, and such Guarantor hereby expressly waives and surrenders any defense to its liability hereunder, or any right of counterclaim or offset of any nature or description which it may have or may exist based upon, and shall be deemed to have consented to, any of the foregoing acts, omissions, things, agreements or waivers.

(f) The Lender Group, or any of them, may, without demand or notice of any kind upon or to any Guarantor, at any time or from time to time when any amount shall be due and payable hereunder by any Guarantor, if the Borrowers shall not have timely paid any of the Obligations (or in the case of Letter of Credit Obligations, secured through delivery of cash collateral in an

amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations), set-off and appropriate and apply to any

portion of the Obligations hereby guaranteed, and in such order of application as the Administrative Agent may from time to time elect in accordance with this Agreement, any deposits, property, balances, credit accounts or moneys of any Guarantor in the possession of any member of the Lender Group or under their respective control for any purpose. If and to the extent that any Guarantor makes any payment to the Administrative Agent or any other Person pursuant to or in respect of this Guaranty, any claim which such Guarantor may have against the Borrowers by reason thereof shall be subject and subordinate to the prior payment in full of the Obligations to the satisfaction of the Lender Group.

(g) The creation or existence from time to time of Obligations in excess of the amount committed to or outstanding on the date of this Guaranty is hereby authorized, without notice to any Guarantor, and shall in no way impair or affect this Guaranty or the rights of the Lender Group herein. It is the intention of each Guarantor and the Administrative Agent that each Guarantor's obligations hereunder shall be, but not in excess of, the Maximum Guaranteed Amount (as herein defined). The "Maximum Guaranteed Amount" with respect to any Guarantor, shall mean the maximum amount which could be paid by such Guarantor without rendering this Guaranty void or voidable as would otherwise be held or determined by a court of competent jurisdiction in any action or proceeding involving any state or Federal bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to the insolvency of debtors.

(h) Upon the bankruptcy or winding up or other distribution of assets of any Borrower, or of any surety or guarantor (other than the applicable Guarantor) for any Obligations of the Borrowers to the Lender Group, or any of them, the rights of the Administrative Agent against any Guarantor shall not be affected or impaired by the omission of any member of the Lender Group to prove its claim, or to prove the full claim, as appropriate, against such Borrower, or any such other guarantor or surety, and the Administrative Agent may prove such claims as it sees fit and may refrain from proving any claim and in its discretion may value as it sees fit or refrain from valuing any security held by it without in any way releasing, reducing or otherwise affecting the liability to the Lender Group of each of the Guarantors.

(i) Each Guarantor hereby absolutely, unconditionally and irrevocably expressly waives, except to the extent such waiver would be expressly prohibited by applicable law, the following: (i) notice of acceptance of this Guaranty, (ii) notice of the existence or creation of all or any of the Obligations, (iii) presentment, demand, notice of dishonor, protest and all other notices whatsoever (other than notices expressly required hereunder or under any other Loan Document to which any Guarantor is a party), (iv) all diligence in collection or protection of or realization upon the Obligations or any part thereof, any obligation hereunder, or any security for any of the foregoing, (v) all rights to enforce any remedy which the Lender Group, or any of them, may have against the Borrowers, and (vi) until the Obligations shall have been paid in full in cash (or in the

case of Letter of Credit Obligations, secured through delivery of cash collateral in an amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations), all rights of subrogation, indemnification, contribution and reimbursement from the Borrowers for amounts paid hereunder and any benefit of, or right to participate in, any collateral or security now or hereinafter held by the Lender Group, or any of them, in respect of the Obligations. If a claim is ever made upon any member of the Lender Group for the repayment or recovery of any amount or amounts received by such Person in payment of any of the Obligations and such Person repays all or part of such amount by reason of (x) any judgment, decree or order of any court or administrative body having jurisdiction over such Person or any of its property, or (y) any settlement or compromise of any such claim effected by such Person with any such claimant, including a Borrower, then in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or the

cancellation of any promissory note or other instrument evidencing any of the Obligations, and such Guarantor shall be and remain obligated to such Person hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person.

(j) This Guaranty is a continuing guaranty of the Obligations and all liabilities to which it applies or may apply under the terms hereof and shall be conclusively presumed to have been created in reliance hereon. No failure or delay by any member of the Lender Group in the exercise of any right, power, privilege or remedy shall operate as a waiver thereof, and no single or partial exercise by the Administrative Agent of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy and no course of dealing between any Guarantor and any member of the Lender Group shall operate as a waiver thereof. No action by any member of the Lender Group permitted hereunder shall in any way impair or affect this Guaranty. For the purpose of this Guaranty, the Obligations shall include, without limitation, all Obligations of the Borrowers to the Lender Group, notwithstanding any right or power of any third party, individually or in the name of any Borrower and the Lender Group, or any of them, to assert any claim or defense as to the invalidity or unenforceability of any such Obligation, and no such claim or defense shall impair or affect the obligations of any Guarantor hereunder.

(k) This is a guaranty of payment and not of collection. In the event the Administrative Agent makes a demand upon any Guarantor in accordance with the terms of this Guaranty, such Guarantor shall be held and bound to the Administrative Agent directly as debtor in respect of the payment of the amounts hereby guaranteed. All costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred by the Administrative Agent in obtaining performance of or collecting payments due under this Guaranty shall be deemed part of the Obligations guaranteed hereby.

(l) Each Guarantor is a direct or indirect wholly owned Domestic Subsidiary of a Borrower. Each Guarantor expressly represents and acknowledges that any financial

accommodations by the Lender Group to any Borrower, including, without limitation, the extension of credit, are and will be of direct interest, benefit and advantage to such Guarantor.

(m) The Guarantors hereby agree, among themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this Section 3.1(m) shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this Guaranty, and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all such obligations. For purposes of this Section 3.1(m), (i) "Excess Funding Guarantor" shall mean, in respect of any Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Obligations, (ii) "Excess Payment" shall mean, in respect of any Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of the Borrowers and all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrowers and the Guarantors hereunder) of the Borrowers and all of the Guarantors, all as of the Agreement Date.

(n) Pursuant to Section 6.21 of this Agreement, any new Domestic Subsidiary (whether by creation or designation) is required to enter into this Agreement by executing and delivering to the Administrative Agent a Guaranty Supplement. Upon the execution and delivery of a Guaranty Supplement by such new Domestic Subsidiary, such Domestic Subsidiary shall become a Guarantor and Borrower Party hereunder with the same force and effect as if originally named as a Guarantor or Borrower Party herein. The execution and delivery of any Guaranty Supplement adding an additional Guarantor as a party to this Agreement shall not require the consent of any other party hereto. The rights and obligations of each party hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor hereunder.

ARTICLE 4.

CONDITIONS PRECEDENT

Section 4.1 Conditions Precedent to Initial Advance. The obligations of the Lenders to undertake the Revolving Loan Commitment and to make the initial Advance hereunder, and the obligation of the Issuing Banks to issue (or arrange with a Foreign Issuer the issuance of) the initial Letter of Credit hereunder, are subject to the prior fulfillment of each of the following conditions:

(a) The Administrative Agent shall have received each of the following, in form and substance satisfactory to the Agents and the other members of the Lender Group:

(i) This duly executed Agreement;

(ii) A duly executed Revolving Loan Note to the order of each Lender requesting a promissory note in the amount of such Lender's Revolving Commitment Ratio of the Revolving Loan Commitment;

(iii) The Pledge Agreement duly executed by each Borrower Party pledging one hundred percent (100%) of the Equity Interests owned by such Borrower Party in any Domestic Subsidiary and a minimum of sixty five percent (65%) of the Equity Interests owned by such Borrower Party in any Foreign Subsidiary, together with stock certificates representing all of the certificated Equity Interests pledged as security thereunder and stock powers with respect thereto duly endorsed in blank and Uniform Commercial Code financing statements, as applicable, related to all of the Equity Interests pledged as security thereunder;

(iv) The Security Agreement duly executed by each Borrower Party, together with Uniform Commercial Code financing statements related thereto;

(v) The Intellectual Property Security Agreement duly executed by each Borrower Party;

(vi) The Assignment of Rights under Acquisition Agreement duly executed by the Parent, the Target and acknowledged by the Sellers;

(vii) Each factor of Accounts under the factoring arrangements described in Schedule 8.7 shall have executed a Factoring Intercreditor Agreement,

(viii) The Fee Letter duly executed by the Borrowers;

(ix) The Mortgages duly executed by the applicable Borrower Parties, encumbering each Borrower Party's fee interest in the real property listed on Schedule 5.1(w)-2 (other than the Administrative Borrower's real property located in Greenville, Georgia, at 108 Thompson Road in Vidalia, Georgia, at lots 34 and 35 in Gaffney, South Carolina and at 13th Street in Gaffney, South Carolina), together

with delivery to the Administrative Agent of: (w) title insurance commitments (the "Title Insurance Commitments"), each issued by Lawyers Title Insurance Corporation or another title company acceptable to each of the Agents in such form and amount as is acceptable to each of the Agents insuring that each Mortgage is a valid first priority Lien on the applicable Borrower Party's interest in the real property subject only to such exceptions to title as shall be acceptable to each of the Agents in their discretion and containing such endorsements and affirmative insurance as the Agents may require and as are available in the jurisdiction in which the relevant property is located, and true copies of each document, instrument or certificate required by the terms of each such policy and/or Mortgage to be filed, recorded, executed or delivered in connection therewith; (x) duly authorized Uniform Commercial Code financing statements under the applicable Uniform Commercial Code, or other filings under applicable law, to be filed in connection with each Mortgage in form and substance satisfactory to each of the Agents to perfect the Lien created by each Mortgage; (y) a current survey of the real property encumbered by each Mortgage, certified to the title company, the Lender Group and each of their successors and assigns, in form and content satisfactory to each of the Agents and prepared by a professional and properly licensed land surveyor satisfactory to each of the Agents and (z) local counsel opinions with respect to each Mortgage in form and substance satisfactory to each of the Agents.

(x) An environmental review and audit report (including phase I and, as determined necessary by the Agents, phase II environmental reports) with respect to each parcel of Eligible Real Estate, together with a reliance letter in favor of the Lender Group, in each case, satisfactory in all respects to each of the Agents from EMG or another independent firm acceptable to the Administrative Agent (including without limitation any Phase I and, as determined necessary by the Agents, Phase II environmental reports prepared by EMG), together with copies of all existing environmental reviews and audits and other information pertaining to actual or potential environmental claims as the Agents may require.

(xi) Appraisals in form and substance satisfactory to each of the Agents reflecting values of the Borrower Parties' interest in real property and Inventory at levels acceptable to each of the Agents from appraisers acceptable to each of the Agents (including without limitation, appraisals of inventory from Hilco Appraisal Services, LLC, appraisals of real property from Land America, and valuations by the Administrative Agent's field examiners (including, without

limitation, valuations from Freed Maxick) reflecting values of the Borrower Parties' Accounts, Inventory and other personal property at levels acceptable to each of the Agents;

(xii) Duly executed landlord waiver agreements and bailee waiver agreements, as applicable, with respect to each Borrower Party's leased premises or goods in the possession of bailees, in each case, in form and substance satisfactory to each of the Agents;

(xiii) A duly executed Licensor Consent Agreement with respect to each License Agreement;

(xiv) Duly executed Blocked Account Agreements.

(xv) (A) The legal opinion of King & Spalding LLP, counsel to the Borrower Parties, addressed to the Lender Group, in form and substance satisfactory to each of the Agents, (B) the legal opinion of King & Spalding LLP, counsel to the Parent, addressed to the Sellers, including a reliance provision in favor of the Lender Group, in form and substance reasonably satisfactory to each of the Agents, and (C) the legal opinions of Alston & Bird LLP and Ropes & Gray, counsel to the Target and the Sellers, addressed to the Borrower Parties, including reliance provisions in favor of the Lender Group, in form and substance reasonably satisfactory to each of the Agents;

(xvi) The duly executed Request for Advance for the initial

Advance of the Revolving Loans;

(xvii) The Assignments of Life Insurance Policy duly executed by the applicable Borrower Party and acknowledged by the applicable insurance company, in form and substance satisfactory to each of the Agents;

(xviii) All Lien Acknowledgment Agreements duly executed by the applicable Approved Freight Handler;

(xix) With respect to each Borrower Party, a loan certificate signed by an Authorized Signatory of such Borrower Party in substantially the form of Exhibit L, including a certificate of incumbency with respect to each Authorized Signatory of such Borrower Party, together with appropriate attachments which shall include, without limitation, the following: (A) a copy of the certificate or articles of incorporation, certificate of limited partnership or certificate of organization of such Borrower Party certified to be true, complete and correct by the Secretary of State or applicable officer for the State of such Borrower Party's incorporation or organization, (B) a true, complete and correct copy of the bylaws, partnership agreement or limited liability company or operating agreement of such Borrower Party, (C) a true, complete and correct

copy of the resolutions of the such Borrower Party authorizing the execution, delivery and performance by such Borrower Party of the Loan Documents and, with respect to the Borrowers, authorizing the borrowings hereunder, (D) certificates of good standing from each jurisdiction in which such Borrower Party does business except to the extent the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect, (E) copies of employment contracts for senior management level employees of such Borrower Party, and (F) copies of all shareholders or share purchase agreements, as applicable, relating to the Equity Interests of such Borrower Party;

(xx) A certificate executed by an Authorized Signatory of the Parent regarding the solvency and financial condition of the Borrower Parties, together with a pro forma balance sheet giving effect to the Acquisition, the incurrence of the Senior Notes Debt and the incurrence of the initial Advances and the issuance of the initial Letters of Credit on the Agreement Date, in form and substance satisfactory to each of the Agents;

(xxi) The duly executed Earnout Subordination Agreement;

(xxii) A copy of the executed Senior Notes Documents, together with all exhibits and schedules thereto; provided, however, that only a specimen copy of the Senior Notes shall be required to be delivered;

(xxiii) A copy of the executed Acquisition Agreement, together with all exhibits and schedules thereto, accompanied by the certificate of a senior officer of the Parent as to the consummation of the transactions contemplated by the Acquisition Agreement;

(xxiv) A copy of the other executed Acquisition Documents;

(xxv) A certificate of the Secretary or an Assistant Secretary of the Parent certifying that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Parent authorizing the execution, delivery and performance of the Senior Notes Documents and the Acquisition Documents and the consummation of the transactions provided for therein;

(xxvi) (A) Projected consolidated financial statements for the Parent and its Subsidiaries for the 2004 fiscal year, on a month by month basis, for each fiscal year thereafter until the Maturity Date on an annual basis and (B) monthly financial statements for the Parent and its Subsidiaries and the Target for the fiscal month of April 2003;

(xxvii) Copies of certificates of insurance and loss payable

endorsements with respect to the Borrower Parties and certified copies of all

insurance policies of the Borrower Parties, in each case, meeting the requirements of Section 6.5;

(xxviii) Copies of any pay-off letters, termination statements, canceled mortgages and the like required by the Agents in connection with the removal of any Liens (other than Permitted Liens) against the assets of the Borrower Parties after giving effect to the Acquisition;

(xxix) Lien search results with respect to the Borrower Parties from all appropriate jurisdictions and filing offices satisfactory to each of the Agents;

(xxx) Evidence satisfactory to each of the Agents that the Liens granted pursuant to the Security Documents will be first priority perfected Liens on the Collateral (subject only to Permitted Liens);

(xxxi) Payment of all fees and expenses payable to the Administrative Agent, the affiliates of the Administrative Agent, the Syndication Agent and the Lenders in connection with the execution and delivery of this Agreement, including, without limitation, fees and expenses of counsel to the Administrative Agent; and

(xxxii) All such other documents as the Agents may reasonably request, certified by an appropriate governmental official or an Authorized Signatory if so requested.

(b) No event shall have occurred since May 31, 2002, which, in the reasonable business judgment of the Agents and the other members of the Lender Group, is reasonably likely to have a Materially Adverse Effect or a materially adverse effect upon the business, assets, liabilities, prospects, condition (financial or otherwise) or the results of operation of the Target;

(c) The Administrative Agent and the Lenders shall have received evidence reasonably satisfactory to them that (i) all conditions to the closing of the transactions contemplated by the Senior Notes Documents have been satisfied (ii) the Senior Notes have been issued by the Parent for an aggregate principal amount of not less than $200,000,000, and (iii) such proceeds have been released (or will be, concurrently with the making of the initial Advance) from escrow and made available to the Parent.

(d) The Agents shall have received evidence reasonably satisfactory to them that all Necessary Authorizations are in full force and effect and are not subject to any pending or threatened reversal or cancellation, and that no Default exists, after giving effect to the initial Advance hereunder, and the Agents and the other members of the Lender Group shall have received a certificate of an Authorized Signatory so stating.

(e) The Agents shall have received evidence satisfactory to them that (i) the Target shall have entered into employment agreements with each of S. Anthony Margolis, Lucio Dalla Gasperina and Ken S. Kong, (ii) the Target shall have entered into consulting agreements with each of Tony Yeung and Robert Emfield (iii) the Parent shall have entered into noncompetition agreements with each of S. Anthony Margolis, Lucio Dalla Gasperina, Bonita Beach Blues, Inc. and Robert Emfield, and (iv) the Parent shall have entered into nonsolicitation and nondisclosure agreements with each of Whole Duty Investments, Ltd., Tony Yeung and SKM-TB, LLC, which agreements shall be in form and substance satisfactory to each of the Agents and which agreements shall be in full force and effect on the Agreement Date;

(f) The Agents shall have received evidence that the Acquisition will be consummated on the terms set forth in the Acquisition Documents and otherwise on terms satisfactory to each of the Agents immediately following the initial Advance hereunder as of the Agreement Date;

(g) The Agents shall have received confirmation that the original Uniform Commercial Code financing statements naming the respective Borrower Parties as debtor and naming the Administrative Agent as secured party have been duly filed in all appropriate jurisdictions, in such form as shall be satisfactory to each of the Agents;

(h) The Agents shall have received a duly executed Borrowing Base Certificate, in form and substance satisfactory to each of the Agents, demonstrating that as of the Agreement Date, after giving effect to the borrowings hereunder on the Agreement Date, the issuance of any Letters of Credit hereunder on the Agreement Date and the consummation of the Acquisition, the Borrowers shall have not less than $50,000,000 in Availability (with expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration in working capital);

(i) The Agents shall have received a flow of funds report in form and substance reasonably acceptable to them dated as of the Agreement Date and executed by the Administrative Borrower which report shall include a statement of all sources and uses of funds on the Agreement Date;

(j) The Agents shall have received a certificate executed by the chief financial officer of the Administrative Borrower, together with calculations, evidencing that (A) EBITDA of the Parent and its Subsidiaries for the 12-month period ending with the April 2003 fiscal month on a consolidated basis calculated on a Pro Forma Basis (after giving effect to the Acquisition) is not less than $90,000,000 and (B) as of the last day of the April 2003 fiscal month, the ratio of Total Debt to EBITDA calculated on a Pro Forma Basis (after giving effect to the Acquisition) is not greater than 3.80 to 1.00;

(k) The Agents shall have received, as applicable, and reviewed to their satisfaction the Borrowers' accounting and computer systems, pension agreements and

obligations, union contracts negotiated in the preceding twelve (12) month period and customer profitability reports.

(l) The Agents shall have received and reviewed to their satisfaction, all License Agreements;

(m) The Agents shall have received evidence satisfactory to them that the securitization arrangements of the Parent have been terminated pursuant to the terms of the securitization documents governing such arrangements;

(n) The Agent s shall have reviewed to their satisfaction the structure, terms and conditions of the Acquisition, including any earnout provisions thereof;

(o) The Administrative Agent shall have completed to its satisfaction its field audit of the Borrowers; and

(p) The Administrative Agent shall have completed its credit review of certain Account Debtors of the Borrowers and such review shall be reasonably satisfactory to each of the Agents.

Section 4.2 Conditions Precedent to Each Advance. The obligation of the Lenders to make each Advance, including the initial Advance hereunder (but excluding Advances, the proceeds of which are to reimburse (i) the Swing Bank for Swing Loans or (ii) an Issuing Bank for amounts drawn under a Letter of Credit), is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with such Advance:

(a) All of the representations and warranties of the Borrower Parties under this Agreement and the other Loan Documents, which, pursuant to Section 5.4, are made at and as of the time of such Advance, shall be true and correct at such time, both before and after giving effect to the application of the proceeds of such Advance, and the Administrative Agent shall have received a certificate (which may be a Request for Advance) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of such Advance or such Request for Advance;

(b) The incumbency of the Authorized Signatories of the Administrative Borrower shall be as stated in the certificate of incumbency contained in the certificate of the Administrative Borrower delivered pursuant to Section 4.1(a) or as subsequently modified and reflected in a certificate of incumbency delivered to the Administrative Agent and the Lenders;

(c) The most recent Borrowing Base Certificate which shall have been delivered to the Administrative Agent pursuant to Section 7.5(a) shall demonstrate that, after giving effect to the making of such Advance, no Overadvance shall exist and that the Borrowers shall have not less than $22,500,000 (or with respect to any date of

determination in December 2003, January 2004, February 2004, December 2004, January 2005, February 2005, or February 2006, not less than $15,000,000) of Availability (with expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration in working capital);

(d) There shall not exist on the date of such Advance and after giving effect to the application of the proceeds of such Advance, a Default or an Event of Default and the Administrative Agent shall have received a certificate (which may be a Request for Advance) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of such Advance; and

(e) The Administrative Agent and the Lenders shall have received all such other certificates, reports, statements, opinions of counsel, or other documents as the Administrative Agent or Lenders may reasonably request and all other conditions to the making of such Advance which are set forth in this Agreement shall have been fulfilled.

The Borrowers hereby agree that the delivery of any Request for Advance hereunder shall be deemed to be the certification of the Authorized Signatory of the Administrative Borrower thereof, on behalf of the Borrowers, that there does not exist, on the date of the making of the Advance and after giving effect thereto, a Default or an Event of Default hereunder and that all of the other conditions set forth in this Section 4.2 have been satisfied. Notwithstanding the foregoing, if the conditions, or any of them, set forth above are not satisfied, such conditions may be waived by the requisite Lenders under Section 11.12, and, in any event, the Majority Lenders may waive the Availability requirement set forth in Section 4.2(c).

Section 4.3 Conditions Precedent to Each Letter of Credit. The obligation of the Issuing Banks to issue (or arrange with a Foreign Issuer the issuance of) each Letter of Credit (including the initial Letter of Credit), to increase the stated amount of any existing Letter of Credit or to extend the expiration date of any existing Letter of Credit hereunder is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with the issuance of such Letter of Credit:

(a) All of the representations and warranties of the Borrower Parties under this Agreement and the other Loan Documents, which, pursuant to Section 5.4, are made at and as of the time of the issuance of (or amendment to) such Letter of Credit, shall be true and correct at such time, both before and after giving effect to the issuance of such Letter of Credit, and the Administrative Agent shall have received a certificate (which may be a Request for Issuance of Letter of Credit) to that effect signed by an Authorized signatory of the Administrative Borrower and dated the date of the issuance of such Letter of Credit or such Request for Issuance of Letter of Credit;

(b) The incumbency of the Authorized Signatories of the Administrative Borrower shall be as stated in the certificate of incumbency contained in the certificate of the Administrative Borrower delivered pursuant to Section 4.1(a) or as subsequently

modified and reflected in a certificate of incumbency delivered to the Administrative Agent and the Lenders;

(c) The most recent Borrowing Base Certificate which shall have been delivered to the Administrative Agent pursuant to Section 7.5(a) shall demonstrate that, after giving effect to the making of (or amendment to) such Letter of Credit, that the Borrowers shall have not less than $22,500,000 (or with respect to any date of determination in December 2003, January 2004, February 2004, December 2004, January 2005, February 2005, or February 2006, not less than $15,000,000) of Availability (with expenses and liabilities being paid in the ordinary course of business, without acceleration of sales and without deterioration in working capital);

(d) There shall not exist on the date of issuance of (or amendment to) such Letter of Credit, and after giving effect thereto, a Default or an Event of Default, and the Administrative Agent shall have received a certificate (which may be a Request for Issuance of Letter of Credit) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of the issuance of (or amendment to) such Letter of Credit; and

(e) The Administrative Agent and the applicable Issuing Bank shall have received all such other certificates, reports, statements, opinions of counsel, or other documents as the Administrative Agent or such Issuing Bank may reasonably request and all other conditions to the issuance of (or amendment to) such Letter of Credit which are set forth in this Agreement shall have been fulfilled.

The Borrower hereby agrees that the delivery of any Request for Issuance of a Letter of Credit hereunder shall be deemed to be the certification of the Authorized Signatory thereof that there does not exist, on the date of issuance of (or amendment to) the Letter of Credit and after giving effect thereto, a Default or an Event of Default hereunder and that all of the conditions set forth in Section 4.3 have been satisfied. Notwithstanding the foregoing, if the conditions, or any of them, set forth above are not satisfied, such conditions may be waived by the requisite Lenders under Section 11.12, and, in any event, the Majority Lenders may waive the Availability requirement set forth in Section 4.3(c).

Section 4.4 Conditions Subsequent. As a condition subsequent to obligations of the Lenders to undertake the Revolving Commitment and to make the Advances hereunder and the obligation of the Issuing Banks to issue the Letters of Credit hereunder, the Borrowers shall perform or cause to be performed the following (the failure by the Borrowers to so perform or cause to be performed each such item constituting an Event of Default hereunder):

Immediately upon the consummation of the Acquisition, Target and each Domestic Subsidiary of Target, as applicable, shall execute and deliver to the Administrative Agent each of the following documents, in form and substance satisfactory to each of the

Agents: (i) the Joinder Agreement, (ii) a Guaranty Supplement, (iii) a supplement to the Security Agreement, (iv) a supplement to the Pledge Agreement, (v) a certificate signed by an Authorized Signatory of such Person in substantially the form of Exhibit L, including a certificate of incumbency with respect to each Authorized Signatory of such Person, together with appropriate attachments which shall include, without limitation, the following: (A) a copy of the certificate or articles of incorporation, organization or formation of such Person certified to be true, complete and correct by the Secretary of State or applicable officer for the state of incorporation, formation or organization of such Person, (B) a true, complete and correct copy of the bylaws, partnership agreement or limited liability company operating agreement of such Person, (C) a true, complete and correct copy of the resolutions of such Person authorizing the execution, delivery and performance by such Person of the Loan Documents and authorizing the borrowings hereunder, (D) certificates of good standing from each jurisdiction in which such Person does business except to the extent the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect, (E) copies of employment contracts for key management level employees of such Person, and (F) copies of all shareholders or share purchase agreements, relating to the Equity Interests of such Person, (v) other Security Documents, opinions of counsel, reports, statements, certificates or other documents as the Administrative Agent may reasonably request.

ARTICLE 5.

Section 5.1 General Representations and Warranties. In order to induce the Lender Group to enter into this Agreement and to extend the Loans and issue the Letters of Credit to the Borrowers, each Borrower Party hereby represents, and warrants that:

(a) Organization; Power; Qualification. Each Borrower Party and each Subsidiary of a Borrower Party, as applicable (i) is a corporation or other legal entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or organization, (ii) has the corporate or other company power and authority to own or lease and operate its properties and to carry on its business as now being and hereafter proposed to be conducted, and (iii) is duly qualified and is in good standing as a foreign corporation or other company, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization except where the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect.

(b) Authorization; Enforceability. Each Borrower Party has the power and has taken all necessary action, corporate or otherwise to authorize it to execute, deliver, and perform this Agreement and each of the other Loan Documents to which it is a party in accordance with the terms thereof and to consummate the transactions contemplated hereby and thereby. Each of this Agreement and each other Loan Document to which a

Borrower Party is a party has been duly executed and delivered by such Borrower Party, and (except for Requests for Advance, Requests for Issuance of Letters of Credit, Notices of Conversion/Continuation, Borrowing Base Certificates and Uniform Commercial Code financing statements solely to the extent they do not contain any affirmative obligations of the Borrower Parties) is a legal, valid and binding obligation of such Borrower Party, enforceable in accordance with its terms except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(c) Partnerships; Joint Ventures; Subsidiaries. Except as disclosed to the Administrative Agent in writing in connection with any investment made pursuant to Section 8.5 or 8.7, no Borrower Party or any Subsidiary of a Borrower Party is a partner or joint venturer in any partnership or joint venture other than (i) the Subsidiaries listed on Schedule 5.1(c)-1 (and identified on such schedule as a Domestic Subsidiary or Foreign Subsidiaries) and (ii) the partnerships and joint ventures (that are not Subsidiaries) listed on Schedule 5.1(c)-2. Schedule 5.1(c)-1 and Schedule 5.1(c)-2 set forth, for each entity identified thereon, a complete and accurate statement of (A) the percentage ownership of each entity by the applicable Borrower Party, (B) the state or other jurisdiction of incorporation or organization, as appropriate, of each such entity, (C) each state in which each entity is qualified to do business as of the Agreement Date and (D) all names, trade names, trade styles or doing business forms which such entity has used or under which such entity has transacted business during the five (5) year period immediately preceding the Agreement Date. Except as set forth on Schedule 5.1(c)-1 and Schedule 5.1(d) attached hereto or as disclosed to the Administrative Agent in writing as set forth above, no Borrower Party has any Subsidiaries.

(d) Capital Stock and Related Matters. The authorized Equity Interests as of the Agreement Date of each Borrower Party and its Subsidiaries and the number of shares of such Equity Interests that are issued and outstanding as of the Agreement Date are as set forth on Schedule 5.1(d). All of the shares of such Equity Interests that are issued and outstanding as of the Agreement Date are fully paid and non-assessable. As of the Agreement Date, the Equity Interests of each such Borrower Party and its Subsidiaries (other than the Parent) are owned by the Persons listed on Schedule 5.1(d) in the amounts set forth on such schedule. A description of such Equity Interests held by such Persons is listed on Schedule 5.1(d). Except as described on Schedule 5.1(d), no Borrower Party or Subsidiary of a Borrower Party has outstanding any stock or

securities convertible into or exchangeable for any shares of its Equity Interests, nor are there any preemptive or similar rights to subscribe for or to purchase, or any other rights to subscribe for or to purchase, or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments, or claims of any character relating to, any Equity Interests or any stock or securities convertible into or exchangeable for any Equity Interests. Except as set forth on Schedule 5.1(d), no

Borrower Party or Subsidiary of a Borrower Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or to register any shares of its Equity Interests, and there are no agreements restricting the transfer of any shares of such Borrower Party's or such Subsidiary's Equity Interests.

(e) Compliance of the Loan Documents with Laws, Other Loan Documents, and Contemplated Transactions The execution, delivery, and performance of this Agreement and each of the other Loan Documents in accordance with their respective terms and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate any Applicable Law, (ii) conflict with, result in a breach of, or constitute a default under the certificate of incorporation or by-laws of any Borrower Party or under any indenture, agreement, or other instrument to which any Borrower Party is a party or by which any Borrower Party or any of its properties may be bound, or (iii) result in or require the creation or imposition of any Lien upon or with any Borrower Party except Permitted Liens.

(f) Necessary Authorizations. Each Borrower Party and each Subsidiary of a Borrower Party has obtained all Necessary Authorizations, and all such Necessary Authorizations are in full force and effect. None of such Necessary Authorizations is the subject of any pending or, to the best of each Borrower Party's or such Subsidiary's knowledge, threatened attack or revocation, by the grantor of the Necessary Authorization.

(g) Title to Properties. Each Borrower Party and each Subsidiary of a Borrower Party has good, marketable, and legal title to, or a valid leasehold interest in, all of its properties and assets, and none of such properties or assets is subject to any Liens (other than Permitted Liens).

(h) Material Contracts; Labor Matters. Schedule 5.1(h) contains a complete list, as of the date of this Agreement, of each contract or agreement to which any Borrower Party or Subsidiary of a Borrower Party is a party which, if terminated, would reasonably be likely to result in a Materially Adverse Effect. Schedule 5.1(h) further identifies, as of the Agreement Date, each material contract which requires consent to the granting of a Lien in favor of the Administrative Agent on the rights of any Borrower Party thereunder. Except as disclosed to the Administrative Agent and the Lenders in writing from time to time, no Borrower Party or Subsidiary of a Borrower Party is in default under or with respect to any contract to which it is a party or by which it or any of its properties are bound that, if terminated, would reasonably be likely to result in a Materially Adverse Effect. Except as disclosed on Schedule 5.1(h): (A) no labor contract to which any Borrower Party is a party or is otherwise subject is scheduled to expire prior to the Maturity Date; (B) no Borrower Party has, within the two-year (2) period preceding the Agreement Date, taken any action which would have constituted or resulted in a "plant closing" or "mass layoff" within the meaning of the Federal Worker

Adjustment and Retraining Notification Act of 1988 or any similar applicable federal, state or local law (to the extent any such law would restrict such action taken given the location of the applicable Borrower Party's operations or otherwise), and no Borrower Party has any reasonable expectation that any such action is or will be required at any time prior to the Maturity Date; (C) no Borrower Party is a party to any labor dispute (other than disputes arising in the ordinary course of business, including, without limitation, disputes with such Borrower Party's employees as individuals and not affecting such Borrower Party's relations with any labor group or its workforce as a whole), and (D) there are no pending or, to each Borrower Party's knowledge, threatened strikes

or walkouts relating to any labor contracts to which any Borrower Party is a party or is otherwise subject that could reasonably be expected to have a Materially Adverse Effect. Except as set forth on Schedule 5.1(h), none of the employees of any Borrower Party or Subsidiary of a Borrower Party is a party to any collective bargaining agreement with such Borrower Party or such Subsidiary, as applicable.

(i) Taxes. Except as set forth on Schedule 5.1(i), all federal, state, and other tax returns of each Borrower Party and each Subsidiary of Borrower Party required by law to be filed have been duly filed, and all federal, state, and other taxes (including without limitation, all real estate and personal property, income, franchise, transfer and gains taxes), all general or special assessments, and other governmental charges or levies upon each Borrower Party and each Subsidiary of a Borrower Party and any of their respective properties, income, profits, and assets, which are due and payable, have been paid, except any payment of any of the foregoing which such Borrower Party or Subsidiary, as applicable, is currently contesting in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Borrower Party or such Subsidiary, as the case may be. The charges, accruals, and reserves on the books of the Borrower Parties and Subsidiaries of the Borrower Parties in respect of taxes are, in the reasonable judgment of the Borrower Parties, adequate. Except as set forth on Schedule 5.1(i), no Borrower Party or any Subsidiary of a Borrower Party is currently under audit by the Internal Revenue Service or any other taxing authority.

(j) Financial Statements. The Borrower Parties have furnished, or caused to be furnished, to the Lenders the audited consolidated financial statements of the Parent and its Subsidiaries and the financial statements of the Target which are complete and correct in all material respects and present fairly in accordance with GAAP the respective financial positions of the Parent and its Subsidiaries as of May 31, 2002 and of the Target as of March 31, 2002, and the respective results of operations of the Parent and its Subsidiaries and of the Target for the periods then ended. The Borrower Parties have furnished, or caused to be furnished, to the Lenders the unaudited consolidated financial statements of the Parent and its Subsidiaries and the financial statements of the Target for the April 2003 fiscal month which are complete and correct in all material respects and present fairly in accordance with GAAP, subject to normal year end adjustments, the respective financial positions of the Parent and its Subsidiaries as of the last day of the

April 2003 fiscal month and of the Target as of the last day of the April 2003 fiscal month, and the respective results of operations of the Parent and its Subsidiaries and of the Target for the periods then ended.

(k) No Adverse Change. Since May 31, 2002, there has occurred no event which could reasonably be expected to have a Materially Adverse Effect or, on or prior to the Agreement Date, a materially adverse effect upon the business, assets, liabilities, prospects, condition (financial or otherwise) or the results of operation of the Target.

(l) Investments and Guaranties. As of the Agreement Date, no Borrower Party or Subsidiary of a Borrower Party owns any Equity Interests of, or has outstanding loans or advances to, or guaranties of the obligations of, any Person, except as reflected in the financial statements referred to in Section 5.1(j) or disclosed on Schedules 5.1(c)-1, 5.1(d) or 5.1(l).

(m) Liabilities, Litigation, etc. As of the Agreement Date, except for liabilities incurred in the normal course of business, no Borrower Party or Subsidiary of a Borrower Party has any material (individually or in the aggregate) liabilities, direct or contingent, except as disclosed or referred to in the financial statements referred to in Section 5.1(j), the Obligations and the Senior Notes Debt. As of the Agreement Date, except as described on Schedules 5.1(m) and 5.1(x), there is no litigation, legal or administrative proceeding, investigation, or other action of any nature pending or, to the knowledge of the Borrower Parties, threatened against or affecting any Borrower Party or any Subsidiary of a Borrower Party or any of their respective properties which could reasonably be expected to result in any judgment against or liability of such Borrower Party or Subsidiary of a Borrower Party in excess of $7,500,000, individually and in the aggregate with respect to all Borrower Parties and their Subsidiaries, or the loss of any certification or license

material to the operation of such Borrower Party's or Subsidiary's business. None of such litigation disclosed on Schedules 5.1(m) and 5.1(x), individually or collectively, could reasonably be expected to have a Materially Adverse Effect.

(n) ERISA. Each Borrower Party and each Plan are in compliance in all material respects with ERISA and the Code, and no Borrower Party nor any of its ERISA Affiliates incurred any accumulated funding deficiency within the meaning of Section 302 of ERISA or Section 412 of the Code with respect to any such Plan that is subject to the minimum funding requirements of Section 302 of ERISA or Section 412 of the Code. Each Borrower Party and each of its ERISA Affiliates have complied with all material requirements of Sections 601 through 608 of ERISA and Section 4980B of the Code. No Borrower Party has made any promises of retirement or other benefits to employees, except as set forth in the Plans. No Borrower Party has incurred any material liability to the PBGC in connection with any such Plan. No Reportable Event has occurred and is continuing with respect to any such Plan. No such Plan or trust created thereunder, or party in interest (as defined in Section 3(14) of ERISA, or any fiduciary (as defined in Section 3(21) of ERISA), has engaged in a non-exempt "prohibited transaction" (as such

term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any Borrower Party to any material penalty or tax on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code. No Borrower Party or any ERISA Affiliate is a participant in or is obligated to make any payment to a Multiemployer Plan.

(o) Intellectual Property; Licenses; Certifications. As of the Agreement Date, except as set forth on Schedule 5.1(o), no Borrower Party or Subsidiary of a Borrower Party owns any registered patents, trademarks, service marks or copyrights, and has no pending registration applications with respect to any of the foregoing. As of the Agreement Date, no other patents, trademarks, service marks or copyrights are necessary for the operation of the business of the Borrower Parties and their Subsidiaries. Each Borrower Party and each Subsidiary of a Borrower Party has all material licenses and certifications necessary for the operation of such Borrower Party's or such Subsidiary's business.

(p) Compliance with Law; Absence of Default. Each Borrower Party and each Subsidiary of a Borrower Party is in material compliance with all Applicable Laws and with all of the provisions of its certificate or articles of incorporation or formation, by-laws or other governing documents. No event has occurred or has failed to occur which has not been remedied or waived, the occurrence or non-occurrence of which constitutes (i) a Default, (ii) a default by such Borrower Party under the Senior Notes Documents, or (iii) except with respect to indebtedness in an aggregate principal amount equal to or less than $5,000,000, a default under any other indenture, agreement, or other instrument, or any judgment, decree, or order to which such Borrower Party or such Subsidiary is a party or by which such Borrower Party or such Subsidiary or any of their respective properties may be bound.

(q) Casualties; Taking of Properties, etc. Since May 31, 2002, neither the business nor the properties of the Borrower Parties, their Subsidiaries, or the Target has been materially and adversely affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces, or acts of God or of any public enemy.

(r) Accuracy and Completeness of Information. All written information, reports, other papers and data relating to the Borrower Parties furnished by or at the direction of the Borrower Parties to the Lender Group (other than projections, estimates and forecasts) were, at the time furnished, complete and correct in all material respects. With respect to projections, estimates and forecasts given to the Lender Group, such projections, estimates and forecasts are based on the Borrower Parties' good faith assessment of the future of the business at the time made. The Borrower Parties had a reasonable basis for such assessment at the time made.

(s) Compliance with Regulations T, U and X. No Borrower Party or Subsidiary of a Borrower Party is engaged principally in or has as one of its important activities in the business of extending credit for the purpose of purchasing or carrying, and no Borrower Party or Subsidiary of a Borrower Party owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations T, U and X of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulations T, U and X. If so requested by the Administrative Agent, the Borrower Parties or their Subsidiaries, as applicable, will furnish the Administrative Agent with (i) a statement or statements in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U of said Board of Governors and (ii) other documents evidencing its compliance with the margin regulations reasonably requested by the Administrative Agent. Neither the making of the Loans nor the use of proceeds thereof will violate the provisions of Regulation T, U or X of said Board of Governors.

(t) Solvency. As of the Agreement Date and after giving effect to the transactions contemplated by the Acquisition Documents, the Acquisition, the incurrence of the Senior Notes Debt, and the transactions contemplated by the Loan Documents (i) the property of each Borrower Party, at a fair valuation on a going concern basis, will exceed its debt; (ii) the capital of each Borrower Party will not be unreasonably small to conduct its business; and (iii) no Borrower Party will have incurred debts, or have intended to incur debts, beyond its ability to pay such debts as they mature. For purposes of this Section, "debt" means any liability on a claim, and "claim" means (A) the right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, undisputed, legal, equitable, secured or unsecured, or (B) the right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, undisputed, secured or unsecured.

(u) Insurance. The Borrower Parties and their Subsidiaries have insurance meeting the requirements of Section 6.5, and such insurance policies are in full force and effect. As of the Agreement Date, all material insurance policies and insurance coverages maintained by the Borrower Parties and their Subsidiaries are described on Schedule 5.1(u).

(v) Broker's or Finder's Commissions. Except as set forth on Schedule 5.1(v), no broker's or finder's fee or commission will be payable with respect to the execution and delivery of this Agreement and the other Loan Documents, and no other similar fees or commissions will be payable by the Borrower Parties for any other

services rendered to the Borrower Parties ancillary to the credit transactions contemplated herein.

(w) Real Property. All real property leased by each Borrower Party and each Subsidiary of a Borrower Party as of the Agreement Date, and the name of the lessor of such real property, is set forth in Schedule 5.1(w)-1. The leases of each Borrower Party and each Subsidiary of a Borrower Party, as applicable, are valid, enforceable and in full force and effect, and have not been modified or amended, except as otherwise set forth in Schedule 5.1(w)-1. The Borrower Parties and their Subsidiaries, as applicable, are the sole holders of the lessee's interests under such leases. No Borrower Party or a Subsidiary of a Borrower Party has made any pledge, mortgage, assignment or sublease of any of it rights under such leases except pursuant to the Loan Documents and as set forth in Schedule 5.1(w)-1 and, there is no default or condition which, with the passage of time or the giving of notice, or both, would constitute a material default on the part of any party under such leases and the Borrower Parties and their Subsidiaries, as applicable, have paid all rents and other charges due and payable under such leases. All real property owned by each Borrower Party and each Subsidiary of a Borrower Party as of the Agreement Date is set forth in Schedule 5.1(w)-2. As of the Agreement Date, no Borrower Party or Subsidiary of

a Borrower Party owns, leases or uses any real property other than as set forth on Schedule 5.1(w). Each Borrower Party and each Subsidiary of a Borrower Party, as applicable, owns good and marketable fee simple title to all of its owned real property, and none of its owned real property is subject to any Liens, except Permitted Liens. No Borrower Party or Subsidiary of a Borrower Party, owns or holds, or is obligated under or a party to, any option, right of first refusal or any other contractual right to purchase, acquire, sell, assign or dispose of any real property owned or leased by it.

(x) Environmental Matters.

(i) Except as is described on Schedule 5.1(x) - 1, none of the Properties contains, in, on or under, including, without limitation, the soil and groundwater thereunder, any Hazardous Materials in violation of Environmental Laws or in amounts that could give rise to any material liability under Environmental Laws.

(ii) Except as is described on Schedule 5.1(x) - 2, each Borrower Party and each Subsidiary of a Borrower Party is in compliance with all applicable Environmental Laws and there is no violation of any Environmental Law or contamination which could materially interfere with the continued operation of any of the Properties or impair the financial condition of any Borrower Party or Subsidiary of a Borrower Party.

(iii) Except as is described on Schedule 5.1(x) -3, no Borrower Party or Subsidiary of a Borrower Party has received from any Governmental Authority any complaint, or notice of violation, alleged violation, investigation or

advisory action or notice of potential liability regarding matters of environmental protection or permit compliance under applicable Environmental Laws with regard to the Properties, nor is any Borrower Party aware that any such notice is pending.

(iv) Except as is described on Schedule 5.1(x) - 4, Hazardous Materials have not been generated, treated, stored, disposed of, at, on or under any of the Property in violation of any Environmental Laws or in a manner that could give rise to any liability under Environmental Laws nor have any Hazardous Materials been transported or disposed of from any of the Properties to any other location in violation of any Environmental Laws or in a manner that could give rise to liability under Environmental Laws. Except as disclosed on Schedule 5.1x-4 no Borrower Party or any Subsidiary of a Borrower Party has permitted or will permit any tenant or occupant of the Properties to engage in any activity that could impose material liability under the Environmental Laws on such tenant or occupant, any Borrower Party or any Subsidiary of a Borrower Party or any other owner of any of the Properties.

(v) Except as is described on Schedule 5.1(x) - 5, no Borrower Party is, and no Subsidiary of a Borrower Party is, a party to any governmental administrative actions or judicial proceedings pending under any Environmental Law with respect to any of the Properties, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to any of the Properties.

(vi) Except as is described on Schedule 5.1(x) - 6, there has been no release or threat of release of Hazardous Materials into the environment at or from any of the Properties, or arising from or relating to the operations of the Borrower Parties or their Subsidiaries, in material violation of Environmental Laws or in amounts that could give rise to any material liability under Environmental Laws.

(vii) None of the matters disclosed on Schedules 5 (x) - 1 through 6 is reasonably likely to result in liability to the Borrower Parties and their Subsidiaries in excess of $7,500,000 in the aggregate.

(y) OSHA. All of the Borrower Parties' operations are conducted in substantial compliance with all material and applicable rules and regulations promulgated by the Occupational Safety and Health Administration of the United States Department of Labor.

(z) Names of Borrowers. No Borrower Party or Subsidiary of a Borrower Party has changed its name within the five (5) years preceding the Agreement Date, nor

has any Borrower Party or Subsidiary of a Borrower Party transacted business under any other name or trade name.

(aa) Investment Company Act; Public Utility Holding Company Act. No Borrower Party is required to register under the provisions of the Investment Company Act of 1940, as amended, and neither the entering into or performance by the Borrower Parties of this Agreement nor the issuance of any Revolving Loan Notes violates any provision of such Act or requires any consent, approval, or authorization of, or registration with, any governmental or public body or authority pursuant to any of the provisions of such Act. No Borrower Party is a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(bb) Senior Debt Status. The Obligations as and when incurred shall constitute senior Indebtedness of each Borrower Party with respect to any Indebtedness of such Borrower Party that is subordinate to the Obligations, including, without limitation, Indebtedness of the Parent under the Earnout Agreement.

Section 5.2 Representations and Warranties Relating to Accounts. With respect to all Accounts of each Borrower Party, such Borrower Party hereby warrants and represents to the Lender Group that such Accounts are bona fide existing payment obligations of Account Debtors created by the sale and delivery of Inventory or the rendition of services to such Account Debtors in the ordinary course of such Borrower Party's business. As to each Account that is identified by such Borrower Party as an Eligible Account in a Borrowing Base Certificate submitted to the Administrative Agent by the Administrative Borrower, such Account is not excluded as ineligible by virtue of one or more of the excluding criteria set forth in the definition of Eligible Accounts.

Section 5.3 Representations and Warranties Relating to Inventory. With respect to all Eligible Inventory, the Administrative Agent may rely upon all statements, warranties or representations made in any Borrowing Base Certificate in determining the classification of such Inventory and in determining which items of Inventory listed in such Borrowing Base Certificate meet the requirements of eligibility.

Section 5.4 Survival of Representations and Warranties, etc. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made, and shall be true and correct, at and as of the Agreement Date (after giving effect to the Acquisition) and the date of each Advance or issuance of (or amendment to) a Letter of Credit hereunder, except to the extent previously fulfilled in accordance with the terms of this Agreement or the other Loan Documents and to the extent subsequently inapplicable. All representations and warranties made under this Agreement and the other Loan Documents shall survive, and not be waived by, the execution of this Agreement or the other Loan Documents by the Lender Group or any of them, any investigation or inquiry by any member of the Lender

Group, or the making of any Advance or the issuance of (or amendment to) any Letter of Credit under this Agreement.

ARTICLE 6.

GENERAL COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers shall have the right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Majority Lenders shall otherwise give their prior consent in writing:

Section 6.1 Preservation of Existence and Similar Matters. Each Borrower Party will, and will cause its Subsidiaries to, (i) except as expressly permitted under Section 8.7, preserve and maintain its existence, rights, franchises, licenses, and privileges in its jurisdiction of incorporation or organization including, without limitation, all Necessary Authorizations, and (ii) qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of their respective business requires such qualification or authorization except where the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect.

Section 6.2 Compliance with Applicable Law. Each Borrower Party will, and will cause its Subsidiaries to, comply, in all material respects, with the requirements of all Applicable Law.

Section 6.3 Maintenance of Properties. Each Borrower Party will, and will cause its Subsidiaries to, maintain or cause to be maintained in the ordinary course of business in good repair, working order, and condition, normal wear and tear and disposal of obsolete equipment excepted, all properties used or useful in its business (whether owned or held under lease), and from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements, additions, betterments, and improvements thereto.

Section 6.4 Accounting Methods and Financial Records. Each Borrower Party will, and will cause its Subsidiaries to, maintain a system of accounting established and administered in accordance with GAAP, and will keep adequate records and books of account in which complete entries will be made in accordance with such accounting principles consistently applied and reflecting all transactions required to be reflected by such accounting principles.

Section 6.5 Insurance. Each Borrower Party will, and will cause its Subsidiaries to, maintain insurance including, but not limited to, public liability, property insurance, comprehensive general liability, product liability, business interruption and fidelity coverage insurance, in such amounts and against such risks as would be customary for companies in the same industry and of comparable size as the Borrower

Parties and their Subsidiaries from financially sound and reputable insurance companies having and maintaining an A.M. Best rating of "A minus" or better and being in a size category of VI or larger or otherwise acceptable to the Administrative Agent. In addition to the foregoing, each Borrower Party further agrees to maintain and pay for insurance upon all goods constituting Collateral wherever located, in storage or in transit in vehicles, vessels or aircraft, including goods evidenced by documents, covering casualty, hazard, public liability and such other risks and in such amounts as would be customary for companies in the same industry and of comparable size as the Borrower Parties, from responsible companies having and maintaining an A.M. Best rating of "A minus" or better and being in a size category of VI or larger or otherwise acceptable to the Administrative Agent to insure the Lenders' interest in such Collateral. All such property insurance policies of the Borrower Parties shall name the Administrative Agent as loss payee and all liability insurance policies shall name the Administrative Agent as additional insured. Each Borrower Party shall deliver the original certificates of insurance evidencing that the required insurance is in force together with satisfactory lender's loss payable and additional insured, as applicable, endorsements. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than thirty (30) days' prior written notice to the Administrative Agent in the event of cancellation or modification of the policy for any reason whatsoever and a clause that the interest of the Administrative Agent shall not be impaired or invalidated by any act or neglect of any Borrower Party or owner of the Collateral nor by the occupation of the premises for purposes more hazardous than are permitted by said policy. If any Borrower Party fails to provide and pay for such insurance, the Administrative Agent may, at the Borrowers' expense, procure the same, but shall not be required to do so. Each Borrower Party agrees to deliver to the Administrative Agent, promptly as rendered, true copies of all

reports made in any reporting forms to insurance companies.

Section 6.6 Payment of Taxes and Claims. Each Borrower Party will, and will cause its Subsidiaries to, pay and discharge all taxes, assessments, and governmental charges or levies imposed upon it or its income or profit or upon any properties belonging to it prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which have become due and payable and which by law have or may become a Lien upon any of its Property; except that, no such tax, assessment, charge, levy, or claim need be paid which is being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy, or claim does not become a Lien or charge other than a Permitted Lien and no foreclosure, distraint, sale, or similar proceedings shall have been commenced and remain unstayed for a period thirty (30) days after such commencement. Each Borrower Party shall, and shall cause its Subsidiaries to, timely file all information returns required by federal, state, or local tax authorities.

Section 6.7 Visits and Inspections. Each Borrower Party will, and will cause its Subsidiaries to, permit representatives of the Administrative Agent to (a) visit and

inspect the properties of the Borrower Parties and their Subsidiaries, as applicable, during normal business hours, (b) inspect and make extracts from and copies of the Borrower Parties' and such Subsidiaries' books and records, as applicable, and (c) discuss with the Borrower Parties' and such Subsidiaries' respective principal officers, as applicable, the Borrower Parties' or such Subsidiaries' businesses, assets, liabilities, financial positions, results of operations, and business prospects relating to the Borrower Parties or such Subsidiaries, as applicable. Any other member of the Lender Group may, at its expense, accompany the Administrative Agent on any regularly scheduled visit (or during the continuance of a Default any visit regardless of whether it is regularly scheduled) to the Borrower Parties and their Subsidiaries' properties . The Borrower Parties agree and authorize the Administrative Agent, absent the existence of a Default (in which event, more field examinations and appraisals may be conducted at the Administrative Agent's discretion), (at which any other member of the Lender Group may, at its expense, accompany the Administrative Agent) to conduct no more than two field examinations and appraisals of Inventory during any twelve (12) month period (using for such Inventory appraisals, Hilco Appraisal Service, LLC or such other appraisal firm satisfactory to the Administrative Agent). The Borrower Parties agree to pay for, or to reimburse the Administrative Agent for, the costs and expenses of such field examinations and appraisals in accordance with Section 11.2.

Section 6.8 Conduct of Business. Each Borrower Party shall, and shall cause its Subsidiaries to, continue to engage in business of the same general type as now conducted by it.

Section 6.9 ERISA. Each Borrower Party shall at all times make, or cause to be made, prompt payment of contributions required to meet the minimum funding standards set forth in Section 302 of ERISA and Section 412 of the Code with respect to each Borrower Party's and its ERISA Affiliates' Plans that are subject to such funding requirements; furnish to the Administrative Agent, promptly upon the Administrative Agent's request therefor, copies of any annual report required to be filed pursuant to ERISA in connection with each such Plan of each Borrower Party and its ERISA Affiliates; notify the Administrative Agent as soon as practicable of any Reportable Event and of any additional act or condition arising in connection with any such Plan which a Borrower Party believes might constitute grounds for the termination thereof by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Plan; and furnish to the Administrative Agent, promptly upon the Administrative Agent's request therefor, such additional information concerning any such Plan as may be reasonably requested by the Administrative Agent.

Section 6.10 Lien Perfection. Each Borrower Party agrees to take such action as may be required to perfect or continue the perfection of the Administrative Agent's (on behalf of, and for the benefit of, the Lender Group) security interest in the Collateral. Each Borrower Party hereby authorizes the Administrative Agent to file any such

financing statement on such Borrower Party's behalf describing the Collateral as "all assets of the debtor" or "all personal property of the debtor."

Section 6.11 Location of Collateral. All Collateral, other than Inventory in transit and Inventory sold in the ordinary course of business, will at all times be kept by the Borrower Parties at one or more of the business locations of the Borrower Parties set forth in Schedule 6.11. The Inventory shall not, without the prior written approval of the Administrative Agent, be moved from the locations set forth on Schedule 6.11 except as permitted in the immediately preceding sentence and prior to an Event of Default, (i) sales or other dispositions of assets permitted pursuant to Section 8.7 and (ii) the storage of Inventory at locations within the continental United States other than those specified in the first sentence of this Section 6.11 if (A) the applicable Borrower Party gives the Administrative Agent written notice of the new storage location at least thirty (30) days prior to storing Inventory at such location, (B) the Lenders' security interest in such Inventory is and continues to be a duly perfected, first priority Lien thereon, (C) neither any Borrower Party's nor the Administrative Agent's right of entry upon the premises where such Inventory is stored or its right to remove the Inventory therefrom, is in any way restricted, (D) the owner of such premises, and any bailee, warehouseman or similar party that will be in possession of such Inventory, shall have executed and delivered to the Administrative Agent an agreement, in form and substance acceptable to the Administrative Agent, waiving any landlord's, bailee's, warehouseman's or other Lien in respect of the Inventory for unpaid rent or storage charges, and (E) all negotiable documents and receipts in respect of any Collateral maintained at such premises are promptly delivered to the Administrative Agent and any non-negotiable documents and receipts in respect of any Collateral maintained at such premises are issued to the Administrative Agent and promptly delivered to the Administrative Agent.

Section 6.12 Protection of Collateral. All insurance expenses and expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping the Collateral (including, without limitation, all rent payable by any Borrower Party to any landlord of any premises where any of the Collateral may be located), and any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral or in respect of the sale thereof, shall be borne and paid by the Borrower Parties. If the Borrower Parties fail to promptly pay any portion thereof when due, the Lenders may, at their option, but shall not be required to, make a Base Rate Advance for such purpose and pay the same directly to the appropriate Person. The Borrowers agree to reimburse the Lenders promptly therefor with interest accruing thereon daily at the Default Rate provided in this Agreement. All sums so paid or incurred by the Lenders for any of the foregoing and all reasonable costs and expenses (including attorneys' fees, legal expenses, and court costs) which the Lenders may incur in enforcing or protecting the Lien on or rights and interest in the Collateral or any of its rights or remedies under this or any other agreement between the parties hereto or in respect of any of the transactions to be had hereunder until paid by the Borrowers to the Lenders with interest at the Default Rate, shall be considered Obligations owing by the

Borrowers to the Lenders hereunder. Such Obligations shall be secured by all Collateral and by any and all other collateral, security, assets, reserves, or funds of the Borrowers in or coming into the hands or inuring to the benefit of the Lenders. Neither the Administrative Agent nor the Lenders shall be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto (except for reasonable care in the custody thereof while any Collateral is in the Lenders' actual possession) or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other person whomsoever, but the same shall be at the Borrower Parties' sole risk.

Section 6.13 Assignments and Records of Accounts. If so requested by the Administrative Agent following an Event of Default, each Borrower Party shall execute and deliver to the Administrative Agent, for the benefit of the Lender Group, formal written assignments of all of the Accounts daily, which shall include all Accounts that have been created since the date of the last assignment, together with copies of invoices or invoice registers related thereto. Each Borrower Party shall keep accurate and complete records of the

Accounts and all payments and collections thereon.

Section 6.14 Administration of Accounts.

(a) The Administrative Agent retains the right after the occurrence and during the continuance of an Event of Default to notify the Account Debtors that the Accounts have been assigned to the Administrative Agent, for the benefit of the Lender Group, and to collect the Accounts directly in its own name and to charge the collection costs and expenses, including attorneys' fees, to the Borrowers. The Administrative Agent has no duty to protect, insure, collect or realize upon the Accounts or preserve rights in them. Each Borrower Party irrevocably makes, constitutes and appoints the Administrative Agent as such Borrower Party's true and lawful attorney and agent-in-fact to endorse such Borrower Party's name on any checks, notes, drafts or other payments relating to, the Accounts which come into the Administrative Agent's possession or under the Administrative Agent's control as a result of its taking any of the foregoing actions. Additionally, the Administrative Agent, for the benefit of the Lender Group, shall have the right to collect and settle or adjust all disputes and claims directly with the Account Debtor and to compromise the amount or extend the time for payment of the Accounts upon such terms and conditions as the Administrative Agent may deem advisable, and to charge the deficiencies, reasonable costs and expenses thereof, including attorney's fees, to the Borrowers.

(b) If an Account includes a charge for any tax payable to any governmental taxing authority, the Administrative Agent on behalf of the Lenders is authorized, in its sole discretion, to pay the amount thereof to the proper taxing authority for the account of the applicable Borrower Party and to make a Base Rate Advance to the Borrowers to pay therefor. The Borrower Parties shall notify the Administrative Agent if any Account includes any tax due to any governmental taxing authority and, in the absence of such

notice, the Administrative Agent shall have the right to retain the full proceeds of the Account and shall not be liable for any taxes to any governmental taxing authority that may be due by any Borrower Party by reason of the sale and delivery creating the Account.

(c) Whether or not a Default has occurred, any of the Administrative Agent's officers, employees or agents shall have the right, at any time or times hereafter, in the name of the Lenders, or any designee of the Lenders or the Borrower Parties, to verify the validity, amount or other matter relating to any Accounts by mail, telephone, telegraph or otherwise. The Borrower Parties shall cooperate fully with the Administrative Agent and the Lenders in an effort to facilitate and promptly conclude any such verification process.

Section 6.15 The Blocked Account.

(a) The Borrower Parties shall establish and maintain one or more blocked accounts (each a "Blocked Account") pursuant to a lockbox arrangement acceptable to the Administrative Agent with SunTrust Bank, any affiliate thereof or any other bank(s) as may be selected by the Borrower Parties and approved by the Administrative Agent. The Borrower Parties shall issue to each such bank an irrevocable letter of instruction directing such bank to deposit all payments or other remittances received in the lockbox to the Blocked Account. Each such Blocked Account bank shall agree to the Administrative Agent's standard Blocked Account Agreement or such variation thereof as shall be mutually satisfactory to the Administrative Agent and such bank. All amounts which shall be deposited into any Blocked Account shall immediately become the property of and be under the sole dominion and exclusive control of the Administrative Agent, on behalf of the Lender Group, and no Borrower Party shall have any right to withdraw such amounts from the Blocked Account.

(b) The Borrower Parties shall take all steps to ensure that all of their Account Debtors and all of their credit card processors forward all items of payment to lockboxes established with the Blocked Account banks. Within thirty (30) days of the Agreement Date or such later date as shall be acceptable to the Administrative Agent in its reasonable discretion, the Borrower Parties shall cause each of their credit card processors to enter into an agreement, in form and substance satisfactory to the Administrative Agent, with the Administrative Agent and the applicable Borrower Party pursuant to which the

applicable Borrower Party shall irrevocably instruct such credit card processor to forward all items of payment owing to the Borrower Parties directly to a Blocked Account.

(c) In the event that any Borrower Party shall at any time receive any remittances of any of the foregoing directly or shall receive any other funds representing proceeds of the Collateral, such Borrower Party shall hold the same as trustee for the Administrative Agent, shall segregate such remittances from its other assets, and shall promptly deposit the same into a Blocked Account. All cash, cash equivalents, checks, notes, drafts or similar items of payment (including, without limitation, from the sale of

any assets under Section 8.7(b) or otherwise or constituting insurance or condemnation proceeds) received by any Borrower Party otherwise than as provided elsewhere in this Section 6.15(b) shall be deposited into a Blocked Account promptly upon receipt thereof by such Borrower Party. Notwithstanding the foregoing, the Target Retail Borrower Parties shall be permitted to retain as petty cash an amount up to $2,500 per retail center, determined on an average basis, for use in the retail stores of such Target Retail Borrower Parties in the ordinary course of business.

(d) If the Administrative Agent or any affiliate of the Administrative Agent is a Blocked Account bank, on the Business day on which any amount is deposited into the Blocked Account with the Administrative Agent or any affiliate of the Administrative Agent in immediately available funds, the Administrative Agent shall, without further consent of any Borrower Party, withdraw such amount from such Blocked Account, deposit the same in the Loan Account, and apply the same against the Obligations in the manner provided for in Section 2.11 hereof; provided, however, and notwithstanding the foregoing, that unless an Event of Default then exists and unless the Administrative Borrower requests otherwise, no money on deposit in such Blocked Account shall be applied against any Eurodollar Advance if such application would constitute a prepayment of such Eurodollar Advance prior to its Payment Date, and such funds shall be retained in such Blocked Account (and, upon the written request of the Administrative Borrower, will be invested by the Administrative Agent in overnight deposits for the Borrowers' account) until the earliest of (i) such Payment Date, (ii) the next Business Day on which additional Obligations arise, and (iii) the occurrence of an Event of Default, at which time such amount shall be applied to such Eurodollar Advance or such Obligations (in accordance with the provisions of Section 2.11 hereof), as the case may be.

(e) If any Blocked Account bank is not the Administrative Agent or any affiliate of the Administrative Agent, all funds in the Blocked Account of such other bank shall be deposited into the Clearing Account on a daily basis (or, with respect to account number 07-083327 at First Hawaiian Bank, on each Monday and each Thursday and, with respect to account number 70973380 at SouthTrust Bank, on each Wednesday) in immediately available funds. On the Business Day on which any amount is deposited into the Clearing Account in immediately available funds, the Administrative Agent shall withdraw such amount from the Clearing Account, deposit the same in the Loan Account, and apply the same against the Obligations in the manner provided for in Section 2.11 hereof; provided, however, that notwithstanding the foregoing, unless an Event of Default then exists and unless the Administrative Borrower requests otherwise, no money on deposit in the Clearing Account shall be applied against any Eurodollar Advance if such application would constitute a prepayment of such Eurodollar Advance prior to its Payment Date, and such funds shall be retained in the Clearing Account (and, upon the written request of the Administrative Borrower, will be invested by the Administrative Agent in overnight deposits for the Borrowers' account) until the earliest of (i) such Payment Date, (ii) the next Business Day on which additional Obligations arise, and (iii)

the occurrence of an Event of Default, at which time such amount shall be applied to such Eurodollar Advance or such Obligations (in accordance with the provisions of Section 2.11 hereof), as the case may be.

(f) As of the Agreement Date, all bank accounts and investment accounts of the Borrower Parties are listed on Schedule 6.15 and such Schedule

designates which such accounts are deposit accounts. No Borrower Party shall open any other deposit account unless the depository bank for such account shall have entered into an agreement with the Administrative Agent substantially in the form of the Blocked Account Agreement. In addition, no Borrower Party shall maintain a balance in excess of the amount necessary to cover outstanding checks drawn on such account in any other bank account or investment account (each a "Non-Depository Account") unless and until such Borrower Party has delivered to the Administrative Agent a control agreement in form and substance satisfactory to the Administrative Agent executed by such Borrower Party, the Administrative Agent and the financial institution where such account is located; provided, however, that the Borrower Parties shall be entitled to maintain balances in excess of such amounts necessary to cover outstanding checks drawn on such Non-Depository Accounts (i) with respect to accounts of the Target Retail Borrower Parties, in an amount not to exceed the amount described in the last sentence of Section 6.15(b), (ii) with respect to the employee benefit trust account number [8801663496] at [SunTrust Bank] or such other similar employee benefit trust account, an amount not to exceed as of any date of determination the Administrative Borrower's estimate of employee benefit claims to be paid in the remaining portion of such fiscal year (or, with respect to any date of determination in the last fiscal month of any fiscal year, the Administrative Borrower's estimate of employee benefit claims to be paid in the remaining portion of such fiscal year and during the next succeeding fiscal year) from such date of determination] (provided, that at any time that a Default exists, Borrower Parties shall not deposit additional funds into such account except to the extent necessary to pay accrued and unpaid employee benefit claims that are then due and payable) and (iii) with respect to all other Non-Depository Accounts in an amount not to exceed $350,000 in the aggregate.

Section 6.16 Further Assurances. Each Borrower Party will promptly cure, or cause to be cured, defects in the creation and issuance of any Revolving Loan Notes and the execution and delivery of the Loan Documents (including this Agreement), resulting from any act or failure to act by any Borrower Party or any employee or officer thereof. Each Borrower Party at its expense will promptly execute and deliver to the Administrative Agent and the Lenders, or cause to be executed and delivered to the Administrative Agent and the Lenders, all such other and further documents, agreements, and instruments in compliance with or accomplishment of the covenants and agreements of the Borrower Parties in the Loan Documents, including this Agreement, or to correct any omissions in the Loan Documents, or more fully to state the obligations set out herein or in any of the Loan Documents, or to obtain any consents, all as may be necessary or appropriate in connection therewith as may be reasonably requested.

Section 6.17 Broker's Claims. Each Borrower Party hereby indemnifies and agrees to hold the Administrative Agent and each of the Lenders harmless from and against any and all losses, liabilities, damages, costs and expenses which may be suffered or incurred by the Administrative Agent and each of the Lenders in respect of any claim, suit, action or cause of action now or hereafter asserted by a broker or any Person acting in a similar capacity arising from or in connection with the execution and delivery of this Agreement or any other Loan Document or the consummation of the transactions contemplated herein or therein.

Section 6.18 Indemnity. Each Borrower Party will indemnify and hold harmless each member of the Lender Group, each Affiliate thereof and each of their respective employees, representatives, officers and directors (each an "Indemnified Person") from and against any and all claims, liabilities, investigations, losses, damages, actions, and demands by any party against the Lender Group, or any of them resulting from any breach or alleged breach by the Borrower Parties or any of them of any representation or warranty made hereunder, or otherwise in any way relating to or arising out of the Revolving Loan Commitment, this Agreement, any other Loan Document, or any other document contemplated by this Agreement, the making, administration or enforcement of the Loan Documents and the Loans or any Bank Product Documents, any transaction contemplated hereby or any related matters unless, with respect to any of the above, the Lender Group or any of them are determined by a final non-appealable judgment of a court of competent jurisdiction to have acted or failed to act with gross negligence or willful misconduct. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR

CONSQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER. This Section 6.18 shall survive termination of this Agreement.

Section 6.19 Environmental Matters.

(a) Each Borrower Party shall, and shall cause its Subsidiaries to, comply in all material respects with the Environmental Laws and shall notify the Administrative Agent within thirty (30) days in the event of any discharge or discovery of any Hazardous Materials at, upon, under or within the Properties in amounts that require remediation. Each Borrower Party shall forward to the Administrative Agent copies of all documents alleging a violation of Environmental Laws, all responses thereto and all documents submitted to environmental agencies relative to remediation of Hazardous Materials on the Properties, in each case, within thirty (30) days of receipt, delivery or submission (as the case may be) of the same.

(b) Promptly upon the written request of the Administrative Agent from time to time, the Borrower Parties shall provide the Administrative Agent with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to the Administrative Agent, to assess with a reasonable degree of certainty the presence or absence of any Hazardous Materials and the potential costs in connection with abatement, cleanup or removal of any Hazardous Materials found on, under, at or within the Properties. Such assessment or report shall be at Borrower Parties' expense if, in the judgment of the Administrative Agent, there is reason to believe that a violation of Environmental Laws has occurred.

(c) Each Borrower Party shall at all times indemnify and hold harmless the Lender Group against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, or any nature whatsoever under or on account of the Environmental Laws including the assertion of any lien thereunder, with respect to:

(i) any discharge of Hazardous Materials, the threat of a discharge of any Hazardous Materials or the presence of any Hazardous Materials affecting the Properties whether or not the same originates or emanates from the Properties or any contiguous real estate including any loss of value of the Properties as a result of any of the foregoing;

(ii) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws;

(iii) liability for personal injury or property damage arising under any statutory or common law tort theory (including without limitation damages assessed) for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or caused by any Borrower Party or Subsidiary of a Borrower Party near the Properties; and/or

(iv) any other environmental matter affecting the Properties within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local environmental agency.

(d) In the event of any discharge or discovery of any Hazardous Materials at, upon, under or within the Properties in amounts that require remediation, if the applicable Borrower Party or Subsidiary fails to begin the remediation within thirty (30) days after notice to the Administrative Agent, the Administrative Agent may at its election, but without the obligation to do so, give such notices and/or cause such work to be performed at the Properties and/or take any and all other actions as the Administrative Agent shall deem necessary or advisable in order to abate the discharge of such Hazardous Material,

remove such Hazardous Material or cure such Borrower Party's or Subsidiary's noncompliance.

(e) All of the representations, warranties, covenants and indemnities of this Section 6.19 shall survive the termination of this Agreement, the repayment of the Obligations and/or the release of the liens of the Mortgages from the Properties that are subject to any Mortgage and shall survive the transfer of any or all right, title and interest in and to the Properties by the Borrower Parties or any Subsidiary to any party, whether or not affiliated with the Borrower Parties.

Section 6.20 Key Man Life Insurance. Until the later of the date four (4) years following the Agreement Date and the date all obligations of the Parent under the Earnout Agreement have been satisfied, the Borrowers shall timely pay all required premiums in respect of, and shall otherwise take all actions as may be required on their parts in order to maintain in full force and effect, key-man life insurance policies on the lives of S. Anthony Margolis and Lucio Dalla Gasperina, each in an aggregate face amount of not less than the face amount of such policy as in effect on December 31, 2002, and, in the event that any such policy is not renewed or is cancelled at the option of the insurer for any reason other than failure on the part of the Borrowers to pay the required premiums or to take any other action required to maintain such policy in full force and effect, the Borrowers shall use commercially reasonable efforts to replace such policy in an aggregate face amount of not less than the face amount of such policy as in existence on December 31, 2002; and all such key-man life insurance policies shall be assigned to the Administrative Agent, for the benefit of the Lender Group, as Collateral pursuant to the Assignment of Life Insurance Policy.

Section 6.21 Formation of Subsidiaries. At the time of the formation of any direct or indirect Subsidiary of any Borrower or the acquisition of any direct or indirect Subsidiary of any Borrower after the Agreement Date which is permitted under this Agreement Party, the Borrower Parties, as appropriate, shall (a) cause such new Domestic Subsidiary to provide to the Administrative Agent, for the benefit of the Lender Group, a joinder and supplement to this Agreement substantially in the form of Exhibit M attached hereto (each a "Guaranty Supplement"), pursuant to which such new Domestic Subsidiary shall agree to join as a Guarantor of the Obligations under Article 3, a supplement to the Security Agreement, and such other security documents (including, without limitation, Mortgages with respect to any real estate owned by such Subsidiary), together with appropriate Uniform Commercial Code financing statements, all in form and substance reasonably satisfactory to the Administrative Agent, (b) provide to the Administrative Agent, for the benefit of the Lender Group, a pledge agreement and appropriate certificates and powers or Uniform Commercial Code financing statements, pledging all direct or beneficial ownership interest in such new Subsidiary (regardless of whether owned by a Borrower Party or a Subsidiary of a Borrower Party or a minority shareholder), in form and substance reasonably satisfactory to the Administrative Agent; provided, however, that with respect to any new Foreign Subsidiary, such pledge shall be

limited to sixty-five percent (65%) of the Equity Interests of such Subsidiary, and (c) provide to the Administrative Agent, for the benefit of the Lender Group, all other documentation, including one or more opinions of counsel satisfactory to the Administrative Agent, which in its reasonable opinion is appropriate with respect to such formation and the execution and delivery of the applicable documentation referred to above. Any document, agreement or instrument executed or issued pursuant to this Section 6.21 shall be a "Loan Document" for purposes of this Agreement.

Section 6.22 Oxford Receivables Company. Notwithstanding anything herein or in any Loan Document to the contrary, Oxford Receivables Company shall not engage in any material business activity or incur any material Indebtedness on or after the Agreement Date. The Borrower Parties and their Subsidiaries (other than Oxford Recievables Company) shall not make any investment in, or loan to, Oxford Receivables Company after the Agreement Date other than any nominal amount incurred by Oxford Receivables Company in connection with its wind down. On or before July 31, 2003, the Administrative Borrower shall deliver to the Administrative Agent evidence that Oxford Receivables Company has been

dissolved or merged into another Borrower Party.

ARTICLE 7.

INFORMATION COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers have a right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders shall otherwise give their prior consent in writing, the Administrative Borrower will furnish or cause to be furnished to each member of the Lender Group at their respective offices the following items; provided, however, that the Administrative Borrower, at its option, may deliver such items described in Sections 7.1, 7.2, 7.3, 7.5(a), 7.5(b), 7.5(d) and 7.6(h) to the Administrative Agent with instructions to post such items on "IntraLinks" or any similar website for viewing by the Lenders or to send such items to the Lenders via electronic mail and the Administrative Agent shall so post such items within a reasonable period of time after delivery thereby by the Administrative Borrower to it and such posting or sending via electronic mail shall constitute delivery of such items to the Lenders:

Section 7.1 Monthly and Quarterly Financial Statements and Information. (a) Within thirty (30) days after the last day of each fiscal month in each fiscal year of the Parent (or, with respect to the May fiscal month of each fiscal year of the Parent, within forty-five days (45) after the last day thereof), the balance sheet of the Parent as at the end of such fiscal month, and the related statement of income and retained earnings and related statement of cash flows for such fiscal month and for the fiscal year to date period (starting with the Agreement Date) ended with the last day of such fiscal month, which financial statements shall, (a) set forth in comparative form the figures for the applicable

period set forth in the projections provided by the Borrower Parties pursuant to Section 4.1, as amended or superseded by projections delivered pursuant to Section 7.5(d), as modified by amendments to such projections delivered pursuant to Section 7.6(e), and (b) set forth in comparative form such figures as at the end of such month during the previous fiscal year and for such month during the previous fiscal year, all of which shall be on a consolidated basis. In addition, the Administrative Borrower shall deliver such financial statements with respect to the Target and its Subsidiaries as a group and the Parent and its Subsidiaries (other than the Target and its Subsidiaries) as a group, together with a statement of eliminating entries between such groups. All such financial statements delivered under this Section 7.1(a) shall be certified by an Authorized Signatory of the Parent to be, in his or her opinion, complete and correct in all material respects and, with respect to the financial statements of the Parent and its Subsidiaries on a consolidated basis, to present fairly in accordance with GAAP the financial position of the Parent and its Subsidiaries, as at the end of such period and the results of operations for such period, and for the elapsed portion of the year (starting with the Agreement Date) ended with the last day of such period, subject only to normal year-end adjustments.

(b) Within forty-five (45) days after the last day of each fiscal quarter in each fiscal year of the Parent, the balance sheet of the Parent as at the end of such fiscal quarter, and the related statement of income and retained earnings and related statement of cash flows for such fiscal quarter which financial statements shall, (a) set forth in comparative form the figures for the applicable period set forth in the projections provided by the Borrower Parties pursuant to Section 4.1, as amended or superseded by projections delivered pursuant to Section 7.5(d), as modified by amendments to such projections delivered pursuant to Section 7.6(e), and (b) set forth in comparative form such figures as at the end of such quarter during the previous fiscal year and for such quarter during the previous fiscal year, all of which shall be on a consolidated basis. In addition, the Administrative Borrower shall deliver such financial statements with respect to the Target and its Subsidiaries as a group and the Parent and its Subsidiaries (other than the Target and its Subsidiaries) as a group, together with a statement of eliminating entries between such groups. All such financial statements delivered under this Section 7.1(a) shall be certified by an Authorized Signatory of the Parent to be, in his or her opinion, complete and correct in all material respects and, with respect to the financial statements of the Parent and its Subsidiaries on a consolidated basis, to present fairly in accordance with GAAP

the financial position of the Parent and its Subsidiaries, as at the end of such period and the results of operations for such period, subject only to normal year-end adjustments.

Section 7.2 Annual Financial Statements and Information; Certificate of No Default. Within ninety (90) days after the end of each fiscal year of the Parent, the audited balance sheet of the Parent as at the end of such year and the related audited statements of income and retained earnings and related audited statements of cash flows for such year, all of which shall be on a consolidated basis with the other Borrower

Parties, which financial statements shall, set forth in comparative form such figures as at the end of and for the previous year, and shall be accompanied by an opinion of independent certified public accountants of recognized standing satisfactory to the Administrative Agent, stating that following an examination thereof in accordance with generally accepted auditing standards such financial statements are unqualified and prepared in all material respects in accordance with GAAP, together with a statement of such accountants of the Parent certifying that no Default under Sections 8.8, 8.9, 8.10 and 8.11 was detected during the examination of the Borrower Parties.

Section 7.3 Performance Certificates. At the time the financial statements are furnished pursuant to (x) Section 7.1 with respect to (I) each fiscal month end, commencing with the fiscal month end immediately following the Agreement Date through the fiscal month ended April 30, 2005, (II) each fiscal quarter end and (y) Section 7.2, a certificate of an Authorized Signatory of the Parent in the form of Exhibit N:

(a) (i) Setting forth as at the end of such fiscal month, arithmetical calculations required to establish whether or not the Borrower Parties were in compliance with the requirement of Section 8.8, and (ii) setting forth as at the end of such quarter or year, as the case may be, the arithmetical calculations required to establish whether or not the Borrower Parties were in compliance with the requirements of Sections 8.8 and 8.9 and, with respect to each fiscal year end, 8.10 and 8.11; and

(b) Stating that, to the best of his or her knowledge, no Default has occurred as at the end of such month, quarter or year, as the case may be, or, if a Default has occurred, disclosing each such Default and its nature, when it occurred and whether it is continuing.

Section 7.4 Access to Accountants. The Administrative Borrower hereby authorizes the Administrative Agent to communicate (and at the direction of the Majority Lenders the Administrative Agent shall initiate such communication) directly with the Borrower Parties' and their Subsidiaries' independent public accountants and authorizes these accountants to disclose to the Administrative Agent any and all financial statements and other supporting financial data, including matters relating to the annual audit and copies of any arrangement letter with respect to its business, financial condition and other affairs. On or before the Agreement Date, the Administrative Borrower, on behalf of all of the Borrower Parties and their Subsidiaries, shall deliver to their independent public accountants a letter authorizing them to comply with the provisions of this Section 7.4.

Section 7.5 Additional Reports.

(a) Within twenty (20) days after the end of each fiscal month or more frequently as reasonably required by the Administrative Agent, the Administrative Borrower shall deliver to the Administrative Agent and the Lenders, a Borrowing Base Certificate as of the last day of the preceding fiscal month or such other date reasonably

required by the Administrative Agent, which shall be in such form as shall be satisfactory to the Administrative Agent, setting forth the amount of Inventory owned by the Borrowers, and specifically setting forth the amount of Eligible Inventory and shall contain a categorical breakdown of all Accounts of the Borrowers and a calculation of Eligible Accounts as of such last day of the

preceding month.

(b) Within twenty (20) days after the end of each fiscal month or more frequently as required by the Administrative Agent in its discretion if Availability falls below $22,500,000 (or with respect to any date of determination in December 2003, January 2004, February 2004, December 2004, January 2005, February 2005, or February 2006, $15,000,000), the Administrative Borrower shall deliver to the Administrative Agent and to any Lender requesting the same, in form acceptable to the Administrative Agent, lockbox statements, reports of sales and collections, and debit and credit adjustments, a summary of aged Accounts (or at the reasonable request of the Administrative Agent, detailed aged trial balance of all Accounts of the Borrowers existing as of the last day of the preceding fiscal month or such other date reasonably required by the Administrative Agent, specifying the names, and face value for each Account Debtor obligated on an Account so listed) and all other information necessary to calculate Eligible Accounts as of such last day of the preceding month or such other date reasonably required by the Administrative Agent and, upon the Administrative Agent's request therefor, copies of proof of delivery and the original copy of all documents, including, without limitation, repayment histories and present status reports relating to the Accounts of the Borrowers so scheduled and such other matters and information relating to the status of then existing Accounts of the Borrowers as the Administrative Agent shall reasonably request.

(c) Promptly upon receipt thereof, the Administrative Borrower shall deliver to the Administrative Agent and the Lenders copies of all final reports, if any, submitted to any Borrower Party or any Subsidiary of a Borrower Party by its independent public accountants in connection with any annual or interim audit of the Borrower Parties, or their Subsidiaries or any of them, including, without limitation, any final management report, as applicable, prepared in connection with the annual audit referred to in Section 7.2;

(d) On or before the date thirty (30) days following the commencement of each fiscal year, the Administrative Borrower shall deliver to the Administrative Agent and the Lenders the annual budget for the Borrower Parties and their Subsidiaries approved by the board of directors of the Parent, including forecasts of the income statement, the balance sheet and a cash flow statement for such fiscal year on a month by month basis;

(e) To the extent not covered elsewhere in this Article 7, promptly after the sending thereof, the Borrower Parties shall, and shall cause their Subsidiaries to, deliver to the Administrative Agent and the Lenders copies of all financial statements, reports

and other information which any Borrower Party or any Subsidiary, as applicable, sends to any holder of its Indebtedness (including the Senior Notes Debt) or its securities or which any Borrower Party or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(f) If there is a material change in GAAP after May 31, 2002 that affects the presentation of the financial statements referred to in Sections 7.1 and 7.2, then, in addition to delivery of such financial statements, and on the date such financial statements are required to be delivered, the Administrative Borrower shall furnish the adjustments and reconciliations necessary to enable the Borrowers and each Lender to determine compliance with each of the covenants set forth in Sections 8.8, 8.9, 8.10 and 8.11, all of which shall be determined in accordance with GAAP consistently applied;

(g) Promptly upon the effective date thereof, the Borrower Parties shall provide to the Administrative Agent a copy of each amendment to any factoring agreement referred to in the definition of Eligible Factored Accounts (With Recourse) or Eligible Factored Accounts (Without Recourse). In addition, promptly upon any Borrower Party obtaining knowledge thereof, it shall provide notice to the Administrative Agent of any reserve created by a factor after the Agreement Date;

(h) At any time that a Default exists and on and after any date of request by the Administrative Agent in its reasonable discretion, the Administrative Borrower shall provide to the Administrative Agent notice of the termination of any lease of real property where Inventory is located promptly upon termination of such lease; and

(i) From time to time and promptly upon each request the Borrower Parties shall, and shall cause their Subsidiaries to, deliver to the Administrative Agent on behalf of the Lenders such data, certificates, reports, statements, opinions of counsel, documents, or further information regarding the business, assets, liabilities, financial position, projections, results of operations, or business prospects of each of the Borrower Parties, or such Subsidiaries, or any of them, as the Administrative Agent may reasonably request.

Section 7.6 Notice of Litigation and Other Matters.

(a) Within five (5) Business Days of any Borrower Party's obtaining knowledge of the institution of, or a written threat of, any action, suit, governmental investigation or arbitration proceeding against any Borrower Party or a Subsidiary of a Borrower Party, any Property, which action, suit, governmental investigation or arbitration proceeding, if adversely determined, would expose, in such Borrower Party's or such Subsidiary's reasonable judgment, as applicable, any Borrower Party or such Subsidiary, as applicable, to liability in an aggregate amount in excess of $7,500,000, the Administrative Borrower shall notify the Lender Group of the occurrence thereof, and the Administrative Borrower shall provide such additional information with respect to such matters as the Lender Group may reasonably request.

(b) Promptly upon the occurrence of any default (whether or not any Borrower Party or any Subsidiary of a Borrower Party, as applicable, has received notice thereof from any other Person) on Indebtedness of any Borrower Party or any Subsidiary, as applicable, which singly, or in the aggregate exceed $5,000,000, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(c) Promptly upon any Borrower Party's receipt of notice or the pendency of any proceeding for the condemnation or other taking of any real property of any Borrower Party constituting Collateral, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(d) Promptly upon any Borrower Party's receipt of notice of any event that could reasonably be likely to result in a Materially Adverse Effect, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(e) Promptly following any material amendment or change to the budget submitted to the Administrative Agent and the Lenders pursuant to Section 7.5(d) hereof, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(f) Immediately following any (i) Default under any Loan Document, or default by any Borrower Party under the Senior Notes Documents, or (ii) default under any other agreement (other than those referenced in clause (i) of this Section 7.6(f) above) to which any Borrower Party or a Subsidiary of a Borrower Party, as applicable, is a party or by which any Borrower Party's or any such Subsidiary's properties is bound which could reasonably be expected to have a Materially Adverse Effect, then the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof giving in each case the details thereof and specifying the action proposed to be taken with respect thereto;

(g) Promptly but in any event within ten (10) Business Days following the occurrence of any Reportable Event or a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any Borrower Party to any material penalty or tax on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code with respect to any Plan of any Borrower Party or any of its ERISA Affiliates that is subject to Title IV of ERISA or the institution or threatened institution by the PBGC of proceedings under ERISA to terminate or to partially terminate any such Plan or the commencement of any litigation regarding any such Plan, or the failure by any Borrower Party to make any required contribution to any such Plan, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof provided such occurrence, proceeding, litigation, or failure exposes such Borrower Party or ERISA Affiliate to

liability in an aggregate amount in excess of $7,500,000.

(h) The Administrative Borrower shall deliver updates or supplements to the following schedules (i) within forty-five days after the end of the end of each fiscal year (other than the 2003 fiscal year), as of the last day of such fiscal year: Schedule 5.1(c)-1, Schedule 5.1(c)-2, Schedule 5.1(d), Schedule 5.1(h), Schedule 5.1(m), Schedule 5.1(o), Schedule 5.1(w)-1, Schedule 5.1(w)-2, Schedule 5.1(x)-1, Schedule 5.1(x)-2, Schedule 5.1(x)-3, Schedule 5.1(x)-4, Schedule 5.1(x)-5 and Schedule 5.1(x)-6, and (ii) within forty-five days after the end of the end of each of the first and third fiscal quarters of each fiscal year (other than the first fiscal quarter of the 2004 fiscal year), as of the last day of such fiscal quarter): Schedule 6.11 and Schedule 6.15, in each case, as may be required to render correct the representations and warranties contained in the applicable sections to which such schedules relate as of the last day of such fiscal quarter without giving effect to any references therein to the "Agreement Date" in each case, appropriately marked to show the changes made therein; provided that no such supplement to any such Schedules or representation shall be deemed a waiver of any Default resulting from the matters disclosed therein, except as consented to by the Majority Lenders in writing.

ARTICLE 8.

NEGATIVE COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers have a right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders shall otherwise give their prior consent in writing:

Section 8.1 Indebtedness. No Borrower Party will, or will permit any of its Subsidiaries to, create, assume, incur, or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) Indebtedness under this Agreement and the other Loan Documents;

(b) The Senior Notes Debt in a principal amount not to exceed $200,000,000;

(c) Indebtedness of the Parent to the Sellers under the Earnout Agreement, subordinated to the Obligations pursuant to the Earnout Subordination Agreement;

(d) Indebtedness of the Borrowers or any Subsidiary of the Borrowers that is unsecured or secured by Permitted Liens described in clause (f) of the definition of Permitted Liens set forth in Article 1 hereof (including without limitation Capitalized Lease Obligations), collectively, not to exceed the aggregate principal amount of $15,000,000 at any time;

(e) recourse obligations arising in connection with the sale of Accounts permitted by Section 8.7 (it being understood and agreed that negative credit balances

under the applicable factoring arrangements shall not constitute Indebtedness for the purposes of this Agreement);

(f) Guaranties permitted by Section 8.2;

(g) Obligations under Hedge Agreements not entered into for speculative purposes and not exceeding the aggregate notional amounts of $75,000,000 with respect thereto;

(h) Unsecured Indebtedness of a Borrower Party owed to another Borrower Party;

(i) (A) Unsecured Indebtedness in an aggregate amount not to

exceed $10,000,000 at any time outstanding of the Foreign Subsidiaries owed to the Borrower Parties and consisting of "due to/due from" transactions arising in the ordinary course of business and other unsecured Indebtedness incurred in the ordinary course of business, and (B) unsecured Indebtedness in an aggregate amount not to exceed $40,000,000 at any time outstanding of the Borrower Parties owed to the Foreign Subsidiaries and consisting of "due to/due from" transactions arising in the ordinary course of business;

(j) other unsecured Indebtedness owed by Foreign Subsidiaries to the Borrower Parties to the extent permitted under Section 8.5(e); and

(k) Reimbursement obligations in respect of letters of credit existing as of the Agreement Date (that were not issued by an Issuing Bank and identified as Existing Letters of Credit) identified on Schedule 8.1; provided, however, that such letters of credit may not be amended to increase the stated amount thereof or to extend the stated expiration date thereof.

Section 8.2 Guaranties. No Borrower Party will, or will permit any of its Subsidiaries to, at any time guarantee or enter into or assume any Guaranty, or be obligated with respect to, or permit to be outstanding, any Guaranty, other than (a) guaranties of the Obligations, (b) guaranties of obligations under repurchase agreements of any Borrower Party entered into in connection with the sale of products in the ordinary course of business of such Borrower Party, (c) guaranties of obligations under agreements of any Borrower Party entered into in connection with the acquisition of services, supplies, and equipment in the ordinary course of business of such Borrower Party, (d) endorsements of instruments in the ordinary course of business, (e) guaranties of the Senior Notes Debt as long as such guarantor is also a Guarantor of the Obligations and (f) guaranties by any Borrower Party of any obligation of any other Borrower Party to the extent such obligation is not prohibited hereunder.

Section 8.3 Liens. No Borrower Party will, or will permit any Subsidiary to, create, assume, incur, or permit to exist or to be created, assumed, or permitted to exist,

directly or indirectly, any Lien on any of its property, real or personal, now owned or hereafter acquired, except for Permitted Liens.

Section 8.4 Restricted Payments and Purchases. No Borrower Party shall, or shall permit any Subsidiary to, directly or indirectly declare or make any Restricted Payment or Restricted Purchase, or set aside any funds for any such purpose, other than Dividends on common stock which accrue (but are not paid in cash) or are paid in kind or Dividends on preferred stock which accrue (but are not paid in cash) or are paid in kind; provided, however, that (a) any Subsidiary of the Parent may make Restricted Payments to the Parent or any other Subsidiary of the Parent that owns Equity Interests of such Subsidiary making such Restricted Payment; (b) the Parent may make regularly scheduled payments of interest due on the Senior Notes to the holders thereof in accordance with the terms of the Indenture as in effect on the Agreement Date or as amended thereafter in accordance with Section 8.13 hereof; (c) the Parent may make payments to the Sellers to the extent permitted by the Earnout Subordination Agreement as it exists on the Agreement Date or as amended thereafter in accordance with Section 8.13 hereof; (d) the Parent may make Restricted Payments if (i) no Default has occurred and is continuing or would result from the making of such Restricted Payment, (ii) after giving Pro Forma Effect to such Restricted Payment, the ratio of Total Debt to EBITDA for the four (4) fiscal quarters of the Parent immediately preceding the date of such Restricted Payment would have been at least 0.25 to 1.00 below the covenant level of the ratio of Total Debt to EBITDA applicable during such period under Section 8.8, and (iii) after giving effect to such Restricted Payment, the Availability is at least $40,000,000; and (e) the Parent may issue the Equity Interests contemplated by the Acquisition Agreement on the Agreement Date.

Section 8.5 Investments. No Borrower Party will, or will permit any of its Subsidiaries to, make any loan or advance to, or otherwise acquire for consideration evidences of Indebtedness or Equity Interests in any other Person, except that (a) any Borrower Party or any Subsidiary of a Borrower Party may purchase or otherwise acquire and own, (i) marketable, direct obligations of the United States of America and its agencies maturing within three hundred sixty-five (365) days of the date of purchase, (ii) commercial paper issued by corporations, each of which shall (A) have a consolidated net worth of at least

$250,000,000, and (B) conduct substantially all of its business in the United States of America, which commercial paper will mature within one hundred eighty (180) days from the date of the original issue thereof and is rated "P-1" or better by Moody's, or "A-1" or better by S&P, (iii) certificates of deposit maturing within three hundred sixty-five (365) days of the date of purchase and issued by a United States national or state bank having deposits totaling more than $250,000,000, and whose short-term debt is rated "P-1" or better by Moody's or "A-1" or better by S&P, (iv) up to $100,000 per institution and up to $1,000,000 in the aggregate in (A) short-term obligations issued by any local commercial bank or trust company located in those areas where such Borrower Party or Subsidiary conducts its business, whose deposits are insured by the Federal Deposit Insurance Corporation, or (B) commercial bank-insured

money market funds, or any combination of investments described in clauses (A) and (B), and (v) overnight investments with such financial institutions having a short term deposit rating of "P-1" or better by Moody's, or "A-1" or better by S&P; (b) any Borrower Party or Subsidiary of a Borrower Party may hold the Investments in existence on the Agreement Date and described on Schedule 5.1(l); (c) so long as no Default shall have occurred and be continuing or would result therefrom, any Borrower Party or Subsidiary of a Borrower Party may convert any of its Accounts that are in excess of ninety (90) days past due into notes or Equity Interests from the applicable Account Debtor so long as the Administrative Agent, for the benefit of the Lender Group, is granted a first priority security interest in such Equity Interests or notes held by a Borrower Party which Lien is perfected contemporaneously with the conversion of such Account to Equity Interests or notes; (d) the Borrower Parties may hold the Equity Interests of their respective Subsidiaries in existence as of the Agreement Date and their Subsidiaries created after the Agreement Date in accordance with Section 6.21 and Section 8.7(i); (e) so long as no Default shall have occurred and be continuing or would result therefrom, the Borrower Parties may make additional investments in their Foreign Subsidiaries in the form of loans or additional equity contributions in an aggregate amount not to exceed (excluding amounts owed by Foreign Subsidiaries described in Section 8.1(i)) $5,000,000 at any time outstanding; (f) any Borrower Party may make investments in another Borrower Party; (g) so long as no Default shall have occurred and be continuing or would result therefrom, the Foreign Subsidiaries may make investments in joint ventures in an aggregate amount not to exceed $5,000,000 at any time outstanding; (h) the Borrower Parties and their Subsidiaries may make loans to employees in an aggregate amount not to exceed $500,000 at any time outstanding; and (i) the Parent may consummate the Acquisition.

Section 8.6 Affiliate Transactions. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into or be a party to any agreement or transaction with any Affiliate except (a) as described on Schedule 8.6 or (b) in the ordinary course of business and upon fair and reasonable terms that are no less favorable to such Borrower Party or Subsidiary than it would obtain in a comparable arms length transaction with a Person not an Affiliate of such Borrower Party or Subsidiary and otherwise on terms consistent with the business relationship of such Borrower Party or Subsidiary and such Affiliate prior to the Agreement Date, if any.

Section 8.7 Liquidation; Change in Ownership, Name, or Year; Disposition or Acquisition of Assets; Etc. No Borrower Party shall, or shall permit any of its Subsidiaries to, at any time:

(a) Liquidate or dissolve itself (or suffer any liquidation or dissolution) or otherwise wind up its business (except that any Subsidiary of the Borrowers may liquidate or dissolve itself in accordance with Applicable Law);

(b) Sell, lease, abandon, transfer or otherwise dispose of, in a single transaction or a series of related transactions, any assets, property or business except for (i) the sale of Inventory in the ordinary course of business at the fair market value thereof and for cash or cash equivalents, (ii) physical assets used, consumed or otherwise disposed of in the ordinary course of business, (iii) the sale or disposal of real property, improvements and equipment with a sale value not greater than $5,000,000 in the aggregate for all such assets that may be sold during any year if the purchase price therefor is

paid solely in cash or any non-cash proceeds received by a Borrower Party are pledged to the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Agreement or other documents or agreements in form and substance reasonably satisfactory to the Administrative Agent, (iv) the sale of Accounts consistent with past practices of such Borrower Party and pursuant to factoring arrangements (including, without limitation, those factoring arrangements existing on the Agreement Date and described on Schedule 8.7) which shall (x) be satisfactory to the Administrative Agent, (y) not contain any term permitting such Borrower Party to obtain any loan or advance, secured or unsecured, from the applicable factor, and (z) be subject to a Factoring Intercreditor Agreement, (v) the termination of leases in connection with retail store closures so long as such retail stores closed do not (in the aggregate) account for more than five percent (5%) of the EBITDA of the Parent and its Subsidiaries for the four (4) fiscal quarter period ending on the last day of the fiscal quarter ended immediately prior to any such store closure, and (vi) sales permitted under Section 8.12;

(c) Become a partner or joint venturer with any third party on or after the Agreement Date; provided, however, that, subject to the limitations set forth in Sections 8.1 and 8.5, the Foreign Subsidiaries may enter into partnerships and joint ventures after the Agreement Date;

(d) Acquire (i) all or any substantial part of the assets, property or business of, or (ii) any assets that constitute a division or operating unit of the business of, any other Person; provided, however, that the Parent may consummate the Acquisition on the Agreement Date; provided further, however, that Borrower Parties shall be permitted to purchase all or any substantial part of the assets, property or business of, or any assets that constitute a division or operating unit of the business of, any other Person so long as (A) no Default exists or would be caused thereby and Borrowers deliver to the Administrative Agent and the Lenders evidence satisfactory to the Administrative Agent that the Borrower Parties will be in pro forma compliance with this Agreement after giving effect to the acquisition, (B) the purchase price (including, without limitation, cash received, assumption of any Indebtedness and seller financing) for all such acquisitions in any year does not exceed $15,000,000 in the aggregate plus Equity Interests of the Parent issued to the applicable sellers and the purchase price (including, without limitation, cash received, assumption of any Indebtedness and seller financing) for all such acquisitions during the term of this Agreement does not exceed $30,000,000 in the aggregate plus Equity Interests of the Parent issued to the applicable sellers and (C) the Borrower Parties execute and deliver to the Administrative Agent all documents required by Section 6.16

and 6.21 and the other Loan Documents and any opinions reasonably requested by the Administrative Agent regarding the creation and perfection of the security interests of the Administrative Agent in the Collateral;

(e) Merge or consolidate with any other Person; provided, however, that (i) any Borrower may merge into another Borrower so long as, with respect to any merger with the Parent, the Parent is the surviving entity after such merger, (ii) any Guarantor or Foreign Subsidiary may merge into any Borrower Party so long as, with respect to any merger with a Borrower, such Borrower shall be the surviving entity after such merger and, with respect to any merger by a Foreign Subsidiary with a Guarantor, such Guarantor shall be the surviving entity after such merger, and (iii) any Foreign Subsidiary may merge into another Foreign Subsidiary;

(f) Change its corporate name without giving the Administrative Agent thirty (30) days prior written notice of its intention to do so and complying with all reasonable requirements of the Lender Group in regard thereto;

(g) Change its year-end for accounting purposes from the fiscal year ending on the Friday occurring closest to each May 31;

(h) Acquire any real estate; provided, however, that the Borrowers and their Subsidiaries may acquire real estate so long as, in the case of an acquisition by a Borrower Party, such Borrower Party shall promptly notify the Administrative Agent of the acquisition thereof and, at the request of the Administrative Agent, shall grant to the Administrative Agent, for the benefit of the Lender Group, a first priority mortgage on such real estate in form and

substance reasonably satisfactory to the Administrative Agent and deliver to the Administrative Agent such other documentation and opinions in connection with the grant of such security interest as the Administrative Agent shall request, including, without limitation, policies of title insurance, flood zone certificates, financing statements, fixture filings and environmental audits, and the Borrowers shall pay all recording costs, intangibles taxes and other fees and costs including without limitation reasonable attorneys' fees and expenses of counsel to the Administrative Agent incurred in connection therewith; or

(i) Create any Subsidiary; provided, however, that (i) a Borrower Party may create wholly owned Domestic Subsidiaries so long as such Borrower Party and such Subsidiaries, as applicable, comply with Section 6.21 and (ii) any Borrower Party may create direct Foreign Subsidiaries so long as such Borrower Party and such Foreign Subsidiaries, as applicable, comply with Section 6.21.

Section 8.8 Ratio of Total Debt to EBITDA. The Borrower Parties shall not permit (a) as of the last day of the fiscal month ended closest to June 30, 2003, and each fiscal month end thereafter through the fiscal month ended closest to April 30, 2005, and (b) as of each fiscal quarter end after April 30, 2005, the ratio of Total Debt to EBITDA for the immediately preceding twelve-month period ending with such fiscal month or

fiscal quarter, as applicable, to be greater than the amount hereinbelow specified for such period:

Period:	Total Debt/EBITDA Ratio:
Fiscal month ended closest to June 30, 2003 through December 31, 2003	4.50 to 1.00
Fiscal month ended closest to January 31, 2004 through April 30, 2004	5.25 to 1.00
Fiscal month ended closest to May 31, 2004 through December 31, 2004	4.25 to 1.00
Fiscal month ended closest to January 31, 2005 through April 30, 2005	4.75 to 1.00
Fiscal quarter ended closest to May 31, 2005 and each fiscal quarter thereafter	4.00 to 1.00

Section 8.9 Fixed Charge Coverage Ratio. The Borrower Parties shall not permit for the fiscal quarter ended closest to August 31, 2003, and for each fiscal quarter end thereafter, the Fixed Charge Coverage Ratio for the immediately preceding four (4) fiscal quarter period to be less than the amount hereinbelow specified for such period:

Quarters Ending Closest To:	Ratio:
August 31, 2003 through May 31, 2005	1.20 to 1.00
August 31, 2005 and thereafter	1.25 to 1.00

Section 8.10 Capital Expenditures. The Borrower Parties shall not, nor shall they permit their Subsidiaries to, make or incur in the aggregate any Capital Expenditures in any fiscal year in excess of $22,500,000; provided, however, that in the event that the Borrower Parties make Capital Expenditures less than such amounts in any fiscal year, up to $10,000,000 of the unused available Capital Expenditures amount may be carried forward to increase the Capital Expenditures limitation for the next succeeding fiscal year.

Section 8.11 Limitation on Leases. The Borrower Parties shall not, and shall not permit their Subsidiaries to, create, incur, assume or suffer to exist, any obligation for the payment of rent or hire for property or assets of any kind whatsoever, whether real or

personal, under leases or lease agreements (other than Capitalized Lease Obligations) which would cause the aggregate amount of all such payments made by the Borrower Parties pursuant to such lease or lease agreements during any fiscal year to be increased from the amount of all of such payments made by the Borrower Parties in the prior fiscal year by more than the amount set forth below:

Fiscal Year Ending Closest To:	Maximum Increase:
May 31, 2004	$6,000,000
May 31, 2005	$6,500,000
May 31, 2006	$6,500,000
May 31, 2007 and thereafter	$7,000,000

provided, however, that in the event that such lease payments increase by an amount less than such amount set forth in the table above in any fiscal year, up to fifty percent (50%) of the unused increase amount may be carried forward to increase the limitation for increases in lease payments for the next succeeding fiscal year.

Section 8.12 Sales and Leasebacks. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, with any third party whereby such Borrower Party shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby such Borrower Party or such Subsidiary shall then or thereafter rent or lease as lessee such property or any part thereof or other property which such Borrower Party or such Subsidiary intends to use for substantially the same purpose or purposes as the property sold or transferred which would result in the sale or transfer of assets of the Borrower Parties and their Subsidiaries in an aggregate amount exceeding $15,000,000 during the term of the Agreement.

Section 8.13 Amendment and Waiver. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any amendment of or supplement to, or agree to or accept any waiver, which would adversely affect the rights of such Borrower Party or Subsidiary, or the Lender Group, or any of them, of (a) its articles or certificate of incorporation or formation, by-laws or other governing documents, (b) the Indenture or any of the other Senior Notes Documents, (c) the Earnout Subordination Agreement or (d) the Acquisition Documents.

Section 8.14 ERISA Liability. No Borrower Party shall fail to meet all of the applicable minimum funding requirements of ERISA and the Code, without regard to any waivers thereof, and, to the extent that the assets of any of their Plans would be less (by $1,000,000 or more) than an amount sufficient to provide all accrued benefits payable

under such Plans, the Borrower Parties shall make the maximum deductible contributions allowable under the Code (based on the Borrowers' current actuarial assumptions). No Borrower Party shall become a participant in any Multiemployer Plan.

Section 8.15 Prepayments. No Borrower Party shall, or shall permit any of its Subsidiaries to, prepay, redeem, defease or purchase in any manner, or

deposit or set aside funds for the purpose of any of the foregoing, make any payment in respect of principal of, or make any payment in respect of interest on, (a) any Indebtedness (other than Indebtedness under the Earnout Agreement), except the Borrowers may (i) make regularly scheduled payments of principal or interest required in accordance with the terms of the instruments governing any Indebtedness permitted hereunder, and (ii) make payments, including prepayments permitted or required hereunder, (x) with respect to the Obligations and (y) as expressly permitted by Section 8.4(b), or (b) the Indebtedness under the Earnout Agreement except to the extent permitted by the Earnout Subordination Agreement.

Section 8.16 Negative Pledge. No Borrower Party shall, or shall permit any of its Subsidiaries to, directly or indirectly, enter into any agreement (other than the Loan Documents) with any Person that prohibits or restricts or limits the ability of any Borrower Party or Subsidiary to create, incur, pledge, or suffer to exist any Lien upon any of its respective assets except as set forth in the Indenture as in effect on the Agreement Date or as amended hereafter in accordance with Section 8.13 hereof, or restricts the ability of any Subsidiary of the Borrowers to pay Dividends to the Borrowers.

Section 8.17 Inconsistent Agreements. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any contract or agreement which would violate the terms hereof or any other Loan Document.

ARTICLE 9.

DEFAULT

Section 9.1 Events of Default. Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule, or regulation of any governmental or non-governmental body:

(a) Any representation or warranty made under this Agreement or in any Security Document or in any Hedge Agreement shall prove incorrect or misleading in any material respect when made or deemed to have been made pursuant to Section 5.4;

(b) (i) Any payment of any principal hereunder, or any reimbursement obligations with respect to any Letter of Credit shall not be received by the Administrative Agent on the date such payment is due, or (ii) any payment of any interest

hereunder or any fees payable hereunder or under the other Loan Documents shall not be received by the Administrative Agent within one (1) Business Day from the date on which such payment is due;

(c) Any Borrower Party shall default in the performance or observance of any agreement or covenant contained in Section 2.12, 6.1, 6.5, 6.7, 6.15 or 6.21 or in Article 7 or Article 8 or shall default in the performance or observance of any material covenant in any Security Document (including, without limitation, any covenant as to the perfection of the Administrative Agent's security interest in the Collateral);

(d) Any Borrower Party shall default in the performance or observance of any other agreement or covenant contained in this Agreement not specifically referred to elsewhere in this Section 9.1, and such default, if curable, shall not be cured to the Majority Lenders' satisfaction within the earlier of (i) a period of twenty (20) days from the date that such Borrower Party knew or should have known of the occurrence of such default, or (ii) a period of twenty (20) days after written notice of such default is given to such Borrower Party;

(e) There shall occur any default in the performance or observance of any agreement or covenant or breach of any representation or warranty contained in any of the other Loan Documents or any Hedge Agreement (other than this Agreement or the Security Documents or as otherwise provided in this Section 9.1) which shall not be cured to the Majority Lenders' satisfaction within the applicable cure period, if any, provided for in such Loan Document, or, if there is no applicable cure period set forth in such Loan Document, within the earlier of (i) a period of twenty (20) days from the date that any

Borrower Party knew of the occurrence of such default, or (ii) a period of twenty (20) days after written notice of such default is given to the Borrower Parties;

(f) There shall occur any Change of Control;

(g) (i) There shall be entered a decree or order for relief in respect of any Borrower Party or any Subsidiary of Borrower Party under the Bankruptcy Code, or any other applicable federal or state bankruptcy law or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of any Borrower Party or any Subsidiary of Borrower Party or of any substantial part of its properties, or ordering the winding-up or liquidation of the affairs of any Borrower Party, or (ii) an involuntary petition shall be filed against any Borrower Party or any Subsidiary of Borrower Party and a temporary stay entered and (A) such petition and stay shall not be diligently contested, or (B) any such petition and stay shall continue undismissed for a period of sixty (60) consecutive days;

(h) Any Borrower Party or any Subsidiary of Borrower Party shall commence an Insolvency Proceeding, or a Borrower Party or any Subsidiary of Borrower Party shall consent to the institution of an Insolvency Proceeding or to the appointment or taking of possession of a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other

similar official of such Borrower Party or any Subsidiary of Borrower Party or of any substantial part of its properties, or any Borrower Party or any Subsidiary of Borrower Party shall fail generally to pay their respective debts as they become due, or any Borrower Party or any Subsidiary of Borrower Party shall take any action in furtherance of any such action;

(i) A final judgment (other than a money judgment or judgments fully covered (except for customary deductibles or copayments not to exceed $7,500,000 in the aggregate) by insurance as to which the insurance company has acknowledged coverage) shall be entered by any court against any Borrower Party or any Subsidiary of a Borrower Party for the payment of money which exceeds $7,500,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of any Borrower Party or any Subsidiary of a Borrower Party pursuant to a final judgment which, together with all other such property of any Borrower Party or any Subsidiary of a Borrower Party, as applicable, subject to other such process, exceeds in value $7,500,000 in the aggregate, and if, within thirty (30) days after the entry, issue, or levy thereof, such judgment, warrant, or process shall not have been paid or discharged or stayed pending appeal, or if, after the expiration of any such stay, such judgment, warrant, or process shall not have been paid or discharged;

(j) (i) There shall be at any time any "accumulated funding deficiency," as defined in Section 3.02 of ERISA or in Section 412 of the Code, with respect to any Plan maintained by any Borrower Party or any ERISA Affiliate of a Borrower Party, or to which any Borrower Party or any of its ERISA Affiliates has any liabilities, or any trust created thereunder; or (ii) a trustee shall be appointed by a United States District Court to administer any such Plan; or (iii) the PBGC shall institute proceedings to terminate any such Plan; or (iv) any Borrower Party or any ERISA Affiliate of any Borrower Party shall incur any liability to the PBGC in connection with the termination of any such Plan; or (v) any Plan or trust created under any Plan of any Borrower Party or any ERISA Affiliate of any Borrower Party shall engage in a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any such Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any such Plan or trust to any material tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code; or (vi) any Borrower Party or any ERISA Affiliate of any Borrower Party shall enter into or become obligated to contribute to a Multiemployer Plan in an aggregate amount which, together with any liabilities in any of the foregoing clauses (i), (ii), (iii) (iv) or (v) of this Section 9.1(j) is in excess of $7,500,000;

(k) There shall occur any default (after the expiration of any applicable cure period) under the Senior Notes Documents, the Earnout Agreement (other than arising as a result of a payment block pursuant to the Earnout Subordination Agreement) or any other indenture, agreement, or instrument evidencing Indebtedness of any Borrower Party

or any Subsidiary of a Borrower Party in an aggregate principal amount exceeding $5,000,000 (determined singly or in the aggregate with other Indebtedness);

(l) All or any portion of any Loan Document or of any Hedge Agreement shall at any time and for any reason be declared to be null and void, or a proceeding shall be commenced by any Borrower Party or any Affiliate thereof, or by any governmental authority having jurisdiction over any Borrower Party any Affiliate of any Borrower Party, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Borrower Party or any Affiliate of a Borrower Party shall deny that it has any liability or obligation for the payment of any Obligation purported to be created under any Loan Document or any Hedge Agreement;

(m) There shall occur any default by any party under the Acquisition Agreement or any other document or instrument delivered in connection therewith (other than the Earnout Agreement), or any such document shall cease to be in full force and effect (except pursuant to its terms) or shall be declared null and void, or any party thereto shall deny it has any further liability or obligation thereunder (except pursuant to its terms), which in any such case could reasonably be expected to expose the Parent to a claim, loss or liability in an aggregate amount in excess of $7,500,000; or

(n) The Acquisition shall not have become effective on the Agreement Date.

Section 9.2 Remedies. If an Event of Default shall have occurred and shall be continuing, in addition to the rights and remedies set forth elsewhere in this Agreement and the Loan Documents and in any Hedge Agreements:

(a) With the exception of an Event of Default specified in Section 9.1(g) or (h), the Administrative Agent, at the direction of the Majority Lenders, shall (i) terminate the Revolving Loan Commitments and the Letter of Credit Commitment, or (ii) declare the principal of and interest on the Loans and all other Obligations (other than any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or any Lender (or an affiliate of a Lender) arising from or in connection with any Hedge Agreements) to be forthwith due and payable without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, anything in this Agreement or in any Revolving Loan Notes to the contrary notwithstanding, or both.

(b) Upon the occurrence and continuance of an Event of Default specified in Sections 9.1(g) or (h), such principal, interest, and other Obligations (other than any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) arising from or in connection with any Hedge Agreements) shall thereupon and concurrently therewith become due and payable, and the Revolving Loan Commitments and the Letter of Credit Commitment, shall forthwith terminate, all without any action by the Lender Group, or any of them, or the

Majority Lenders and without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything in this Agreement or in any Revolving Loan Notes to the contrary notwithstanding.

(c) The Administrative Agent, with the concurrence of the Majority Lenders, shall exercise all of the post-default rights granted to it and to them under the Loan Documents or under Applicable Law. The Administrative Agent, for the benefit of the Lender Group, shall have the right to the appointment of a receiver for the Property of the Borrower Parties, and the Borrower Parties hereby consent to such rights and such appointment and hereby waive any objection the Borrower Parties may have thereto or the right to have a bond or other security posted by the Lender Group or any of them in connection therewith.

(d) In regard to all Letters of Credit with respect to which

presentment for honor shall not have occurred at the time of any acceleration of the Obligations pursuant to the provisions of this Section 9.2 or, upon the request of the Administrative Agent, after the occurrence of an Event of Default and prior to acceleration, the Borrowers shall promptly upon demand by the Administrative Agent deposit in a Letter of Credit Reserve Account opened by Administrative Agent for the benefit of the applicable Issuing Bank an amount equal to one hundred and five percent (105%) of the aggregate then undrawn and unexpired amount of such Letter of Credit Obligations. Amounts held in such Letter of Credit Reserve Account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations in the manner set forth in Section 2.11. Pending the application of such deposit to the payment of the Reimbursement Obligations, the Administrative Agent shall, to the extent reasonably practicable, invest such deposit in an interest bearing open account or similar available savings deposit account and all interest accrued thereon shall be held with such deposit as additional security for the Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied, and all other Obligations shall have been paid in full, the balance, if any, in such Letter of Credit Reserve Account shall be returned to the Borrowers. Except as expressly provided hereinabove, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrowers.

(e) The rights and remedies of the Lender Group hereunder shall be cumulative, and not exclusive.

ARTICLE 10.

THE ADMINISTRATIVE AGENT

Section 10.1 Appointment and Authorization. Each Lender hereby irrevocably appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its Revolving Loans and in any Revolving Loan Notes irrevocably to appoint

and authorize, the Administrative Agent to take such actions as its agent on its behalf and to exercise such powers hereunder and under the other Loan Documents as are delegated by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver each Loan Document to which the Administrative Agent is, or is required to be, a party. Neither the Administrative Agent nor any of its directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith, except for its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction. Except as expressly otherwise provided in this Agreement, the Administrative Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions which the Administrative Agent is expressly entitled to take or assert under this Agreement and the other Loan Documents, including (a) the determination of the applicability of ineligibility criteria with respect to the calculation of the Borrowing Base, (b) the making of Agent Advances pursuant to Section 2.1(e), and (c) the exercise of remedies pursuant to Section 9.2, and any action so taken or not taken shall be deemed consented to by the Lenders.

Section 10.2 Interest Holders. The Administrative Agent may treat each Lender, or the Person designated in the last notice filed with the Administrative Agent under this Section 10.2, as the holder of all of the interests of such Lender in its Revolving Loans and in any Revolving Loan Notes issued to it until written notice of transfer, signed by such Lender (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent.

Section 10.3 Consultation with Counsel. The Administrative Agent may consult with legal counsel selected by it and shall not be liable to any Lender or any Issuing Bank for any action taken or suffered by it in good faith in reliance on the advice of such counsel.

Section 10.4 Documents. The Administrative Agent shall not be under any duty to examine, inquire into, or pass upon the validity, effectiveness, or genuineness of this Agreement, any Revolving Loan Note, or any instrument, document, or communication furnished pursuant hereto or in connection herewith, and the Administrative Agent shall be entitled to assume that they are valid, effective, and genuine, have been signed or sent by the proper parties, and are what they purport to be.

Section 10.5 Administrative Agent and Affiliates. With respect to the Revolving Loan Commitment and Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Lender, and the Administrative Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of

business with the Borrower Parties or any Affiliates of, or Persons doing business with, the Borrower Parties, as if it were not the Administrative Agent or affiliated with the Administrative Agent and without any obligation to account therefor. The Lenders and the Issuing Banks acknowledge that the Administrative Agent and its affiliates have other lending and investment relationships with the Borrower Parties and their Affiliates and in the future may enter into additional such relationships.

Section 10.6 Responsibility of the Administrative Agent. The duties and obligations of the Administrative Agent under this Agreement are only those expressly set forth in this Agreement. The Administrative Agent shall be entitled to assume that no Default has occurred and is continuing unless it has actual knowledge, or has been notified by the any Borrower Party, of such fact, or has been notified by a Lender that such Lender considers that a Default or an Event of Default has occurred and is continuing, and such Lender shall specify in detail the nature thereof in writing. The Administrative Agent shall provide each Lender with copies of such documents received from any Borrower Party as such Lender may reasonably request.

Section 10.7 Action by Administrative Agent.

(a) The Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Administrative Agent shall have been instructed by the Majority Lenders to exercise or refrain from exercising such rights or to take or refrain from taking such action, provided that the Administrative Agent shall not exercise any rights under Section 9.2(a) or 9.2(c) of this Agreement without the approval of the Majority Lenders. The Administrative Agent shall incur no liability under or in respect of this Agreement with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances.

(b) The Administrative Agent shall not be liable to the Lenders or the Issuing Banks or any of them in acting or refraining from acting under this Agreement in accordance with the instructions of the Majority Lenders (or all Lenders if required by Section 11.12), and any action taken or failure to act pursuant to such instructions shall be binding on all Lenders and the Issuing Banks.

Section 10.8 Notice of Default. In the event that the Administrative Agent or any Lender shall acquire actual knowledge, or shall have been notified in writing, of any Default, the Administrative Agent or such Lender shall promptly notify the Lenders and the Administrative Agent, and the Administrative Agent shall take such action and assert such rights under this Agreement as the Majority Lenders shall request in writing, and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Lenders shall fail to request the Administrative Agent to take action or to assert rights under this Agreement in respect of any Default

within ten (10) days after their receipt of the notice of any Default from the Administrative Agent or any Lender, or shall request inconsistent action with respect to such Default, the Administrative Agent may, but shall not be required to, take such action and assert such rights (other than rights under Article 9) as it deems in its discretion to be advisable for the protection of the Lender Group, except that, if the Majority Lenders have instructed the Administrative Agent not to take such action or assert such right, in no event shall the Administrative Agent act contrary to such instructions.

Section 10.9 Responsibility Disclaimed. The Administrative Agent shall not be under any liability or responsibility whatsoever as Administrative Agent:

(a) To any Borrower Party or any other Person or entity as a consequence of any failure or delay in performance by or any breach by, any Lender or Lenders of any of its or their obligations under this Agreement;

(b) To any Lender or Lenders, as a consequence of any failure or delay in performance by, or any breach by, any Borrower Party or any other obligor of any of its obligations under this Agreement or any Revolving Loan Notes or any other Loan Document; or

(c) To any Lender or Lenders for any statements, representations, or warranties in this Agreement, or any other document contemplated by this Agreement or any information provided pursuant to this Agreement, any other Loan Document, or any other document contemplated by this Agreement, or for the validity, effectiveness, enforceability, or sufficiency of this Agreement, any Revolving Loan Notes, any other Loan Document, or any other document contemplated by this Agreement.

Section 10.10 Indemnification. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrowers) pro rata in accordance with their Revolving Commitment Ratios from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, investigations, costs, expenses (including fees and expenses of experts, agents, consultants, and counsel), or disbursements of any kind or nature (whether or not the Administrative Agent is a party to any such action, suit or investigation) whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any other Loan Document, or any other document contemplated by this Agreement or any action taken or omitted by the Administrative Agent under this Agreement, any other Loan Document, or any other document contemplated by this Agreement, except that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent as determined by a final non-appealable order of a court of competent jurisdiction. This provision is for the benefit of the Administrative Agent and shall not in any way limit the obligations of the

Borrower Parties under Section 6.18. The provisions of this Section 10.10 shall survive the termination of this Agreement.

Section 10.11 Credit Decision. Each Lender represents and warrants to each other and to the Administrative Agent that:

(a) In making its decision to enter into this Agreement and to make its Advances it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrower Parties and that it has made an independent credit judgment, and that it has not relied upon information provided by the Administrative Agent; and

(b) So long as any portion of the Obligations remains outstanding, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrower Parties.

Section 10.12 Successor Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative

Agent (with the consent of the Borrowers if no Event of Default then exists). If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be any Lender or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of $500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties, and obligations of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 10.12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

Section 10.13 Administrative Agent May File Proofs of Claim. The Administrative Agent may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent, its agents, financial advisors and counsel), the Lenders and the Issuing Banks allowed in any judicial proceedings relative to any Borrower Party, or any of their respective creditors or property, and shall be entitled and empowered to collect, receive and distribute any monies, securities or other property

payable or deliverable on any such claims and any custodian in any such judicial proceedings is hereby authorized by each Lender and Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Banks, to pay to the Administrative Agent any amount due to the Administrative Agent for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent, its agents, financial advisors and counsel, and any other amounts due the Administrative Agent under Section 11.2. Nothing contained in this Agreement or the other Loan Documents shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting this Agreement, any Revolving Loan Notes, the Letters of Credit or the rights of any holder thereof, or to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Bank in any such proceeding.

Section 10.14 Collateral. The Administrative Agent is hereby authorized to hold all Collateral pledged pursuant to any Loan Document and to act on behalf of the Lender Group, in its own capacity and through other agents appointed by it, under the Security Documents; provided, that the Administrative Agent shall not agree to the release of any Collateral except in accordance with the terms of this Agreement. The Lender Group acknowledges that the Loans, any Overadvances, all Obligations with respect to Bank Products Documents and all interest, fees and expenses hereunder constitute one Indebtedness, secured by all of the Collateral. The Administrative Agent hereby appoints each Lender and each Issuing Bank as its agent (and each Lender and Issuing Bank hereby accepts such appointment) for the purpose of perfecting the Administrative Agent's Liens in assets which, in accordance with the UCC, can be perfected by possession. Should any Lender or Issuing Bank obtain possession of any such Collateral, subject to the limitations set forth in the Block Account Agreements, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions.

Section 10.15 Release of Collateral.

(a) Each Lender and each Issuing Bank hereby directs, in accordance with the terms of this Agreement, the Administrative Agent to release any Lien held by the Administrative Agent for the benefit of the Lender Group:

(i) against all of the Collateral, upon final and indefeasible payment in full of the Obligations and termination of this Agreement; or

(ii) against any part of the Collateral sold or disposed of by the Borrower Parties if such sale or disposition is permitted by Section 8.7 or is otherwise consented to by the requisite Lenders for such release as set forth in Section 11.12, as certified to the Administrative Agent by the Administrative

Borrower in a certificate of an Authorized Signatory of the Administrative Borrower.

(b) Each Lender and each Issuing Bank hereby directs the Administrative Agent to execute and deliver or file or authorize the filing of such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this Section 10.15 promptly upon the effectiveness of any such release. Upon request by the Administrative Agent at any time, the Lenders and the Issuing Banks will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this Section 10.15.

Section 10.16 Additional Agents. None of the Lenders or other entities identified on the facing page of this Agreement as an "Joint Lead Arranger", "Syndication Agent", "Co-Syndication Agent", or "Co-Documentation Agents" shall have any right, power, obligation, liability, responsibility or duty under this Agreement or any other Loan Document other than those applicable to all Lenders as such; provided, however, that the Syndication Agent shall have certain rights under Sections 4.1 and 4.3 to approve certain documents delivered in connection with the closing of this Agreement. Without limiting the foregoing, none of the Lenders so identified shall have or be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other entities so identified in deciding to enter into this Agreement or any other Loan Document or in taking or not taking action hereunder or thereunder.

ARTICLE 11.

MISCELLANEOUS

Section 11.1 Notices.

(a) All notices and other communications under this Agreement shall be in writing and shall be deemed to have been given five (5) days after deposit in the mail, designated as certified mail, return receipt requested, post-prepaid, or one (1) day after being entrusted to a reputable commercial overnight delivery service, or when delivered to the telegraph office or sent out by telex or telecopy (or to the extent specifically permitted under Article 7 only, by electronic means) addressed to the party to which such notice is directed at its address determined as in this Section 11.1. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

(i) If to any Borrower Party, to the Administrative Borrower in care of such Borrower Party at:

Oxford Industries, Inc.
222 Piedmont Avenue
Atlanta, Georgia 30308-3391
Attn: Thomas C. Chubb, III
Telecopy No.: (404) 653-1545
with a copy to:

King & Spalding LLP
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1763
Attn: Russell B. Richards
Telecopy No.: (404) 572-5100

(ii) If to the Administrative Agent, to it at:

SunTrust Bank
303 Peachtree Street
Atlanta, Georgia 30308
Attn: Ken Bauchle
Telecopy No.: (404) 575-2693
Electronic Mail: ken.bauchle@suntrust.com

with a copy to:

SunTrust Robinson Humphrey, a
division of SunTrust Capital Markets, Inc.
303 Peachtree Street, 25th Floor
Mail Code ATL 7662
Atlanta, GA 30308
Attn: Horst Kisch
Director - Agency Services
Telecopy No: (404) 724-3879
Electronic Mail: horst.kisch@suntrust.com

with a copy to:

Chris D. Molen, Esq.
Paul, Hastings, Janofsky & Walker LLP
600 Peachtree Street, N.E.
Suite 2400
Atlanta, Georgia 30308
Telecopy No.: (404) 815-2424

(iii) If to the Lenders, to them at the addresses set forth on the signature pages of this Agreement.

(iv) If to the Issuing Banks, at the addresses set forth on the signature pages of this Agreement.

Copies shall be provided to Persons other than parties hereto only in the case of notices under Article 9.

(b) Any party hereto may change the address to which notices shall be directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other parties.

Section 11.2 Expenses. The Borrowers agree to promptly pay or reimburse:

(a) All out-of-pocket expenses of the Administrative Agent and Syndication Agent in connection with the preparation, negotiation, execution, delivery and syndication of this Agreement and the other Loan Documents and any Bank Products, the transactions contemplated hereunder and thereunder, and the making of the initial Advance hereunder, including, but not limited to, the reasonable fees and disbursements of counsel for the Administrative Agent and the Syndication Agent, and allocated costs for services of internal counsel for the Administrative Agent and the Syndication Agent;

(b) All out-of-pocket expenses of the Administrative Agent in connection with the administration of the transactions contemplated in this Agreement or the other Loan Documents or any Bank Products, and the preparation, negotiation, execution, and delivery of any waiver, amendment, or consent by the Lenders relating to this Agreement or the other Loan Documents or any Bank Products, including, but not limited to, (i) all reasonable fees, expenses and disbursements of any law firm or other counsel engaged by the Administrative Agent, and the reasonably allocated costs and expenses of internal legal services of the Administrative Agent; (ii) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with the Loan Documents or in respect of any Bank Products and the transactions contemplated thereby; (iii) costs and expenses of lien and title searches and title insurance; (iv) taxes, fees and other charges for recording any mortgages, filing financing statements and continuations, and other

actions to perfect, protect, and continue the Administrative Agent's Liens (including costs and expenses paid or incurred by the Administrative Agent in connection with the consummation of this Agreement); (v) sums paid or incurred to pay any amount or take any action required of the Borrower Parties under the Loan Documents or in respect of any Bank Products that the Borrower Parties fail to pay or take; (vi) costs of appraisals, inspections, and verifications of the Collateral and other due diligence, including reasonable out-of-pocket expenses for travel, lodging, and meals for inspections of the Collateral and the Borrower Parties' operations by the Administrative Agent plus the Administrative Agent's then generally-applicable and customary charge for field examinations and audits or any reappraisals and the preparation of reports thereof; and (vii) costs and expenses of forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining Blocked Accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral;

(c) All out-of-pocket costs and expenses of the Administrative Agent in connection with any restructuring, refinancing, or "work out" of the transactions contemplated by this Agreement, and of obtaining performance under this Agreement or the other Loan Documents or in respect of any Hedge Agreements, and all out-of-pocket costs and expenses of collection of the Administrative Agent if default is made in the payment of the Obligations, which in each case shall include fees and out-of-pocket expenses of counsel for Administrative Agent, and the fees and out-of-pocket expenses of any experts of the Administrative Agent, or consultants of the Administrative Agent, including, in each case, but without in any way limiting the generality of the foregoing, allocated costs for service of internal counsel for the Administrative Agent. In addition to the foregoing, upon the occurrence and during the continuance of an Event of Default, the Borrower Parties shall reimburse the other members of the Lender Group for the out of pocket costs and expenses of one counsel for the Lender Group (in addition to the Administrative Agent's counsel referred to above); and

(d) All taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against any of the Collateral, any Revolving Notes or the Obligations.

Section 11.3 Waivers. The rights and remedies of the Administrative Agent and the Lenders under this Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No failure or delay by the Lender Group, or any of them, or the Majority Lenders in exercising any right shall operate as a waiver of such right. The Lender Group expressly reserves the right to require strict compliance with the terms of this Agreement in connection with any funding of a request for an Advance. In the event the Lenders decide to fund a request for an Advance at a time when the Borrowers are not in strict compliance with the terms of this Agreement, such decision by the Lenders shall not be deemed to constitute an undertaking by the Lenders to fund any further requests for Advances or preclude the Lenders from exercising any rights available to the Lenders under the Loan Documents

or at law or equity. Any waiver or indulgence granted by the Lenders or by the Majority Lenders shall not constitute a modification of this Agreement, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing by the Lenders at variance with the terms of the Agreement such as to require further notice by the Lenders of the Lenders' intent to require strict adherence to the terms of the Agreement in the future. Any such actions shall not in any way affect the ability of the Lenders, in their discretion, to exercise any rights available to them under this Agreement or under any other agreement, whether or not the Lenders are party, relating to the Borrowers.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, except to the extent limited by Applicable Law, upon the occurrence of an Event of Default and during the continuation thereof, the Lenders and any subsequent holder or holders of the Obligations are hereby authorized by the Borrower Parties at any time or from time to time, without notice to any Borrower Party

or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured, but not including any amounts held by the Administrative Agent or any of its Affiliates in any escrow account) and any other Indebtedness at any time held or owing by the Lenders or such holder to or for the credit or the account of any Borrower Party, against and on account of the obligations and liabilities of the Borrower Party, to the Lenders or such holder under this Agreement, any Revolving Loan Notes, and any other Loan Document, and any Bank Products Documents, including, but not limited to, all claims of any nature or description arising out of or connected with this Agreement, any Revolving Loan Notes, or any other Loan Document, or any Bank Products Documents, irrespective of whether or not (a) the Lenders or the holder of the Obligations shall have made any demand hereunder or (b) the Lenders shall have declared the principal of and interest on the Loans and any Revolving Loan Notes and other amounts due hereunder to be due and payable as permitted by Section 9.2 and although said obligations and liabilities, or any of them, shall be contingent or unmatured. Any sums obtained by any Lender or by any subsequent holder of the Obligations shall be subject to the application of payments provisions of Article 2.

Section 11.5 Assignment.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower Party without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and

assigns permitted hereby and, to the extent expressly contemplated hereby, the Affiliates of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Loan Commitment and the Revolving Loans at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Loan Commitment and the Revolving Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Revolving Loan Commitment, of the assigning Lender subject to each such assignment, (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), and (ii) the parties (but no Borrower Party) to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of $1,000 (which fee shall not be required in the case of an assignment to an Affiliate of a member of the Lender Group), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption Agreement, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.8(b), 2.9, 6.18, 12.3 and 12.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Loan Commitments of, and principal amount of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person

whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Administrative Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Loan Commitment and/or the Revolving Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers and the Lender Group shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 11.12(a)(i) that affects such Participant. Subject to paragraph (e) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.8(b), 2.9, 6.18, 6.19(c) and 12.3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.10(b) as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 2.8(b) or Section 12.3 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Administrative Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.8(b) unless the Administrative Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.8(b) as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation (i) any pledge or assignment to secure obligations to a Federal Reserve Bank and (ii) in the case of any Lender that is a Fund, any pledge or assignment of all or any portion of such Lender's rights under this Agreement to any holders of obligations owed, or securities issued, by such Lender as security for such obligations or securities, or to any trustee for, or any other representative of, such holders, and this Section shall not apply to any such pledge or assignment of a security interest;

provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 11.6 Counterparts. This Agreement may be executed in any number

of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Agreement or any other Loan Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission shall be deemed an original signature hereto.

Section 11.7 Governing Law. This Agreement and the Loan Documents shall be construed in accordance with and governed by the laws of the State of New York, without regard to the conflict of laws principles thereof, except to the extent otherwise provided in the Loan Documents.

Section 11.8 Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.9 Headings. Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

Section 11.10 Source of Funds. Notwithstanding the use by the Lenders of the Base Rate and the Eurodollar Rate as reference rates for the determination of interest on the Loans, the Lenders shall be under no obligation to obtain funds from any particular source in order to charge interest to the Borrowers at interest rates tied to such reference rates.

Section 11.11 Entire Agreement. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. Each Borrower represents and warrants to the Lender Group that it has read the provisions of this Section 11.11 and discussed the provisions of this Section 11.11 and the rest of this Loan Agreement with counsel for such Borrower, and such Borrower acknowledges and agrees that the Lender Group is expressly relying upon such representations and warranties of such Borrower (as well as the other representations and warranties of such Borrower set forth in Section 5.1) in entering into this Agreement.

Section 11.12 Amendments and Waivers

(a) Neither this Agreement, any other Loan Document nor any term hereof or thereof may be amended orally, nor may any provision hereof be waived orally but only by an instrument in writing signed by the Majority Lenders, or in the case of Loan Documents executed by the Administrative Agent, signed by the Administrative Agent and approved by, Majority Lenders and, in the case of an amendment, also by the Borrowers, except that (i) the consent of each of the Lenders shall be required for (A) any sale or release of, or the subordination of the Administrative Agent's security interest in, any material Collateral except in conjunction with sales or transfers of Collateral permitted hereunder, or any release of any guarantor of the Obligations, (B) any extensions, postponements or delays of the Maturity Date, the scheduled date of payment of interest or principal or fees, or any reduction of principal (without a corresponding payment with respect thereto), or any reduction in the rate of interest or fees due to the Lenders hereunder or under any other Loan Document, (C) any amendment of this Section 11.12 or of the definition of "Majority Lenders," or any other provision of the Loan Documents specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder; (D) any amendment increasing the Revolving Loan Commitments (it being understood and agreed that a waiver of any Default or a modification of any of the defined terms contained herein (other than those defined terms specifically addressed in this Section 11.12) shall not constitute a change in the terms of the Revolving Loan Commitment of any Lender); (E) any amendment to the definition of "Borrowing Base" other than a reduction in the percentages set forth in such definition; (F) any amendment to the definitions of "Availability" or "Bank Products;" or (G) any amendment to Section 2.11 of this Agreement, (ii) the consent of the Administrative Agent, the Majority Lenders and the Borrowers shall be required for any amendment to Article 10; (iii) the consent of the Issuing Banks, the

Majority Lenders and the Borrowers shall be required for any amendment to Section 2.15 and (iv) the consent of the Guarantors and the Majority Lenders shall be required for any amendment to Article 3; provided, however, the Administrative Agent may, in its sole discretion and notwithstanding the limitations contained in clauses (i)(E) and (i)(F) above and any other terms of this Agreement, make Agent Advances in accordance with Section 2.1(e) and, provided further, that Schedule 1(b) hereto (Revolving Commitment Ratios) may be amended from time to time by the Administrative Agent alone to reflect assignments of Revolving Loan Commitments in accordance herewith.

(b) Each Lender grants to the Administrative Agent the right to purchase all (but not less than all) of such Lender's Revolving Loan Commitment, Letter of Credit Commitment, the Loans and Letter of Credit Obligations owing to it and any Revolving Loan Notes held by it and all of its rights and obligations hereunder and under the other Loan Documents at a price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and accrued but unpaid commitment fees and letter of credit fees owing to such Lender plus the amount necessary to cash collateralize any Letters of Credit issued by such Lender, which right may be exercised by the Administrative Agent if such Lender refuses to execute any

amendment, waiver or consent which requires the written consent of all of the Lenders and to which the Majority Lenders, the Administrative Agent and the Borrowers have agreed so long as such right is exercised within ninety (90) days of the date any approval for such amendment, waiver or consent was due. Each Lender agrees that if the Administrative Agent exercises its option hereunder, it shall promptly execute and deliver an Assignment and Assumption Agreement and other agreements and documentation necessary to effectuate such assignment. The Administrative Agent may assign its purchase rights hereunder to any assignee if such assignment complies with the requirements of Section 11.5(b).

(c) If any fees are paid to the Lenders as consideration for amendments, waivers or consents with respect to this Agreement, at Administrative Agent's election, such fees may be paid only to those Lenders that agree to such amendments, waivers or consents within the time specified for submission thereof.

Section 11.13 Other Relationships. No relationship created hereunder or under any other Loan Document shall in any way affect the ability of the Administrative Agent, each Issuing Bank and each Lender to enter into or maintain business relationships with the Borrowers, or any of their respective Affiliates, beyond the relationships specifically contemplated by this Agreement and the other Loan Documents.

Section 11.14 Pronouns. The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

Section 11.15 Disclosure. The Borrower Parties agree that the Administrative Agent shall have the right, with the consent of the Administrative Borrower, to issue press releases regarding the making of the Loans to the Borrowers pursuant to the terms of this Agreement.

Section 11.16 Replacement of Lender. In the event that a Replacement Event (as defined below) occurs and is continuing with respect to any Lender, the Borrowers may designate another financial institution (such financial institution being herein called a "Replacement Lender") acceptable to the Administrative Agent, and which is not a Borrower or an Affiliate of the Borrowers, to assume such Lender's Revolving Loan Commitment hereunder, to purchase the Loans and participations of such Lender and such Lender's rights hereunder and (if such Lender is an Issuing Bank) to issue Letters of Credit in substitution for all outstanding Letters of Credit issued by such Lender, without recourse to or representation or warranty by, or expense to, such Lender for a purchase price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and accrued but unpaid commitment fees and letter of credit fees owing to such Lender, and upon such assumption, purchase and substitution, and subject to the execution and delivery to the Administrative Agent by the Replacement Lender of documentation satisfactory to the Administrative Agent (pursuant to which such Replacement Lender shall assume the obligations of such original Lender

under this Agreement), the Replacement Lender shall succeed to the rights and obligations of such Lender hereunder and such Lender shall no longer be a party hereto or have any rights hereunder provided that the obligations of the Borrowers to indemnify such Lender with respect to any event occurring or obligations arising before such replacement shall survive such replacement. "Replacement Event" means, with respect to any Lender, (a) the commencement of or the taking of possession by, a receiver, custodian, conservator, trustee or liquidator of such Lender, or the declaration by the appropriate regulatory authority that such Lender is insolvent or (b) the making of any claim by any Lender under Section 2.8(b), 12.3 or 12.5, unless the changing of the lending office by such Lender would obviate the need of such Lender to make future claims under such Sections.

Section 11.17 Confidentiality. No member of the Lender Group shall disclose any Confidential Information to any other Person without the consent of the Administrative Borrower, other than (i) to such member of the Lender Group's Affiliates and their officers, directors, employees, agents and advisors, to other members of the Lender Group and, as contemplated by Section 11.5, to actual or prospective assignees and participants, and then only on a confidential basis, (ii) as required by any law, rule or regulation or judicial process, (iii) to any rating agency when required by it, provided, that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Confidential Information relating to the Borrower Parties received by it from such member of the Lender Group, (iv) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking, and (v) in connection with the exercise of any remedy hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. Notwithstanding anything herein to the contrary, the members of the Lender Group (and their respective employees, representatives, or other agents) may disclose to any and all other Persons, without limitation of any kind, the tax treatment and tax structure of this Agreement and the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such Person relating to such tax treatment and tax structure. For the avoidance of doubt, no disclosure to any Person is permitted with respect to any aspect of this Agreement or the transactions contemplated hereby, to the extent such aspect does not relate to tax treatment or tax structure or except as otherwise permitted hereunder. The parties hereto hereby acknowledge and agree that none of the interest rates, fee amounts or other amounts set forth in such agreements relate to tax treatment or tax structure. The foregoing is intended to comply with the presumption set forth in Treasury Regulation Section 1.6011-4(b)(3)(iii) and should be interpreted in a manner consistent with such regulation.

ARTICLE 12.

YIELD PROTECTION

Section 12.1 Eurodollar Rate Basis Determination. Notwithstanding anything contained herein which may be construed to the contrary, if with respect to any proposed Eurodollar Advance for any Eurodollar Advance Period, the Administrative Agent determines that deposits in Dollars (in the applicable amount) are not being offered by leading banks in the London interbank market for such Eurodollar Advance Period, the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Lenders, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such situation no longer exist, the obligations of the Lenders to make Eurodollar Advances shall be suspended.

Section 12.2 Illegality. If any change in Applicable Law, any change in the interpretation or administration of any Applicable Law by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or any change in compliance with Applicable Law as a result of compliance by any Lender with any request or directive (whether or not having the force of law) of any such authority, central bank, or comparable agency after the Agreement Date, shall make it unlawful or impossible for any Lender to make, maintain, or fund its Eurodollar Advances, such Lender shall so

notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Administrative Borrower. Before giving any notice to the Administrative Agent pursuant to this Section 12.2, such Lender shall designate a different lending office if such designation will avoid the need for giving such notice and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. Upon receipt of such notice, notwithstanding anything contained in Article 2, the Borrowers shall repay in full the then outstanding principal amount of each affected Eurodollar Advance of such Lender, together with accrued interest thereon, either (a) on the last day of the then current Eurodollar Advance Period applicable to such Eurodollar Advance if such Lender may lawfully continue to maintain and fund such Eurodollar Advance to such day or (b) immediately if such Lender may not lawfully continue to fund and maintain such Eurodollar Advance to such day. Concurrently with repaying each affected Eurodollar Advance of such Lender, notwithstanding anything contained in Article 2, the Borrowers shall borrow a Base Rate Advance from such Lender, and such Lender shall make such Advance in an amount such that the outstanding principal amount of the Revolving Loans held by such Lender shall equal the outstanding principal amount of such Revolving Loans immediately prior to such repayment.

Section 12.3 Increased Costs.

(a) If any change in Applicable Law, any change in the interpretation or administration of any Applicable Law by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof or any change in compliance with Applicable Law as a result of any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency after the Agreement Date:

(i) Shall subject any Lender to any tax, duty, or other charge with respect to its obligation to make Eurodollar Advances, or its Eurodollar Advances, or shall change the basis of taxation of payments to any Lender of the principal of or interest on its Eurodollar Advances or in respect of any other amounts due under this Agreement in respect of its Eurodollar Advances or its obligation to make Eurodollar Advances (except for changes in the rate of tax on the overall net income of such Lender; or

(ii) Shall impose, modify, or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding any included in an applicable Eurodollar Reserve Percentage), special deposit, assessment, or other requirement or condition against assets of, deposits (other than as described in Section 12.5) with or for the account of, or commitments or credit extended by any Lender, or shall impose on any Lender or the eurodollar interbank borrowing market any other condition affecting its obligation to make such Eurodollar Advances or its Eurodollar Advances; and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any such Eurodollar Advances, or to reduce the amount of any sum received or receivable by the Lender under this Agreement or under any Revolving Loan Notes with respect thereto, and such increase is not given effect in the determination of the Eurodollar Rate then,

(iii) Shall subject any Issuing Bank or any Lender to any tax, duty or other charge with respect to the obligation to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit, or shall change the basis of taxation of payments to any Issuing Bank or any Lender in respect of amounts drawn under Letters of Credit or in respect of any other amounts due under this Agreement in respect of Letters of Credit or the obligation of the Issuing Banks to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit (except for changes in the rate of tax on the overall net income of such Issuing Bank); or

(iv) Shall impose, modify, or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, assessment, or other requirement or condition against assets of, deposits (other than as described in Section 12.5) with

or for the account of, or commitments or credit extended by any Issuing Bank, or shall impose on any Issuing Bank or Lender any other condition affecting the obligation to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit; and the result of any of the foregoing is to increase the cost to such Issuing Bank or Lender of issuing, maintaining or participating in any such Letters of Credit or to reduce the amount of any sum received or receivable by the Issuing Bank or any Lender under this Agreement with respect thereto,

promptly upon demand by such Lender or Issuing Bank or the Maturity Date, the Borrowers agree to pay, without duplication of amounts due under Section 2.8(b), to such Lender or Issuing Bank such additional amount or amounts as will compensate such Lender or Issuing Bank for such increased costs. Each Lender or such Issuing Bank will promptly notify the Borrowers and the Administrative Agent of any event of which it has knowledge, occurring after the Agreement Date, which will entitle such Lender or Issuing Bank to compensation pursuant to this Section 12.3 and will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole judgment of such Lender or Issuing Bank, be otherwise disadvantageous to such Lender or Issuing Bank.

(b) A certificate of any Lender or Issuing Bank claiming compensation under this Section 12.3 and setting forth the additional amount or amounts to be paid to it hereunder and calculations therefor shall be conclusive in the absence of manifest error. In determining such amount, such Lender or Issuing Bank may use any reasonable averaging and attribution methods. If any Lender or Issuing Bank demands compensation under this Section 12.3, the Borrowers may at any time, upon at least five (5) Business Days' prior notice to such Lender, prepay in full the then outstanding affected Eurodollar Advances of such Lender, together with accrued interest thereon to the date of prepayment, along with any reimbursement required under Section 2.9. Concurrently with prepaying such Eurodollar Advances the Borrowers shall borrow a Base Rate Advance, or a Eurodollar Advance not so affected, from such Lender, and such Lender shall make such Advance in an amount such that the outstanding principal amount of the Revolving Loans held by such Lender shall equal the outstanding principal amount of such Revolving Loans immediately prior to such prepayment.

Section 12.4 Effect On Other Advances. If notice has been given pursuant to Section 12.1, 12.2 or 12.3 suspending the obligation of any Lender to make any Eurodollar Advance, or requiring Eurodollar Advances of any Lender to be repaid or prepaid, then, unless and until such Lender (or, in the case of Section 12.1, the Administrative Agent) notifies the Administrative Borrower that the circumstances giving rise to such repayment no longer apply, all Advances which would otherwise be made by such Lender as the Eurodollar Advances affected shall, at the option of the Borrowers, be made instead as Base Rate Advances.

Section 12.5 Capital Adequacy. If after the Agreement Date, any Lender or Issuing Bank (or any affiliate of the foregoing) shall have reasonably determined that the adoption of any applicable law, governmental rule, regulation or order regarding the capital adequacy of banks or bank holding companies, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender or Issuing Bank (or any affiliate of the foregoing) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank or comparable agency (but only if such adoption, change, request or directive occurs after the Agreement Date), has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's (or any affiliate of the foregoing) capital as a consequence of such Lender's or Issuing Bank's Commitment or obligations hereunder to a level below that which it could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or Issuing Bank's (or any affiliate of the foregoing) policies with respect to capital adequacy immediately before such adoption, change or compliance and assuming that such Lender's or Issuing Bank's (or any affiliate of the foregoing) capital was fully utilized prior to such adoption, change or

compliance), then, promptly upon demand by such Lender or Issuing Bank, the Borrowers shall immediately pay to such Lender or Issuing Bank such additional amounts as shall be sufficient to compensate such Lender or Issuing Bank for any such reduction actually suffered; provided, however, that there shall be no duplication of amounts paid to a Lender pursuant to this sentence and Section 12.3 hereof. A certificate of such Lender or Issuing Bank setting forth the amount to be paid to such Lender or Issuing Bank by the Borrowers as a result of any event referred to in this paragraph shall, absent manifest error, be conclusive.

ARTICLE 13.

JURISDICTION, VENUE AND WAIVER OF JURY TRIAL; ADMINISTRATIVE BORROWER; JOINT AND SEVERAL OBLIGATIONS

Section 13.1 Jurisdiction and Service of Process. FOR PURPOSES OF ANY LEGAL ACTION OR PROCEEDING BROUGHT BY ANY MEMBER OF THE LENDER GROUP WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY BANK PRODUCT DOCUMENTS, EACH BORROWER PARTY HEREBY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN THE COUNTY OF NEW YORK, STATE OF NEW YORK. THE CONSENT TO JURISDICTION HEREIN SHALL NOT BE EXCLUSIVE. EACH BORROWER PARTY FURTHER IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL TO SUCH BORROWER PARTY AT THE ADDRESS SET FORTH ABOVE, SUCH SERVICE TO BECOME EFFECTIVE THREE (3) BUSINESS DAYS AFTER SUCH MAILING. IN THE EVENT THAT,

FOR ANY REASON, SERVICE OF LEGAL PROCESS CANNOT BE MADE IN THE MANNER DESCRIBED ABOVE, SUCH SERVICE MAY BE MADE IN SUCH MANNER AS PERMITTED BY LAW.

Section 13.2 Consent to Venue. EACH BORROWER PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION IT WOULD MAKE NOW OR HEREAFTER FOR THE LAYING OF VENUE OF ANY SUIT, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT BROUGHT IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK, NEW YORK, AND HEREBY IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION, OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 13.3 Waiver of Jury Trial. EACH BORROWER PARTY AND EACH MEMBER OF THE LENDER GROUP TO THE EXTENT PERMITTED BY APPLICABLE LAW WAIVE, AND OTHERWISE AGREE NOT TO REQUEST, A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION, PROCEEDING OR COUNTERCLAIM OF ANY TYPE IN WHICH ANY BORROWER PARTY, ANY MEMBER OF THE LENDER GROUP, OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, ANY REVOLVING LOAN NOTES OR THE OTHER LOAN DOCUMENTS AND THE RELATIONS AMONG THE PARTIES LISTED IN THIS ARTICLE 13.

Section 13.4 The Administrative Borrower. Each Borrower hereby irrevocably appoints Oxford Industries, Inc., as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower"), which appointment shall remain in full force and effect unless and until the Administrative Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed the Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (i) to provide the Administrative Agent with all notices with respect to Revolving Loans, Swing Loans, Letters of Credit and Agent Advances obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and (ii) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Revolving Loans, Swing Loans, Letters of Credit and Agent Advances and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement.

Section 13.5 All Obligations to Constitute Joint and Several Obligations.

(a) All Obligations shall constitute joint and several obligations of the Borrowers and shall be secured by the Administrative Agent's Lien upon all of the Collateral, and by all other Liens heretofore, now or at any time hereafter granted by each Borrower to the Administrative Agent, for the benefit of the Lender Group, to the extent

provided in the Loan Documents or Bank Product Documents under which such Lien arises. Each Borrower expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any financial accommodations by the Administrative Agent, and the other members of the Lender Group to any other Borrower hereunder and under the other Loan Documents and the Bank Product Documents are and will be of direct and indirect interest, benefit and advantage to all Borrowers. Each Borrower acknowledges that any Request for Advance, Notice of Conversion/Continuation or other notice or request given by the Administrative Borrower (including the Administrative Borrower) to the Administrative Agent shall bind all Borrowers, and that any notice given by the Administrative Agent or any other member of the Lender Group to any Borrower shall be effective with respect to all Borrowers. Each Borrower acknowledges and agrees that each Borrower shall be liable, on a joint and several basis, for all of the Loans and other Obligations, regardless of which Borrower actually may have received the proceeds of any of the Loans or other extensions of credit or have had Letters of Credit issued hereunder or the amount of such Loans received, Letters of Credit issued or the manner in which the Administrative Agent or any other member of the Lender Group accounts among the Borrowers for such Loans, Letters of Credit or other extensions of credit on its books and records, and further acknowledges and agrees that Loans and other extensions of credit to any Borrower inure to the mutual benefit of all of the Borrowers and that the Administrative Agent and the other members of the Lender Group are relying on the joint and several liability of the Borrowers in extending the Loans and other financial accommodations hereunder. Each Borrower shall be entitled to subrogation and contribution rights from and against the other Borrowers to the extent any Borrower is required to pay to any member of the Lender Group any amount in excess of the Loans advanced directly to, or other Obligations incurred directly by, such Borrower or as otherwise available under Applicable Law; provided, however, that such subrogation and contribution rights are and shall be subject to the terms and conditions of this Section 13.5.

(b) It is the intent of the Borrowers, the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations that each Borrower's maximum obligations hereunder (such Borrower's "Maximum Borrower Liability") in any case or proceeding referred to below (but only in such a case or proceeding) shall not be in excess of:

(i) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code on or within one (1) year from the date on which any of the Obligations of such Borrower are incurred, the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or

fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code subsequent to one (1) year from the date on which any of the Obligations of such Borrower are incurred, the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(iii) in a case or proceeding commenced by or against such Borrower under any law, statute or regulation other than the Bankruptcy Code relating to dissolution, liquidation, conservatorship, bankruptcy, moratorium, readjustment of debt,

compromise, rearrangement, receivership, insolvency, reorganization or similar debtor relief from time to time in effect affecting the rights of creditors generally (collectively, "Other Debtor Relief Law"), the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under such Other Debtor Relief Law, including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding. (The substantive state or federal laws under which the possible avoidance or unenforceability of the Obligations of any Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and any other member of the Lender Group and any other Person holding any of the Obligations) shall be determined in any such case or proceeding shall hereinafter be referred to as the "Avoidance Provisions").

Notwithstanding the foregoing, no provision of this Section 13.5(b) shall limit any Borrower's liability for Loans advanced directly or indirectly to it under this Agreement.

(c) To the extent set forth in Section 13.5(b) hereof, but only to the extent that the Obligations of any Borrower hereunder, or the transfers made by such Borrower under any Loan Document or under any Bank Product Documents, would otherwise be subject to avoidance under any Avoidance Provisions if such Borrower is not deemed to have received valuable consideration, fair value, fair consideration or reasonably equivalent value for such transfers or obligations, or if such transfers or obligations of any Borrower hereunder would render such Borrower insolvent, or leave such Borrower with an unreasonably small capital or unreasonably small assets to conduct its business, or cause such Borrower to have incurred debts (or to have intended to have incurred

debts) beyond its ability to pay such debts as they mature, in each case as of the time any of the obligations of such Borrower are deemed to have been incurred and transfers made under such Avoidance Provisions, then the obligations of such Borrower hereunder shall be reduced to that amount which, after giving effect thereto, would not cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and any other member of the Lender Group or any other Person holding any of the Obligations), as so reduced, to be subject to avoidance under such Avoidance Provisions. This Section 13.5(c) is intended solely to preserve the rights hereunder of the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations to the maximum extent that would not cause the obligations of the Borrowers hereunder to be subject to avoidance under any Avoidance Provisions, and none of the Borrowers nor any other Person shall have any right, defense, offset, or claim under this Section 13.5(c) as against the Administrative Agent and other members of the Lender Group or any other Person holding any of the Obligations that would not otherwise be available to such Person under the Avoidance Provisions.

(d) Each Borrower agrees that the Obligations may at any time and from time to time exceed the Maximum Borrower Liability of such Borrower, and may exceed the aggregate Maximum Borrower Liability of all Borrowers hereunder, without impairing this Agreement or any provision contained herein or affecting the rights and remedies of the Lender Group hereunder.

(e) In the event any Borrower (a "Funding Borrower") shall make any payment or payments under this Agreement or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations hereunder, each other Borrower (each, a "Contributing Borrower") shall contribute to such Funding Borrower an amount equal to such payment or payments made, or losses suffered, by such Funding Borrower determined as of the date on which such payment or loss was made multiplied by the ratio of (i) the Maximum Borrower Liability of such Contributing Borrower (without giving effect to any right to receive any contribution or other obligation to make any contribution hereunder), to (ii) the aggregate Maximum Borrower Liability of all Borrowers (including the Funding Borrowers) hereunder (without giving effect to any right to receive, or obligation to make, any contribution hereunder). Nothing in this Section 13.5(e) shall affect any Borrower's joint and several liability to the Lender Group for the entire amount of its Obligations. Each

Borrower covenants and agrees that its right to receive any contribution hereunder from a Contributing Borrower shall be subordinate and junior in right of payment to all obligations of the Borrowers to the Lender Group hereunder.

(f) No Borrower will exercise any rights that it may acquire by way of subrogation hereunder or under any other Loan Document or any Bank Product Document or at law by any payment made hereunder or otherwise, nor shall any Borrower seek or be entitled to seek any contribution or reimbursement from any other

Borrower in respect of payments made by such Borrower hereunder or under any other Loan Document or under any Bank Product Document, until all amounts owing to the Lender Group on account of the Obligations are paid in full in cash (or, with respect to Letters of Credit, are either cash collateralized or supported by a letter of credit acceptable to the Administrative Agent in an amount equal to 105% of the face amount of the outstanding Letters of Credit) and the Revolving Loan Commitments are terminated. If any amounts shall be paid to any Borrower on account of such subrogation or contribution rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Borrower in trust for the Lender Group segregated from other funds of such Borrower, and shall, forthwith upon receipt by such Borrower, be turned over to the Administrative Agent in the exact form received by such Borrower (duly endorsed by such Borrower to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, as provided for herein.

Section 13.6 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of the Lender Group related thereto, the liability of Borrowers or such Guarantor automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers in Atlanta, Georgia, all as of the day and year first above written.

BORROWERS:

OXFORD INDUSTRIES, INC., as a Borrower,

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD SOUTH CAROLINA, INC., as a Borrower

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

GUARANTORS:

LIONSHEAD CLOTHING COMPANY, a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

MERONA INDUSTRIES, INC., a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD CARIBBEAN, INC., a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD CLOTHING CORPORATION, a Georgia corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD GARMENT, INC. a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD INTERNATIONAL, INC., a Georgia corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

OXFORD PRIVATE LIMITED OF DELAWARE, INC., a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

PIEDMONT APPAREL CORPORATION, a Delaware corporation

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

LENDER GROUP:

SUNTRUST BANK, as the Administrative Agent, an Issuing Bank and a Lender

By:_____
Name:_____
Title:_____

MERRILL LYNCH CAPITAL, a division of Merrill Lynch Business Financial Services Inc., as Syndication Agent and as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Scott Van Duinen
Assistant Vice President
222 North LaSalle Street, 16th Floor
Chicago, Illinois 60601
Telephone No.: (312) 499-3139
Telecopy No.: (312) 499-3245
Email: svanduinen@exchange.ml.com

Administrative/Operations Notice Address:

Karen Evans
Portfolio Analyst
222 North LaSalle Street
Chicago, Illinois 60601
Telephone No.: (312) 499-6139
Telecopy No.: (312) 499-3336
Email: lhayes2@exchange.ml.com

BANK OF AMERICA, N.A., as a Lender and an Issuing Bank

By:_____
Name:_____
Title:_____

Credit Notice Address:

Byron J. Turner III
Vice President
600 Peachtree Street, 5th Floor
Atlanta, Georgia 30308
Telephone No.: (404) 607-5380
Telecopy No.: (404) 607-6437
Email: byron.turner@bankofamerica.com

Administrative/Operations Notice Address:

Carrie Kellogg
Control Analyst
600 Peachtree Street, 5th Floor
Atlanta, Georgia 30308
Telephone No.: (404) 607-4326
Telecopy No.: (404) 607-6341

FLEET CAPITAL CORPORATION, as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Christopher Nairne
Vice President
300 Galleria Parkway NW, Suite 800
Atlanta, Georgia 30339
Telephone No.: (770) 857-2922
Telecopy No.: (770) 857-2947
Email: christopher_nairne@fleetcapital.com

Administrative/Operations Notice Address:

Leslie Washington
Loan Administrative Assistant
6100 Fairview Road, Suite 200
Charlotte, North Carolina 28210
Telephone No.: (704) 553-6717
Telecopy No.: (704) 553-6738
Email: leslie_washington@fleetcapital.com

GENERAL ELECTRIC CAPITAL as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Carter Burton
Associate
1100 Abernathy Road, Suite 900
Atlanta, Georgia 30328
Telephone No.: (678) 320-8934
Telecopy No.: (678) 320-8902
Email: carter.burton@ge.com

Administrative/Operations Notice Address:

Frank Luzzi
Portfolio Analyst
201 High Ridge Road

Stamford, Connecticut 06705
Telephone No.: (203) 961-5286
Telecopy No.: (203) 602-8345
Email: frank.luzzi@gecapital.com

HSBC BUSINESS CREDIT (USA) INC., as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Dan Bueno
Vice President
452 Fifth Avenue, 19th Floor
New York, New York 10018
Telephone No.: (212) 525-2518
Telecopy No.: (212) 525-2520
Email: dan.r.bueno@us.hsbc.com

Administrative/Operations Notice Address:

Antoinette Starr
Vice President
1 HSBC Center
Buffalo, New York 14203
Telephone No.: (716) 841-6469
Telecopy No.: (716) 841-5878
Email: antoinette.starr@us.hsbc.com

J.P. MORGAN BUSINESS CREDIT CORP., as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Maryann E. Lewis
Vice President
1166 Avenue of the Americas
New York, New York 10036
Telephone No.: (212) 899-1231
Telecopy No.: (212) 899-2929
Email: maryann.e.lewis@jpmorgan.com

Administrative/Operations Notice Address:

Michelle Nugent
Assistant Manager
395 North Service Road
Melville, New York 11747-3139
Telephone No.: (631) 755-8436
Telecopy No.: (631) 755-8452
Email: michelle.nugent@chase.com

ORIX FINANCIAL SERVICES, INC., as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Dawn M. Dieter
Vice President
846 East Algonquin Road, Suite 101
Schaumburg, Illinois 60173
Telephone No.: (770) 970-8011
Telecopy No.: (770) 970-8061
Email: ddieter@orixfin.com

Administrative/Operations Notice Address:

Maria Melvin
Collateral Analyst
846 East Algonquin Road, Suite 101
Schaumburg, Illinois 60173
Telephone No.: (770) 970-8016
Telecopy No.: (770) 970-8066
Email: mmelvin@orixfin.com

SHANGHAI COMMERCIAL BANK LTD., as a Lender
and an Issuing Bank

By:_____
Name:_____
Title:_____

Credit Notice Address:

Timothy Chan
Vice President and Manager
125 East 56th Street
New York, New York 10022
Telephone No.: (212) 699-2800, Ext. 228
Telecopy No.: (212) 699-2819
Email: scbny@shacombank.com

Administrative/Operations Notice Address:

C. N. Wu
Assistant Vice President
125 East 56th Street
New York, New York 10022
Telephone No.: (212) 699-2800, Ext. 209
Telecopy No.: (212) 699-2818
Email: scbny@shacombank.com

SIEMENS FINANCIAL SERVICES, INC., as a
Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

James Tregillies
Director and Relationship Manager
200 Somerset Corp. Boulevard
Bridgewater, New Jersey 08807-2843
Telephone No.: (908) 575-4086
Telecopy No.: (908) 575-4060
Email: james.tregillies@siemens.com

Administrative/Operations Notice Address:

Robert Nadler
Operations and Collateral Manager
200 Somerset Corp. Boulevard
Bridgewater, New Jersey 08807-2843
Telephone No.: (908) 575-4078

Telecopy No.: (908) 575-4060
Email: robert.nadler@siemens.com

CREDIT AGREEMENT

THE CIT GROUP/COMMERCIAL SERVICES, INC., as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Will Johannesen
Vice President
Two Wachovia Center
301 South Tryon Street
Charlotte, North Carolina 28202
Telephone No.: (704) 339-2901
Telecopy No.: (704) 339-2910
Email: william.johannesen@cit.com

Administrative/Operations Notice Address:

Carlene Courtney
Vice President
Two Wachovia Center
301 South Tryon Street
Charlotte, North Carolina 28202
Telephone No.: (704) 339-2264
Telecopy No.: (704) 339-2290
Email: carlene.courtney@cit.com

CREDIT AGREEMENT

WACHOVIA BANK, NATIONAL ASSOCIATION, as a Lender

By:_____
Name:_____
Title:_____

Credit Notice Address:

Monica Cole
Vice President
191 Peachtree Street
Atlanta, Georgia 30303
Telephone No.: (404) 332-4073
Telecopy No.: (404) 332-6920
Email: monica.cole@wachovia.com

Administrative/Operations Notice Address:

Betty Eberhardt
Associate
191 Peachtree Street
Atlanta, Georgia 30303
Telephone No.: (404) 332-6452
Telecopy No.: (404) 332-6977
Email: betty.eberhardt@wachovia.com

CREDIT AGREEMENT

HSBC BANK U.S.A., as an Issuing Bank

By:_____
Name:_____
Title:_____

Notice Address:

2 South Biscane Blvd.
Suite 1920
Miami, Florida 33131
Attn: Mr. Jose Duarte
Telephone No.: (305) 539-4946
Telecopy No.: _____
Email: jose.Duarte@us.hsbc.com

JOINDER AGREEMENT

Reference is made to that certain Credit Agreement dated as of June 13, 2003 by and among Oxford Industries, Inc., a Georgia corporation, and Oxford of South Carolina, Inc., a South Carolina corporation, as Borrowers, the Guarantors, the financial institutions party thereto from time to time as Lenders, the financial institutions party thereto from time to time as Issuing Banks, SunTrust Bank, as administrative agent for the Lender Group (the "Administrative Agent") and the Syndication Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Credit Agreement.

Pursuant to Section 4.4 of the Credit Agreement, Viewpoint International, Inc., a Delaware corporation (the "Target") is required to join the Credit Agreement as a direct obligor of the Obligations and become a Borrower and Borrower Party by executing and delivering to the Administrative Agent certain Loan Documents and Security Documents, including without limitation, this Joinder Agreement. Upon the execution and delivery of this Joinder Agreement by the Target, the Target shall become a direct obligor of the Obligations and become a Borrower and a Borrower Party under the Credit Agreement with the same force and effect as if originally named as a Borrower therein.

The Target hereby agrees as follows:

1. In accordance with Section 4.4 of the Credit 'Borrower Party' under the Credit Agreement with the same force and effect as if originally named therein as a 'Borrower' and as a `Borrower Party' and the Target hereby agrees to all of the terms and provisions of the Credit Agreement applicable to it as a 'Borrower' and as a 'Borrower Party'. Each reference to a 'Borrower' and 'Borrower Party' in the Credit Agreement shall be deemed to include the Target. The Credit Agreement is incorporated herein by reference.

2. The Target represents and warrants to the Administrative Agent and the other members of the Lender Group that this Joinder Agreement has been duly executed and delivered by the Target and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

3. Delivery of a counterpart hereof by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

4. Except as expressly supplemented hereby, the Credit Agreement shall remain in full force and effect.

5. THIS JOINDER AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

6. This Joinder Agreement shall be considered a Loan Document for all purposes.

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VIEWPOINT INTERNATIONAL, INC.,
a Delaware corporation

By:_____
Name:_____
Title:_____

JOINDER AGREEMENT

GUARANTY SUPPLEMENT

Reference is made to that certain Credit Agreement dated as of June 13, 2003 by and among Oxford Industries, Inc., a Georgia corporation, Oxford of South Carolina, Inc., a South Carolina corporation, and, immediately following the consummation of the Acquisition, Viewpoint International, Inc., a Delaware corporation (the "Borrowers"; and each a "Borrower"), the Subsidiaries of the Borrowers party thereto as Guarantors, the financial institutions party thereto from time to time as Lenders, the financial institutions party thereto from time to time as Issuing Banks, SunTrust Bank, as administrative agent for the Lender Group (the "Administrative Agent") and the Syndication Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Credit Agreement.

Pursuant to Section 4.4 of the Credit Agreement, each Domestic Subsidiary of the Target is required to join the Credit Agreement as a Guarantor of the Obligations and become a Borrower Party by executing and delivering to the Administrative Agent certain Loan Documents and Security Documents, including without limitation, this Guaranty Supplement. Upon the execution and delivery of this Guaranty Supplement by each Domestic Subsidiary, such Domestic Subsidiary shall become a Guarantor of the Obligations and become a Borrower Party under the Credit Agreement with the same force and effect as if originally named as a Guarantor therein.

Each undersigned New Guarantor hereby agrees as follows:

7. In accordance with Section 4.4 of the Credit Agreement, such New Guarantor, by its signature below, becomes a `Guarantor' and a `Borrower Party' under the Credit Agreement with the same force and effect as if originally named therein as a `Guarantor' and as a `Borrower Party' and such New Guarantor hereby agrees to all of the terms and provisions of the Credit Agreement applicable to it as a `Guarantor' and as a `Borrower Party'. In furtherance of the foregoing, each New Guarantor, as security for the payment and performance in full of the Obligations, does hereby guarantee, subject to the limitations set forth in Section 3.1(g) of the Credit Agreement, to the Administrative Agent, for the benefit of the Lender Group, the full and prompt payment of the Obligations, including, without limitation, any interest therein (including, without limitation, interest, as provided in the Credit Agreement, accruing after the filing of a petition initiating any Insolvency Proceedings, whether or not such interest accrues or is recoverable against the Borrowers after the filing of such petition for purposes of the Bankruptcy Code or is an allowed claim in such proceeding), plus reasonable attorneys' fees and expenses if the Obligations represented by the Credit Agreement are collected by law, through an attorney-at-law, or under advice therefrom. Each reference to a `Guarantor' and `Borrower Party' in the Credit Agreement shall be deemed to include each New Guarantor. The Credit Agreement is incorporated herein by reference.

8. Each New Guarantor represents and warrants to the Administrative Agent and the other members of the Lender Group that this Supplement has been duly executed and delivered by such New Guarantor and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

9. This Supplement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all such

separate counterparts shall together constitute but one and the same instrument. Delivery of a counterpart hereof by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

10. Except as expressly supplemented hereby, the Credit Agreement shall remain in full force and effect.

11. THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

12. This Supplement shall be considered a Loan Document for all purposes.

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GUARANTY SUPPLEMENT

IN WITNESS WHEREOF, each New Guarantor has duly executed this Supplement as of the day and year first above written.

NEW GUARANTORS:

TOMMY BAHAMA R&R HOLDINGS, INC.,
a Delaware corporation

By:_____
Name:_____
Title:_____

TOMMY BAHAMA ALA MOANA LLC, a Delaware limited liability company,
TOMMY BAHAMA BILTMORE, LLC, a Delaware limited liability company,
TOMMY BAHAMA BIRMINGHAM, LLC, a Delaware limited liability company,
TOMMY BAHAMA BOCA RATON, LLC, a Delaware limited liability company,
TOMMY BAHAMA CAFE EMPORIUM, LLC, a Delaware limited liability company,
TOMMY BAHAMA CHERRY CREEK, LLC, a Delaware limited liability company,
TOMMY BAHAMA CHICAGO, LLC, a Delaware limited liability company,
TOMMY BAHAMA CORAL GABLES, LLC, a Delaware limited liability company,
TOMMY BAHAMA DESTIN, LLC, a Delaware limited liability company,
TOMMY BAHAMA FARMERS MARKET, LLC, a Delaware limited liability company,
TOMMY BAHAMA KANSAS CITY, LLC, a Delaware limited liability company,
TOMMY BAHAMA LA JOLLA, LLC, a Delaware limited liability company,
TOMMY BAHAMA LAS OLAS LLC, a Delaware limited liability company,
TOMMY BAHAMA LAS VEGAS, LLC, a Delaware limited liability company,
TOMMY BAHAMA LAS VEGAS FASHION SHOW, LLC, a Delaware limited liability company,
TOMMY BAHAMA MANHATTAN VILLAGE, LLC, a Delaware limited liability company,

TOMMY BAHAMA MAUNA LANI, LLC, a Delaware limited liability company,
TOMMY BAHAMA MYRTLE BEACH, LLC, a Delaware limited liability company,
TOMMY BAHAMA NEWPORT BEACH LLC, a Delaware limited liability company,
TOMMY BAHAMA NORTH SCOTTSDALE, LLC, a Delaware limited liability company,

TOMMY BAHAMA ORLANDO, LLC, a Delaware limited liability company,
TOMMY BAHAMA PALM DESERT, LLC, a Delaware limited liability company,
TOMMY BAHAMA PALO ALTO, LLC, a Delaware limited liability company,
TOMMY BAHAMA PASADENA, LLC, a Delaware limited liability company,
TOMMY BAHAMA PRIMM, LLC, a Delaware limited liability company,
TOMMY BAHAMA SAN DIEGO FASHION VALLEY, LLC, a Delaware limited liability company,
TOMMY BAHAMA SAN JOSE, LLC, a Delaware limited liability company,
TOMMY BAHAMA SARASOTA, LLC, a Delaware limited liability company,
TOMMY BAHAMA ST. AUGUSTINE, LLC, a Delaware limited liability company,
TOMMY BAHAMA TAMPA, LLC, a Delaware limited liability company,
TOMMY BAHAMA TUCSON, LLC, a Delaware limited liability company,
TOMMY BAHAMA WAILEA, LLC, a Delaware limited liability company,
TOMMY BAHAMA WALNUT CREEK, LLC, a Delaware limited liability company,
TOMMY BAHAMA WEST PALM, LLC, a Delaware limited liability company,
TOMMY BAHAMA WHALERS VILLAGE, LLC, a Delaware limited liability company,

TOMMY BAHAMA WOODBURY COMMON, LLC, a Delaware limited liability company,

By: Tommy Bahama R&R Holdings, Inc., as sole member of each of the above-named limited liability companies

By:_____
Name:_____
Title:_____

TOMMY BAHAMA R&R TEXAS, INC., a Texas corporation

By:_____
Name:_____
Title:_____

TOMMY BAHAMA AUSTIN, L.P., a Texas limited partnership,
TOMMY BAHAMA DALLAS, L.P., a Texas limited partnership,

By: TOMMY BAHAMA R&R TEXAS, INC., as general partner of each of the above-named limited partnerships

By:_____
Name:_____
Title:_____

Schedule 1(b)

Revolving Commitment Ratios

I. LOANS

Lender	Revolving Loan Commitment Principal Amount	Revolving Commitment Ratio
SunTrust Bank	$ 30,000,000	10.909091%
Merrill Lynch Capital (a division of Merrill Lynch Business Financial Services Inc.)	$ 30,000,000	10.909091%
The CIT Group/Commercial Services, Inc.	$ 26,000,000	9.454545%
JPMorgan Chase Bank	$ 26,000,000	9.454545%
General Electric Capital Corporation	$ 26,000,000	9.454545%
Fleet Capital Corporation	$ 26,000,000	9.454545%
Bank of America, N.A.	$ 26,000,000	9.454545%
Shanghai Commercial Bank Ltd.	$ 26,000,000	9.454545%
Wachovia Bank, National Association	$ 26,000,000	9.454545%
Orix Financial Services, Inc.	$ 11,000,000	4.0000000%
HSBC Business Credit (USA) Inc.	$ 11,000,000	4.0000000%
Siemens Financial Services, Inc.	$ 11,000,000	4.0000000%
Totals	$ 275,000,000	100%

II. LETTERS OF CREDIT

Issuing Banks	Letter of Credit Commitment
SunTrust Bank	$175,000,000
Bank of America, N.A.	$175,000,000
Shanghai Commercial Bank Ltd.	$175,000,000
HSBC Bank U.S.A.	$175,000,000

EXHIBIT 13

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
SELECTED FINANCIAL HIGHLIGHTS

$ in thousands, except per share amounts Year ended:	May 30, 2003	May 31, 2002	June 1, 2001	2003/2002 % change
Net sales	$ 764,602	$ 677,264	$ 812,495	12.9%
Net earnings	20,327	10,572	15,346	92.3%
Basic earnings per common share	2.70	1.41	2.06	91.5%
Diluted earnings per common share	2.68	1.40	2.05	91.4%
Dividends per common share	0.84	0.84	0.84	0.0%
Stockholders' equity	189,365	175,201	168,940	8.1%
Book value per share at year-end	25.18	23.31	22.81	8.0%
Return on average stockholders' equity	11.2%	6.1%	9.2%	83.6%

The $0.21 per share dividend paid on May 31, 2003 was the 172nd consecutive quarterly dividend paid by the company since it became publicly owned in July 1960.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

$ and shares in thousands, except per share amounts Year ended:	May 30, 2003	May 31, 2002	June 1, 2001	June 2, 2000	May 28, 1999
Net Sales	$764,602	$677,264	$812,495	$839,533	$862,435
Cost of goods sold	604,891	544,016	663,484	685,841	698,170
Selling, general and administrative expenses	124,362	115,729	119,390	112,056	116,284
Earnings before interest and taxes	35,349	17,519	29,621	41,636	47,981
Interest, net	1,935	243	4,870	3,827	4,713
Earnings before income taxes	33,414	17,276	24,751	37,809	43,268
Income taxes	13,087	6,704	9,405	14,368	16,875
Net earnings	20,327	10,572	15,346	23,441	26,393
Basic earnings per common share	2.70	1.41	2.06	3.04	3.15
Basic number of shares outstanding	7,517	7,494	7,466	7,718	8,369
Diluted earnings per common share	2.68	1.40	2.05	3.02	3.11
Diluted number of shares outstanding	7,572	7,549	7,485	7,751	8,477
Dividends	6,314	6,304	6,249	6,444	6,801
Dividends per share	0.84	0.84	0.84	0.84	0.82
Total assets	494,365	250,513	263,240	334,058	335,322
Long-term obligations	198,586	139	399	40,513	40,689
Stockholders' equity	189,365	175,201	168,940	164,314	154,351
Capital expenditures	2,051	1,528	4,332	5,927	7,063
Depreciation and amortization	5,987	8,888	9,249	9,393	8,933
Book value per share at year-end	25.18	23.31	22.81	21.48	19.46
Return on average stockholders' equity	11.2%	6.1%	9.2%	14.7%	16.8%
Return on average total assets	5.5%	4.1%	5.1%	7.0%	8.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with our Consolidated Financial Statements and the Notes to Consolidated Financial Statements contained in this Annual Report.

OVERVIEW

We are one of the largest designers, manufacturers, marketers and wholesalers of consumer apparel products in the United States. Our primary customers include specialty catalog retailers, national chain stores, department stores and mass merchants. Our business is operated through the following groups: the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group.

A number of factors had a significant impact on our results of operations

for the fiscal year ended May 30, 2003. These factors include, among others, the continued decline in the consumer price indexes for apparel products, shifts in our sourcing base and the acquisition by Sears, Roebuck & Co. ("Sears") of Lands' End, Inc. ("Lands' End"), one of our significant customers.

General business conditions in the apparel industry continue to be extremely competitive, characterized by weak demand and oversupply. Many major apparel retailers have reported declines in same-store sales during recent months. Consumer price indexes for apparel products have declined in each of the past five years ended May 2003. Lower retail selling prices have resulted in lower wholesale selling prices during the fiscal year ended May 30, 2003. In response to this deflation at the wholesale pricing level, we have succeeded in lowering the cost of our products through various initiatives to improve our sourcing, manufacturing and supply chain management operations.

The migration of a portion of our production capacity from owned or leased facilities in the Caribbean Basin and Mexico to low cost joint ventures in China and India as well as to full package purchases from low cost vendors throughout the world, has contributed to the decline in our cost of goods sold during the current fiscal year. The reduction in Caribbean Basin and Mexican capacity resulted in more efficient operation of our remaining facilities in the region. Supply chain management initiatives have enabled us to more effectively plan inventory requirements, which have resulted in lower average inventory levels and lower exposure to inventory markdowns. We also continue to take advantage of various freetrade agreements throughout the world. These agreements permit us to avoid paying duty on qualifying products from eligible countries. In the absence of a free trade agreement or other trade preference, duty rates on the product categories that constitute the majority of our sales are in the 15 - 20% range.

On June 17, 2002, Sears completed the acquisition of Lands' End. For fall 2002, Sears introduced an assortment of Lands' End apparel products to a number of Sears' larger retail stores. The rollout continued to more stores in the Spring 2003 season and will be substantially completed in the Fall 2003 season. Throughout the rollout, a majority of our shipments of Lands' End products to Sears stores have been attributable to establishing initial base inventory levels in Sears stores.

SUBSEQUENT EVENT

On June 13, 2003, we acquired all of the outstanding capital stock of Viewpoint International, Inc. The transaction is valued at up to $325.0 million, consisting of $240.0 million in cash, $10.0 million in Oxford common stock and up to $75.0 million in contingent payments subject to achievement by Viewpoint of certain performance targets. The transaction was financed by a $200.0 million private placement of senior unsecured notes completed on May 16, 2003 and a new $275.0 million senior secured revolving credit facility completed on June 13, 2003. Viewpoint owns the Tommy Bahama lifestyle brand that is used to market a wide array of products and services including apparel, footwear, accessories, home furnishings and restaurants.

RESULTS OF OPERATIONS

The following discussion provides information and analysis of our results of operations for the fiscal years ended May 30, 2003, May 31, 2002 and June 1, 2001 respectively. The following table sets forth the line items in the Consolidated Statements of Earnings data both in dollars and as a percentage of net sales. The table also sets forth the percentage change of the data as compared to the prior year. We have calculated all percentages set forth below based on actual data, but percentage columns may not add due to rounding.

	Fiscal Year		
$ in thousands	2003	2002	2001
NET SALES	$764,602	$677,264	$812,495
Cost of Goods Sold	604,891	544,016	663,484
GROSS PROFIT	159,711	133,248	149,011

Selling, General & Administrative ..	124,362	115,729	119,390
EARNINGS BEFORE INTEREST AND TAXES .	35,349	17,519	29,621
Interest, Net	1,935	243	4,870
EARNINGS BEFORE TAXES	33,414	17,276	24,751
Income Taxes	13,087	6,704	9,405
NET EARNINGS	$ 20,327	$ 10,572	$ 15,346

	Percent of Sales Fiscal Year			Percent Change	
	2003	2002	2001	02-03	01-02
NET SALES	100.0%	100.0%	100.0%	12.9%	(16.6%)
Cost of Goods Sold	79.1%	80.3%	81.7%	11.2%	(18.0%)
GROSS PROFIT	20.9%	19.7%	18.3%	19.9%	(10.6%)
Selling, General & Administrative	16.3%	17.1%	14.7%	7.5%	(3.1%)
EARNINGS BEFORE INTEREST AND TAXES ...	4.6%	2.6%	3.6%	101.8%	(40.9%)
Interest, Net	0.3%	0.0%	0.6%	696.3%	(95.0%)
EARNINGS BEFORE TAXES	4.4%	2.6%	3.0%	93.4%	(30.2%)
Income Taxes	1.7%	1.0%	1.2%	95.2%	(28.7%)
NET EARNINGS	2.7%	1.6%	1.9%	92.3%	(31.1%)

SEGMENT DEFINITION

We identify operating segments based on the way we organize the components of our business for purposes of allocating resources and assessing performance. Our business segments are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group. The Oxford Shirt Group operations encompass branded and private label dress and sport shirts and branded golf apparel. Lanier Clothes produces branded and private label suits, sportscoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress slacks, casual slacks and walkshorts. The Oxford Womenswear Group is a producer of private label women's sportswear. Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, transportation and logistics, intercompany eliminations, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. All data with respect to the specific segments is presented before applicable intercompany eliminations. See Note N of Notes to Consolidated Financial Statements.

	Fiscal Year			Percent Change	
$ in thousands	2003	2002	2001	02-03	01-02
NET SALES					
Oxford Shirt Group ...	$201,567	$189,380	$220,949	6.4%	(14.3%)
Lanier Clothes	157,385	153,060	175,062	2.8%	(12.6%)
Oxford Slacks	96,564	80,693	103,096	19.7%	(21.7%)
Womenswear Group	308,762	253,723	312,973	21.7%	(18.9%)
Corporate and Other ..	324	408	415	(20.6%)	(1.7%)
TOTAL	$764,602	$677,264	$812,495	12.9%	(16.6%)

$ in thousands	Fiscal Year 2003	2002	2001	Percent Change 02-03	01-02
EARNINGS BEFORE INTEREST AND TAXES					
Oxford Shirt Group	$ 3,819	$ 742	$ (1,385)	414.7%	153.6%
Lanier Clothes	16,444	11,477	12,557	43.3%	(8.6%)
Oxford Slacks	7,574	3,823	6,054	98.1%	(36.9%)
Oxford Womenswear Group	17,321	9,538	15,455	81.6%	(38.3%)
Corporate and Other	(9,809)	(8,061)	(3,060)	(21.7%)	(163.4%)
TOTAL	$ 35,349	$ 17,519	$ 29,621	101.8%	(40.9%)

FISCAL 2003 COMPARED TO 2002

TOTAL COMPANY

Net sales for fiscal 2003 were $764.6 million, an increase of 12.9% from net sales of $677.3 million in fiscal 2002. The increase was due to a 24.3% increase in the number of units shipped offset by a 9.1% decline in the average selling price per unit. The increase in unit sales extended to all operating segments and was primarily due to growth in mass merchant and chain store channels of distribution, and included the rollout of Lands' End apparel into selected Sears stores. The decline in the average selling price per unit was due to a shift in product mix towards a higher

proportion of lower priced products as a result of the increase in shipments to the mass merchant distribution channel and continued year-to-year deflation in apparel prices.

Cost of goods sold for fiscal 2003 was $604.9 million, or 79.1% of net sales, compared to $544.0 million or 80.3% of net sales in fiscal 2002. The relative decline in cost of goods sold was due to the continuation of more cost-effective sourcing and improved manufacturing efficiencies. Reductions in manufacturing capacity in Mexico and the Caribbean Basin and increased sales enabled us to more efficiently utilize our remaining capacity. We also established an additional manufacturing joint venture in China during the second quarter. Improved inventory management and supply chain initiatives resulted in lower markdowns.

Selling, general and administrative expenses (S, G & A) increased $8.6 million or 7.5% from $115.7 million in fiscal 2002 to $124.4 million in fiscal 2003. As a percentage of net sales, S, G & A declined from 17.1% in the prior year to 16.3% in the current year. S, G & A, in the current year, includes incentive compensation costs of $10.2 million compared to $2.2 million in the prior year, $2.6 million of costs to close the Izod Club Golf operations, which are detailed more fully in the Oxford Shirt Group segment discussion below, and $1.1 million of acquisition due diligence costs. Included in S, G & A in fiscal 2002 were $2.4 million in losses from the sales of pre-petition Kmart receivables, approximately $1.0 million of financing costs reflected as S, G & A expense for our accounts receivable securitization facility and approximately $2.0 million in goodwill amortization. With the adoption of SFAS 142 in fiscal 2003, goodwill ceased to be amortized.

Interest expense increased from $0.2 million in fiscal 2002 to $1.9 million in the current year. In the prior year, approximately $1.0 million of financing costs for our trade receivables securitization facility were reflected as S, G & A expense rather than interest expense. Current year interest expense includes acquisition interest expense of $1.8 million, of which $1.0 million related to a bridge financing commitment in connection with the Viewpoint acquisition agreement. The bridge financing commitment was established to provide contingent financing in the event the placement of the senior notes was delayed. The bridge financing commitment was terminated upon successful completion of the senior notes offering. Costs incurred relating to this arrangement during the fourth quarter was reflected as additional interest expense.

The effective tax rate was approximately 39.2% for fiscal 2003 and 38.8%

for fiscal 2002. Variations in the rate are primarily attributable to the relative distribution of pre-tax earnings among the various taxing jurisdictions in which we operate.

SEGMENT RESULTS
OXFORD SHIRT GROUP

The Oxford Shirt Group reported a net sales increase of 6.4% from $189.4 million in fiscal 2002 to $201.6 million in fiscal 2003. The increase resulted from a unit sales increase of 16.6% partially offset by an 8.7% decline in the average selling price per unit. The unit sales increase was primarily due to the rollout of Lands' End apparel into selected Sears stores, partially offset by a decline in shipments of golf products. The decline in the average selling price per unit was primarily due to a shift in product mix towards a higher proportion of lower priced products as a result of the decrease in shipments of golf products and continued deflation in apparel prices. Earnings Before Interest and Taxes (EBIT) increased from $0.7 million in fiscal 2002 to $3.8 million in fiscal 2003. The improvement in EBIT was due to the increased sales volume, increased manufacturing efficiency and lower markdowns.

During the year we closed the Izod Club European Golf operation. Total costs incurred during the second quarter to close the European operation were approximately $1.3 million. Of the total costs incurred, approximately $0.8 million related to inventory markdowns and were recognized as additional cost of goods sold, and $0.5 million related primarily to severance costs and an increase in the allowance for doubtful accounts, which was recognized as additional S, G & A. Significantly

all of the costs were settled prior to year-end. Net sales for the European operation were $1.2 million in fiscal 2002 and $0.5 million in fiscal 2003.

During the year we announced our decision to close our Izod Club U.S. Golf operation in fiscal 2004 upon completion of shipping the fall 2003 season. Total costs incurred during the fourth quarter related to the closure were approximately $3.0 million. Of the total costs incurred, approximately $0.9 million related to additional inventory markdowns incurred associated with the closure, approximately $1.7 million related to a license termination fee which will be paid in four equal quarterly installments during calendar 2004, with the remaining $0.4 million related to severance and other miscellaneous costs. The costs associated with the inventory markdowns were recognized as additional cost of goods sold while all other costs incurred were recognized as additional S, G & A expense. At May 30, 2003 significantly all of the amounts related to the severance had been paid, while the remaining amounts related to inventory markdowns and the termination fee will be reduced as the related inventory is sold and license fees are paid during the 2004 and 2005 fiscal years. Net sales for the U.S. operation were $24.5 million in fiscal 2002 and $18.1 million in fiscal 2003.

LANIER CLOTHES

Lanier Clothes reported a net sales increase of 2.8% from $153.1 million in fiscal 2002 to $157.4 million in fiscal 2003. The increase was due to a 9.4% increase in the units shipped, partially offset by a 6.0% decline in the average selling price per unit. The unit sales increase was due to increased private label business. The decline in the average selling price was due to deflation in menswear apparel and a shift in product mix towards a higher proportion of lower priced products. EBIT increased 43.3% from $11.5 million in fiscal 2002 to $16.4 million in fiscal 2003. The increase in EBIT was due to increased sales volume, lower markdowns, more cost-effective sourcing and improved manufacturing efficiency.

OXFORD SLACKS

Oxford Slacks reported a net sales increase of 19.7% from $80.7 million in fiscal 2002 to $96.6 million in fiscal 2003. The sales increase was due to an 18.3% increase in unit sales and a 1.2% increase in the average selling price per unit. The unit sales increase was primarily driven by the rollout of Lands' End apparel to selected Sears stores and growth in the specialty catalog distribution channel. The increase in the average selling price per unit was due to a more favorable product mix, partially offset by continued deflation in apparel prices. EBIT increased 98.1% from $3.8 million in fiscal 2002 to $7.6 million in fiscal 2003. The improvement in EBIT was due to the increase in sales

volume, the more favorable product mix and improved manufacturing performance due to higher volumes.

OXFORD WOMENSWEAR GROUP

The Oxford Womenswear Group reported a sales increase of 21.7% from $253.7 million in fiscal 2002 to $308.8 million in fiscal 2003. The increase in net sales was due to a 29.3% increase in unit sales volume, partially offset by a 7.1% decline in the average selling price per unit. The increase in unit volume came primarily in the mass merchant distribution channel. The decline in the average selling price per unit was partially due to product mix and partially due to the continued deflation in apparel prices. EBIT increased 81.6% from $9.5 million in fiscal 2002 to $17.3 million in fiscal 2003. The increase in EBIT was primarily due to the increased sales volume and increased leveraging of S, G & A.

CORPORATE AND OTHER

The Corporate and Other decline in EBIT was primarily due to higher accrued incentive compensation costs due to improved financial performance of $3.3 million and acquisition due diligence costs of $1.1 million partially offset by LIFO accounting adjustments of $0.3 million. The LIFO adjustment is net of a $0.5 million charge which related to the LIFO accounting treatment of inventory markdowns taken in excess of the inventory's LIFO cost associated with the our decision to close our Izod Club U.S. Golf operation. Total inventory markdowns in excess of LIFO costs were $1.4 million. Prior year Corporate and Other included $1.0 million of financing coats under our accounts receivable securitization facility and a reclassification of bad debt expense resulting in a increase in bad debt expense under Corporate and Other of approximately $1.4 million.

FISCAL 2002 COMPARED TO 2001

TOTAL COMPANY

Net sales for fiscal 2002 were $677.3 million, a decrease of $135.2 million, or 16.6%, from net sales of $812.5 million in fiscal year 2001. The decline was due to a 14.4% decline in the number of units shipped compounded by a 2.7% decline in the average selling price per unit. We attribute the sales decline to deteriorating economic conditions and continued weakness in apparel sales at retail, particularly in the aftermath of September 11, 2001. The decline was broad based and affected all operating segments and all major channels of distribution. Branded apparel made up a larger percentage of total sales than in the prior year, effectively shifting the sales mix to a higher average selling price. However, continued deflation in apparel prices caused the overall selling price per unit to decline.

Cost of goods sold for fiscal 2002 was $544.0 million, or 80.3% of net sales, compared to $663.5 million or 81.7% of net sales, in fiscal 2001. The improvement was primarily the result of more cost-effective sourcing offset partially by the cost of closing two manufacturing facilities in Mexico and reducing the capacity of facilities in Honduras and the Dominican Republic. We established new manufacturing joint ventures in India and China and continued the transition of manufacturing support functions from the U.S. to offshore locations. In fiscal 2002, we changed our method of calculating last-in, first-out (LIFO) inventories to provide for a better matching of costs and revenues, to provide for a LIFO adjustment more representative of actual inflation on our inventories and to reduce the likelihood of LIFO layer liquidations during periods of overall growth in inventories. The cumulative effect of the change in method and the pro forma effects of the change on prior year's results of operations were not determinable. The effect of the change on our results of operations for fiscal 2002 was to reduce net income by $3.0 million or $0.40 per share diluted.

S, G & A expenses in fiscal 2002 were $115.7 million, a decline of $3.7 million or 3.1% from $119.4 million in fiscal 2001. The improvement was due to expense reduction initiatives and the discontinuation of the unprofitable DKNY Kids business, partially offset by losses of $2.4 million from a bad debt charge related to the Kmart bankruptcy and approximately $1.0 million of financing costs reflected as S, G & A expense for our accounts receivable securitization facility.

Interest expense in fiscal 2002 was $0.2 million, a decline of $4.6 million from $4.9 million in fiscal 2001. This decline was due in part to approximately $1.0 million of financing cost for our accounts receivables securitization facility being reflected as S, G & A expense rather than interest expense. The majority of the reduction in interest expense was due to lower average borrowing requirements, with lower average interest rates also contributing.

The effective tax rate was 38.8% in fiscal 2002 compared to 38.0% in fiscal 2001. The increase was primarily attributable to the relative level of earnings in the various taxing jurisdictions to which our earnings are subject.

SEGMENT RESULTS
OXFORD SHIRT GROUP

Our Oxford Shirt Group reported a net sales decline of 14.3% from $220.9 million in fiscal 2001 to $189.4 million in fiscal 2002. The sales decline was primarily due to a 9.3% decline in unit sales compounded by a 5.4% decline in the average selling price per unit. The unit sales decline primarily came in the private label sector in the specialty and department store channels of distribution. The discontinuation of the DKNY Kids business also contributed to the sales decline. Despite the loss in sales, more cost-effective product sourcing and reductions in S, G & A expenses improved EBIT from a loss of $1.4 million in fiscal 2001 to a profit of $0.7 million in fiscal 2002. Subsequent to the end of fiscal 2001, we and Donna Karan International mutually agreed to terminate the DKNY Kids license as of December 31, 2001. We continued to service this business until the termination date. Sales for DKNY Kids were $7.3 million and $10.4 million in fiscal 2002 and fiscal 2001, respectively.

LANIER CLOTHES

Lanier Clothes reported a sales decline of 12.6% from $175.1 million in fiscal 2001 to $153.1 million in fiscal 2002. The sales decline was caused by an 8.8% decline in unit sales compounded by a 4.1% decline in the average selling price per unit. Continued weak demand from the group's department store customers was primarily responsible for the decline. Improved gross margins and reduced S, G & A expenses partially offset the sales decline, resulting in an EBIT decline from $12.6 million in fiscal 2001 to $11.5 million in fiscal 2002

OXFORD SLACKS

Oxford Slacks reported a sales decline of 21.7% from $103.1 million in fiscal 2001 to $80.7 million in fiscal 2002. The sales decline was due to a 12.7% unit sales decline compounded by a 10.4% decline in the average selling price per unit. Shipments to the group's specialty catalog customers declined significantly from the prior year, unfavorably impacting selling prices and gross margins. Reductions in S, G & A expenses partially offset the gross profit decline. EBIT declined from $6.1 million in fiscal 2001 to $3.8 million in fiscal 2002.

OXFORD WOMENSWEAR GROUP

Our Oxford Womenswear Group reported a sales decline of 18.9% from $313.0 million in fiscal 2001 to $253.7 million in fiscal 2002. The sales decline was due to a 16.8% decline in units shipped compounded by a 2.5% decline in the average selling price per unit. This group experienced below plan performance on replenishment programs and lower shipments to a major mass merchant retailer. The Kmart bankruptcy also had a significant impact on this group's sales and earnings, resulting in a bad debt charge of approximately $2.4 million and interrupted sales during the bankruptcy process. EBIT declined from $15.5 million in fiscal 2001 to $9.5 million in fiscal 2002.

CORPORATE AND OTHER

Our Corporate and Other reduction in EBIT from a loss of $3.1 million in fiscal 2001 to a loss of $8.1 million in fiscal 2002 was primarily due to the treatment of approximately $1.0 million of financing cost for our accounts receivable securitization facility as S, G & A expense rather than interest expense, a reclassification of bad debt expense resulting in an increase in bad

debt expense under Corporate and Other of approximately $1.4 million and under absorption of Corporate and Other cost by our operating groups due to reduced sales volume.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is cash flow from operations. We supplement operating cash flows with our $65.0 million securitization facility and uncommitted bank lines of credit. On May 30, 2003, $61.2 million was available under the securitization facility of which none was outstanding. We had $145.5 million in uncommitted lines of credit, of which $125.0 million is reserved exclusively for letters of credit. We pay no commitment fees for these available lines of credit. At May 30, 2003 there were no direct borrowings and approximately $77.0 million in letters of credit outstanding under these lines.

OPERATING ACTIVITIES

Change in cash flows from operating activities is primarily due to changes in net earnings and working capital. Changes in working capital are primarily monitored by analysis of the Company's investment in accounts receivable and inventory and by the amount of accounts payable. During fiscal 2003, we generated cash from operating activities of $27.6 million primarily from increased net earnings, increased trade payables and increased accrued expenses offset by increased accounts receivable and inventory. The increase in trade payables was primarily due to the increase in inventory. The increase in accrued expenses was primarily due to increased incentive compensation costs. The accounts receivable increase was due to a slight increase in sales in the fourth quarter and a slight increase in days sales outstanding over the prior year. The inventory increase was due to inventory required to support increased core replenishment programs and an increase to what we consider to be more normal levels of operating stock as compared to last year's unusually low levels.

In fiscal 2002, we generated cash from operating activities of $12.4 million. After adjusting for the off-balance sheet treatment of our accounts receivable securitization facility our cash flow from operating activities would have been $68.4 million. That amount was primarily due to $10.6 million in net earnings and decreased inventory partially offset by a decline in trade payables. The decline in inventory was due to improved supply chain management. The reduction in trade payables was primarily due to the reduction in inventory.

INVESTING ACTIVITIES

Capital expenditures were $2.1 million for fiscal 2003, $1.5 million for fiscal 2002 and $4.3 million for fiscal 2001. The increase in restricted cash in fiscal 2003 represents the net proceeds from the senior unsecured notes plus accrued interest contained in the escrow account for the acquisition of Viewpoint International, Inc. The acquisition was completed on June 13, 2003.

FINANCING ACTIVITIES

On May 16, 2003 we completed a $200.0 million private placement of senior unsecured notes in connection with the acquisition of Viewpoint International, Inc. The notes bear interest at 8.875%, have an 8-year life, and were sold at a discount of .713% ($1.4 million) to yield and effective interest rate of 9.0%. The terms of the new notes provide certain limitations on additional indebtedness, and certain other transactions. Additionally, we are subject to certain financial covenants. The net proceeds from the senior notes were $198.6 million. There was $7.2 million in debt issuance cost incurred in issuing the senior notes.

We established a $90.0 million securitization facility on May 3, 2001, under which we sell a defined pool of accounts receivable to a securitization conduit. We used proceeds from the securitization facility to eliminate bank borrowings. A January 31, 2002 amendment to the securitization facility discontinued its off-balance sheet treatment and reduced the amount to $65.0 million. We had $56.0 million outstanding under the securitization facility as of June 1, 2001, $0 at May 31, 2002 and $0 on May 30, 2003. As collections reduced previously pledged interests, new receivables could be pledged. We terminated the accounts receivable securitization facility in June 2003 in connection with a new senior revolving credit facility established to finance the Viewpoint acquisition and to provide for our working capital needs.

If the securitization facility had not been treated as off-balance sheet at June 1, 2001, the accounts receivable balance at June 1, 2001 would have been increased by $56.0 million to $106.7 million and the balance of short-term debt would have been $56.0 million. Net cash generated by operations for fiscal 2002 would have been increased by $56.0 million from $12.4 million cash provided to $68.4 million cash provided. Net cash provided by financing activities would have been decreased by $56.0 million from $4.6 million used to $60.6 million cash used.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to bad debts, inventories, intangible assets, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Financial Reporting Release No. 60, which was released by the Securities and Exchange Commission, requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. The detailed Summary of Significant Accounting Policies is included in Notes to Consolidated Financial Statements. The following is a brief discussion of the more significant accounting policies and methods we use.

REVENUE RECOGNITION AND ACCOUNTS RECEIVABLE

We consider revenue realized or realizable and earned when the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred, our price to the buyer is fixed and determinable, and collectibility is reasonably assured. For accounts receivable, we estimate the net collectibility, considering both historical and anticipated trends of trade discounts and co-op

advertising deductions taken by our customers, allowances we provide to our retail customers for a variety of reasons, and the possibility of non-collection due to the financial position of our customers.

INVENTORY

For segment reporting, inventory is carried at the lower of FIFO cost or market. We estimate the amount of goods that we will not be able to sell in the normal course of business and write down the value of these goods to the recovery value expected to be realized through off-price channels yielding a normal gross margin when shipped. If we incorrectly anticipate these trends or unexpected events occur, our results of operations could be materially affected. For consolidated financial reporting, inventory is valued at the lower of LIFO cost or market. As part of our LIFO accounting, markdowns are deferred until the period in which the goods are shipped, except for markdowns below the allocated LIFO reserve. The markdown deferral is reflected in Corporate and Other.

GOODWILL

The evaluation of goodwill under SFAS 142 requires valuations of each applicable underlying business. These valuations can be significantly affected by estimates of future performance and discount rates over a relatively long period of time, market price valuation multiples and transactions in related markets. These estimates will likely change over time. The transitional business valuation reviews required by SFAS 142 indicated that no reduction of the carrying value of goodwill for our business units was required. After the adoption of SFAS 142, goodwill is required to be evaluated annually, or more frequently if events or changes in circumstances indicate that the carrying amount may exceed fair value. If this review indicates an impairment of goodwill balances, the amount of impairment will be recorded immediately and reported as a component of current operations.

Prior to adopting SFAS 142, goodwill was amortized over periods not exceeding 40 years. With the adoption of this standard, goodwill is not amortized; it is periodically reviewed for impairment as discussed above. SFAS 142 does not permit retroactive application to years prior to adoption. Therefore, earnings beginning in fiscal 2003 tend to be higher than earlier periods as a result of this accounting change. Goodwill amortization prior to the adoption of SFAS 142 was primarily in our Womenswear segment and the amount of goodwill currently recorded is also primarily related to this segment.

SEASONALITY

Although our business is impacted by the general seasonal trends characteristic of the apparel and retail industries, we do not consider our revenue and earnings to be highly seasonal. As the timing of product shipments and other events affecting the retail business may vary, results for any particular quarter may not be indicative of results for the full year.

NEW ACCOUNTING STATEMENTS

ASSET RETIREMENT OBLIGATIONS: In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") which requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity

capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS 143 is effective for fiscal years beginning after June 15, 2002. We believe that the adoption of this statement will not have a material effect on our future results of operations.

VARIABLE INTEREST ENTITIES: In December 2002, the FASB issued FASB Interpretation No. 46,Consolidation of Variable Interest Entities ("FIN 46"). The Interpretation requires that a variable interest entity be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. We believe the adoption of the Interpretation will not have a material impact on our financial position, results of operations or liquidity.

SUBSEQUENT EVENTS

On June 13, 2003, we acquired all of the outstanding capital stock of Viewpoint International, Inc. The transaction is valued at up to $325.0 million consisting of $240.0 million in cash, $10.0 million in Oxford common stock and up to $75.0 million in contingent payments, subject to the achievement by Viewpoint of certain performance targets. Viewpoint owns the Tommy Bahama lifestyle brand that is used to market a wide array of products and services including apparel, footwear, accessories, home furnishings and restaurants. Viewpoint also produces two additional collections under the Tommy Bahama label, Indigo Palms and Island Soft. It also operates over 30 Tommy Bahama retail locations across the country, six of which are retail/restaurant compounds. We anticipate operating Viewpoint as a business segment.

On June 13, 2003, we also entered into a new $275.0 million senior secured revolving credit facility, which has a five year term and bears interest, at our option, at rates determined from time to time based upon (1) the higher of the federal funds rate or the applicable prime rate plus a spread or (2) LIBOR plus a spread. Borrowings under the new senior secured revolving credit facility are subject to a borrowing base calculation based on our accounts receivable, inventory and real property.

On June 13, 2003, in connection with the completion of the Viewpoint acquisition, the net proceeds from our $200.0 million senior notes offering were released from escrow. We used the net proceeds from our senior notes offering,

together with limited borrowings under our new senior secured revolving credit facility and cash on hand, to finance the cash portion of the purchase price for the Viewpoint acquisition.

Prior to June 13, 2003, our $65.0 million accounts receivable securitization program was terminated.

FUTURE LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations is our primary source of liquidity. Cash flow from operations will be supplemented with our new secured credit facility described above. On June 13, 2003 after giving effect to the acquisition of Viewpoint International, Inc., collateral availability under the new senior secured revolving credit facility totaled $218.4 million, against which $69.0 million in letters of credit and $25.0 million in direct borrowings were outstanding.

FUTURE OPERATING RESULTS

We believe the current economic and retail environment will continue to be challenging. We expect the acquisition of Viewpoint International, Inc. to result in significant increased sales and earnings per share in the coming year. For our fiscal 2004, on a consolidated basis, we expect to report $1.05 billion to $1.1 billion in revenues and between $4.35 and $4.65 in diluted earnings per share.

MARKET RISK SENSITIVITY

TRADE POLICY RISK

Substantially all of our products are manufactured outside the United States. Most apparel imported into the United States is subject to duty and restrictive quotas on the number of garments that can be imported from certain countries into the United States each year. Because of the duty rates and quotas, changes in U.S. trade policy as reflected in various legislation, trade preference programs and trade agreements have the potential to materially impact our sourcing strategy and the competitiveness of our owned manufacturing facilities and existing contract manufacturing facilities. We manage this risk by continually monitoring U.S. trade policy, analyzing the impact of changes in such policy and adjusting our manufacturing and sourcing strategy accordingly.

FOREIGN CURRENCY RISK

We receive United States dollars for substantially all of our product sales. Substantially all inventory purchases from contract manufacturers throughout the world are also denominated in United States dollars; however, purchase prices for our products may be impacted by fluctuations in the exchange rate between the United States dollar and the local currencies of the contract manufacturers, which may have the effect of increasing our cost of goods sold in the future. During the last three fiscal years, exchange rate fluctuations have not had a material impact on our inventory costs; however, due to the number of currencies involved and the fact that not all foreign currencies react in the same manner against the United States dollar, we cannot quantify in any meaningful way the potential effect of such fluctuations on future income. We do not engage in hedging activities with respect to such exchange rate risk.

COMMODITY PRICE RISK

We are subject to commodity price risk arising from price fluctuations in the market prices of sourced garments or the various raw materials components of our manufactured products. We are subject to commodity price risk to the extent that any fluctuations in the market prices of our purchased garments and raw materials are not reflected by adjustments in selling prices of our products or if such adjustments significantly trail changes in these costs. We neither enter into significant long-term sales contracts nor significant long-term purchase contracts. We do not engage in hedging activities with respect to such risk.

INFLATION RISK

The consumer price index indicates deflation in apparel prices for at least the last five years. This deflation has resulted in the decline in the average selling price per unit for our Company as a whole. In order to maintain

gross margins and operating profit, we constantly seek more cost

effective product sourcing, productivity improvements and cost containment initiatives, in addition to efforts to increase unit sales.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The matters in this annual report that are forward-looking statements, including but not limited to statements about our expected business outlook, anticipated financial and operating results, the anticipated benefits of the Viewpoint acquisition, growth of particular product lines, strategies, contingencies, financing plans, working capital needs, sources of liquidity, estimated amounts and timing of capital expenditures and other expenditures, are based on current management expectations that involve certain risks which if realized, in whole or in part, could have a material adverse effect on Oxford's business, financial condition and results of operations, including, without limitation: (1) general economic cycles; (2) competitive conditions in our industry; (3) price deflation in the worldwide apparel industry; (4) our ability to identify and respond to rapidly changing fashion trends and to offer innovative and upgraded products; (5) the price and availability of raw materials; (6) our dependence on and relationships with key customers; (7) the ability of our third party producers to deliver quality products in a timely manner; (8) potential disruptions in the operation of our distribution facilities; (9) economic and political conditions in the foreign countries in which we operate or source our products; (10) regulatory risks associated with importing products; (11) the impact of labor disputes and wars or acts of terrorism on our business; (12) increased competition from direct sourcing; (13) our ability to maintain our licenses; (14) our ability to protect our intellectual property and prevent our trademarks and service marks and goodwill from being harmed by competitors' products; (15)our reliance on key management; (16) our inability to retain premium pricing on Tommy Bahama products due to competitive or other factors; (17) the impact of reduced travel to resort locations on our sales; (18) risks related to our operation of restaurants under the Tommy Bahama name; (19) the integration of Viewpoint into our company; (20) the expansion of our business through the Viewpoint acquisition into new businesses; (21) our ability to successfully implement our growth plans for Tommy Bahama; (22) our ability to open new Tommy Bahama stores; and (23) unforeseen liabilities associated with the acquisition of Viewpoint and other businesses.

For a further discussion of significant factors to consider in connection with forward-looking statements concerning Oxford, reference is made to Exhibit 99.1 to Oxford's Current Report on Form 8-K dated July 16, 2003; other risks or uncertainties may be detailed from time to time in Oxford's future SEC filings. Oxford disclaims any duty to update any forward-looking statements.

ADDITIONAL INFORMATION

For additional information concerning our operations, cash flows, liquidity and capital resources, this analysis should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements of this Annual Report.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

$ in thousands, except per share amounts Year ended:	May 30, 2003	May 31, 2002
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 24,091	$ 17,591
Receivables, less allowance for doubtful accounts of $3,505 in 2003 and $3,390 in 2002	110,304	103,198
Inventories	104,334	84,541

Prepaid expenses	12,631	9,754
Total current assets	251,360	215,084
Property, plant and equipment, net	21,971	27,188
Restricted cash in escrow	204,986	--
Other assets, net	15,929	8,241
Deferred income taxes	119	--
TOTAL ASSETS	$494,365	$250,513
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade accounts payable	$ 59,031	$ 43,320
Accrued compensation	23,556	12,752
Other accrued expenses	15,063	12,250
Dividends payable	1,579	1,578
Income taxes payable	2,551	--
Current maturities of long-term debt	134	255
Total current liabilities	101,914	70,155
Notes payable	198,581	--
Other long-term debt, less current maturities	5	139
Noncurrent liabilities	4,500	4,500
Deferred income taxes	--	518
Commitments and contingencies (Note H)		
Stockholders' equity:		
Preferred stock*	--	--
Common stock**	7,522	7,515
Additional paid-in capital	14,759	14,615
Retained earnings	167,084	153,071
Total Stockholders' equity	189,365	175,201
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$494,365	$250,513

*Par Value $1 per share; authorized 30,000,000 preferred shares; none outstanding.

**Par value $1 per share; authorized 30,000,000 common shares; issued and outstanding 7,521,749 in 2003 and 7,514,979 in 2002.

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

$ in thousands, except per share amounts Year ended:	May 30, 2003	May 31, 2002	June 1, 2001
Net Sales	$ 764,602	$ 677,264	$ 812,495
Cost of goods sold	604,891	544,016	663,484
Gross profit	159,711	133,248	149,011
Selling, general and administrative	124,362	115,729	119,390
Earnings before interest and taxes	35,349	17,519	29,621
Interest expense, net	1,935	243	4,870
Earnings before income taxes	33,414	17,276	24,751
Income taxes	13,087	6,704	9,405
NET EARNINGS	$ 20,327	$ 10,572	$ 15,346

Basic earnings per common share	$ 2.70	$ 1.41	$ 2.06
Diluted earnings per common share	$ 2.68	$ 1.40	$ 2.05
Basic number of shares outstanding	7,517,360	7,493,678	7,465,788
Diluted number of shares outstanding	7,571,645	7,549,277	7,484,758
Dividends per share	$ 0.84	$ 0.84	$ 0.84

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

$ in thousands, except per share amounts	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, June 2, 2000	$ 7,651	$ 11,309	$ 145,354	$ 164,314
Net earnings	--	--	15,346	15,346
Exercise of stock options	45	861	(64)	842
Purchase and retirement of common stock .	(290)	(429)	(4,594)	(5,313)
Cash dividends, $0.84 per share	--	--	(6,249)	(6,249)
Balance, June 1, 2001	$ 7,406	$ 11,741	$ 149,793	$ 168,940
Net earnings	--	--	10,572	10,572
Exercise of stock options	109	2,874	(990)	1,993
Cash dividends, $0.84 per share	--	--	(6,304)	(6,304)
Balance, May 31, 2002	$ 7,515	$ 14,615	$ 153,071	$ 175,201
Net earnings	--	--	20,327	20,327
Exercise of stock options	7	144	--	151
Cash dividends, $0.84 per share	--	--	(6,314)	(6,314)
Balance, May 30, 2003	$ 7,522	$ 14,759	$ 167,084	$ 189,365

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

$ in thousands Year ended:	May 30, 2003	May 31, 2002	June 1, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 20,327	$ 10,572	$ 15,346
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	5,937	8,888	9,249
Amortization of deferred financing costs	50	--	--
Loss (gain) on sale of property, plant and equipment.....	462	(31)	(62)
Changes in working capital:			
Receivables	(7,106)	(52,499)	62,168
Inventories	(19,793)	62,829	5,867
Prepaid expenses	(1,143)	(673)	(1,098)
Trade accounts payable	15,711	(11,467)	(13,634)
Accrued expenses and other current liabilities.....	13,617	(4,867)	(4,870)
Income taxes payable	2,551	(2,924)	1,776
Deferred income taxes	(2,371)	2,844	(102)
Other assets	(649)	(285)	(247)
NET CASH PROVIDED BY OPERATING ACTIVITIES	27,593	12,387	74,393
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in restricted cash in escrow	(204,986)	--	--
Purchases of property, plant and equipment	(2,051)	(1,528)	(4,332)

Proceeds from sale of property, plant and equipment.....	947	1,097	834
NET CASH USED IN INVESTING ACTIVITIES	(206,090)	(431)	(3,498)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Short-term debt repayments	--	--	(18,500)
Long-term debt repayments	(255)	(268)	(40,056)
Proceeds from issuance of notes	198,581	--	--
Note issue costs	(7,167)	--	--
Proceeds from exercise of stock options	151	1,993	842
Purchase and retirement of common stock	--	--	(5,313)
Dividends on common stock	(6,313)	(6,275)	(6,308)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES ..	184,997	(4,550)	(69,335)
Net change in cash and cash equivalents	6,500	7,406	1,560
Cash and cash equivalents at the beginning of year	17,591	10,185	8,625
Cash and cash equivalents at the end of year	$ 24,091	$ 17,591	$ 10,185
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for:			
Interest	$ 1,457	$ 103	$ 4,972
Income taxes	12,353	5,716	8,492

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MAY 30, 2003, MAY 31, 2002 AND JUNE 1, 2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. PRINCIPAL BUSINESS ACTIVITY -- We are engaged in the design, manufacture and sale of consumer apparel for men, women and children. Principal markets are customers located primarily in the United States. Owned manufacturing and distribution facilities are located primarily in the southeastern United States, Central America and Asia. In addition, we use foreign and domestic contractors for other sources of production.

2. PRINCIPLES OF CONSOLIDATION -- The consolidated financial statements include the accounts of the Company and its wholly owned domestic and foreign subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. The equity method of accounting is used for investments in companies where the Company has a 20% to 50% ownership interest. These investments are accounted for under the equity method of accounting because the Company does not exercise control over the companies, nor does the Company have substantive participating rights.

3. FISCAL PERIOD -- Our fiscal year ends on the Friday nearest May 31. The fiscal year includes operations for a 52-week period in 2003, 2002 and 2001.

4. NET SALES -- We recognize sales when the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred, the price to the buyer is fixed and determinable, and collectibility is reasonably assured.

5. CASH AND CASH EQUIVALENTS -- We consider cash equivalents to be short-term investments with original maturities of three months or less.

6. INVENTORIES -- For consolidated reporting purposes, inventories are principally stated at the lower of cost (last-in, first-out method, "LIFO") or market. For segment reporting purposes, inventories are principally stated at the lower of cost (first-in, first-out method, "FIFO") or market.

7. PROPERTY, PLANT AND EQUIPMENT -- Depreciation of property, plant and

equipment are provided on both straight-line (primarily buildings) and accelerated methods over the estimated useful lives of the assets as follows:

Buildings and improvements	7-40 years
Machinery and equipment	3-15 years
Office fixtures and equipment	3-10 years
Software	4 years
Autos and trucks	2-6 years
Leasehold improvements	Lesser of remaining life of the asset or lease term

8. INCOME TAXES -- We recognize deferred tax liabilities and assets based on the difference between financial and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

9. FINANCIAL INSTRUMENTS -- Our financial instruments consist primarily of cash and cash equivalents. Given their short-term nature, the fair values of financial instruments closely approximate their carrying values.

10. USE OF ESTIMATES -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

11. FOREIGN CURRENCY TRANSLATION -- Our functional currency for our owned foreign manufacturing facilities is the U.S. dollar. We remeasure assets and liabilities denominated in foreign currencies using exchange rates in effect on the balance sheet date. Fixed assets and the related depreciation or amortization charges are recorded at the exchange rates in effect on the date we acquired the assets. Revenues and expenses denominated in foreign currencies are remeasured using average exchange rates for all periods presented. We recognize the resulting foreign exchange gains and losses as a component of cost of goods sold in the statement of income. These gains and losses are immaterial for all periods presented.

12. ADVERTISING- Advertising expenses are charged to income during the year in which they are incurred. The total advertising costs were approximately $8,169,000, $8,572,000 and $8,928,000 on May 30, 2003, May 31, 2002 and June 1, 2001 respectively.

13. STOCK BASED COMPENSATION- As permitted by SFAS No. 123 "Accounting for Stock Based Compensation", we account for employee stock compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

14. UNAMORTIZED DEBT ISSUANCE COSTS- Unamortized debt issuance costs related to our long term debt are amortized on a straight line method which approximates an effective interest method over the life of the related debt. Amortization expense totaled $50,000 in fiscal 2003, and is included in interest expense in the accompanying consolidated statements of operations.

15. CHANGE IN ACCOUNTING PRINCIPLE- In 2002, we changed our method of calculating LIFO inventories by reducing the overall number of inventory pools from five to three. We made the change in order to better match costs with revenues and to provide for a LIFO adjustment more representative of our actual inflation on our inventories. The cumulative effect of the change in method and the pro forma effects of the change on prior years' results of operations were not determinable. The effect of the change on the results of operations for 2002 was to reduce net earnings by $3,031,593 or $.40 per share diluted.

16. NEW ACCOUNTING STANDARDS --

ASSET RETIREMENT OBLIGATIONS: In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") which requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS 143 is effective for fiscal years beginning after June 15, 2002. We believe that the adoption of this statement will not have a material effect on our future results of operations.

VARIABLE INTEREST ENTITIES: In December 2002, the FASB issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). The Interpretation requires that a variable interest entity be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. We believe the adoption of the Interpretation will not have a material impact on our financial position, results of operations or liquidity.

NOTE B. SALE OF ACCOUNTS RECEIVABLE:

We have a $65 million asset backed revolving securitization facility ("securitization facility") under which we sell a defined pool of our accounts receivable to a wholly-owned special purpose subsidiary. The securitization facility is accounted for as secured borrowing. The receivables outstanding under the securitization facility and the corresponding debt are included as "Receivables" and "Notes payable" in the accompanying consolidated balance sheets. As collections reduce previously pledged interests, new receivables may be pledged. We had approximately $62 million available under the securitization facility as of May 30, 2003 and approximately $44 million available on May 31, 2002. We had no borrowings under the securitization facility on May 30, 2003 and May 31, 2002, respectively. We terminated the accounts receivable securitization facility in June 2003, in connection with a new senior revolving credit facility established to finance the acquisition of Viewpoint International, Inc. (See Note O)

NOTE C. INVENTORIES:

The components of inventories are summarized as follows:

$ in thousands	May 30, 2003	May 31, 2002
Finished goods	$ 64,695	$ 54,382
Work in process	11,981	11,681
Fabric	22,485	15,806
Trim and supplies	5,173	2,672
	$104,334	$ 84,541

The excess of replacement cost over the value of inventories based upon the LIFO method was $34,928,000 at May 30, 2003 and $35,212,000 at May 31, 2002.

During fiscal 2003, inventory quantities were reduced in certain pools, which resulted in a liquidation of LIFO inventory layers carried at lower costs which prevailed in prior years. The effect of the liquidation was to decrease cost of

goods sold by approximately $69,251 and to increase net earnings by $42,000 or $0.01 per share basic. During fiscal 2002, the effect of the liquidation was to decrease cost of goods sold by approximately $750,272 and to increase net earnings by $459,000 or $0.06 per share basic.

NOTE D. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment, carried at cost, are summarized as follows:

$ in thousands	May 30, 2003	May 31, 2002
Land	$ 2,253	$ 2,254
Buildings	31,285	31,835
Machinery and equipment	60,890	66,511
Leasehold improvements	4,974	5,255
	99,402	105,855
Less accumulated depreciation and amortization	(77,431)	(78,667)
	$ 21,971	$ 27,188

Machinery and equipment includes machinery, office fixtures, equipment, software, autos and trucks.

We account for impairment or disposals of assets under SFAS No. 144 "Accounting for the Impairment of Long-Lived Assets". We do not have any items that qualify for the treatment required by SFAS No 144 as of May 30, 2003.

Depreciation expense was $5,859,000 in 2003, $7,509,000 in 2002 and $7,145,000 in 2001.

NOTE E. RESTRICTED CASH

As of May 30, 2003, we had $204,986,488 in restricted cash, which was held in escrow. The cash was primarily received from our senior note offering completed on May 16, 2003 (See Note G).

The proceeds from our senior note offering were restricted and could only be used to complete the acquisition of Viewpoint International, Inc. which was completed on June 13, 2003 (See Note O).

NOTE F. GOODWILL:

GOODWILL -- On June 1, 2002, we adopted the Financial Accountings Standards Board ("FASB") Statement No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). This requires that goodwill, including previously existing goodwill and intangible assets with indefinite useful lives, not be amortized, but instead tested for impairment at adoption and at least annually thereafter. We performed our initial test upon adoption and will perform our annual impairment review at the end of our first quarter of each fiscal year.

Under SFAS 142, fair value of goodwill is determined using a discounted cash flow methodology. Goodwill, net of $7,875,538 in accumulated amortization, totalled $5,839,475 at both May 30, 2003 and May 31, 2002. Goodwill is included in "Other Assets" in the accompanying consolidated balance sheet.

Had we adopted SFAS 142 as of June 3, 2000, the effects on income would have been as follows.

	May 30, 2003	May 31, 2002	June 1, 2001
Net earnings (as reported)	$ 20,327	$10,572	$15,346

Effect of ceasing goodwill amortization	--	1,237	1,253
Pro forma net earnings	$ 20,327	$11,809	$16,599
Pro forma basic net earnings per share	$ 2.70	$ 1.58	$ 2.22
Pro forma diluted net earnings per share	$ 2.68	$ 1.56	$ 2.22

NOTE G. NOTES PAYABLE AND LONG-TERM DEBT:

We have $145,500,000 in uncommitted lines of credit, of which $125,000,000 is reserved exclusively for letters of credit. We do not pay any commitment fees for these available lines of credit. At May 30, 2003, there were no direct borrowings and approximately $77,000,000 in letters of credit outstanding under these lines. The weighted average interest rate on short-term borrowings during fiscal 2003 was 2.16%. These lines of credit were refinanced under our new senior credit facility which was established with the acquisition of Viewpoint International, Inc. (See Note O).

On May 16, 2003 we completed a $200,000,000 private placement of senior unsecured notes. The proceeds from the private placement were used to fund our acquisition of Viewpoint International, Inc. (See Note O). The notes bear interest as 8.875%, have an 8-year life and were sold at a discount of .713% ($1,426,000) to yield an effective interest rate of 9.0%. The terms of the notes provide certain limitations on additional indebtedness, and certain other transactions. Additionally, we are subject to certain financial covenants.

As part of the acquisition agreement, a bridge financing commitment was established to provide contingent financing in the event the placement of the senior notes was delayed. The placement of the senior unsecured notes was successful and the bridge financing commitment was terminated. The cost incurred during our fourth quarter for this commitment was approximately $1,000,000 and is included in interest expense in the accompanying statement of earnings.

A summary of debt is as follows:

$ in thousands	May 30, 2003	May 31, 2002
Notes payable at a fixed rate of 8.875%, due in 2011	$ 198,581	$ --
Industrial revenue bond at a fixed rate of 7.0% collateralized by property plant and equipment due in 2004	110	295
Capital leases due in varying installments through 2005	29	99
Less current maturities	(134)	(255)
Total long-term portion	$ 198,586	$ 139

The aggregate maturities of long-term debt are as follows:

$ in thousands	
Fiscal Year	
2004	$ 134
2005	5
Thereafter	198,581
	$198,720

NOTE H. COMMITMENTS AND CONTINGENCIES:

We have operating lease agreements for buildings, sales offices and equipment with varying terms to 2014. The total rent expense under all leases was approximately $5,368,000 in 2003, $5,619,000 in 2002 and $6,349,000 in 2001.

The aggregate minimum rental commitments for all noncancelable operating leases with original terms in excess of one year are as follows:

$ in thousands	
Fiscal Year:	
2004	$ 3,721
2005	2,493
2006	1,773
2007	1,305
2008	1,244
Thereafter	3,221
	$13,757

We are also obligated under certain apparel license and design agreements to make future minimum payments as follows:

$ in thousands	
Fiscal Year	
2004	$ 4,738
2005	4,512
2006	4,527
2007	598
	$14,375

We are involved in certain legal matters primarily arising in the normal course of business. In our opinion, our liability under any of these matters would not materially affect our financial condition or results of operations.

We discovered a past unauthorized disposal of a substance believed to be dry cleaning fluid on one of our properties. We believe that remedial action will be required, including continued investigation, monitoring and treatment of groundwater and soil. Based on advice from our environmental experts, we provided $4,500,000 for this remediation in the fiscal year ended May 31, 1996. We believe this estimate of our potential liability continues to be reasonable given recent discussions with our environmental experts.

During the year we closed the Izod Club European Golf operation. Total costs incurred during the second quarter to close the European operation were approximately $1.3 million. Of the total costs incurred, approximately $0.8 million related to inventory markdowns and were recognized as additional cost of goods sold, and $0.5 million related primarily to severance costs and an increase in the allowance for doubtful accounts, which was recognized as additional S, G &A. Significantly all of the costs were settled prior to year-end. Net sales for the European operation was $1.2 million in fiscal 2002 and $0.5 million in fiscal 2003.

During the year we announced our decision to close our Izod Club U.S. Golf operation in fiscal 2004 upon completion of shipping the fall 2003 season. Total costs incurred during the fourth quarter related to the closure were approximately $3.5 million, of which approximately $3.0 million was recognized by the Oxford Shirt Group and the remaining $0.5 million was recognized by the

Corporate and Other Group. Of the total costs incurred, approximately $1.4 million related to inventory markdowns in excess of the related LIFO cost incurred with the closure, approximately $1.7 million related to a license termination fee which will be paid in four equal quarterly installments during calendar 2004, with the remaining $0.4 million related to severance and other miscellaneous costs. The costs associated with the inventory markdowns was recognized as additional cost of goods sold while all other costs incurred were recognized as additional S, G & A expense. At May 30, 2003 significantly all of the amounts related to the severance had been paid, while the remaining amounts associated with the inventory markdowns and termination fee will be reduced as the related inventory is sold and license fees are paid during the 2004 and 2005 fiscal years. Net sales for the U.S. operation were $24.5 million in fiscal 2002 and $18.1 million in fiscal 2003.

NOTE I. STOCK OPTIONS:

At May 30, 2003, 154,930 shares of common stock were authorized and reserved for issuance under our 1997 stock option plan. The options granted under the stock option plans expire either five years or ten years from the date of grant. Options granted vest in five annual installments.

Pro forma information, regarding net earnings and net earnings per share, is required by SFAS No. 123 and has been determined as if we had accounted for our employee stock option plans under the fair value method of that statement. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumption ranges: Risk-free interest rates between 5.090% and 6.510%, dividend yields between 2.4% and 4.87%, volatility factors between .2814 and .3220, and expected lives between five and ten years.

The effect of applying the fair value method of SFAS No. 123 to our stock option plan does not result in net earnings and net earnings per share that are materially different from the amounts reported in our consolidated financial statements as demonstrated below (amounts in thousands except per share data):

Year ended:	2003	2002	2001
Net earnings as reported	$ 20,327	$ 10,572	$ 15,346
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(386)	(324)	(302)
Pro forma net earnings	$ 19,941	$ 10,248	$ 15,044
Basic earnings per common share as reported	$ 2.70	$ 1.41	$ 2.06
Pro forma basic earnings per common share	$ 2.65	$ 1.37	$ 2.02
Diluted earnings per common share as reported	$ 2.68	$ 1.40	$ 2.05
Pro forma diluted earnings per common share	$ 2.63	$ 1.36	$ 2.01

Under Opinion 25, because the exercise price of our employee stock option equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized.

A summary of the status of our stock option plans and changes during the years ended are presented below:

Year ended:	2003		2002		2001	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price

Outstanding, beginning of year	399,000	$ 25	464,100	$ 24	443,900	$ 25
Granted	117,000	23	112,200	21	127,250	17
Exercised	(6,770)	18	(159,070)	18	(47,800)	18
Forfeited	(25,650)	25	(18,230)	24	(59,250)	25
Outstanding, end of year	483,580	$ 25	399,000	$ 25	464,100	$ 24
Options Exercisable, end of year	172,410		108,310		163,990	

The following table summarizes information about stock options outstanding as of May 30, 2003.

Date of Option Grant	Number of Shares	Exercise Price	Grant Date Fair Value	Number Exercisable	Expiration Date
July 13, 1998	88,500	$35.66	$10.31	70,800	July 13, 2008
July 12, 1999	91,200	27.88	9.40	54,520	July 12, 2009
July 10, 2000	89,510	17.25	4.06	28,280	July 10, 2010
July 16, 2001	99,970	21.45	6.35	18,810	July 16, 2011
July 15, 2002	114,400	23.45	6.49	0	July 15, 2012
	483,580			172,410	

We have a Restricted Stock Plan for issuance of up to 100,000 shares of common stock. At May 30, 2003, 2,942 shares were outstanding under this plan. The plan allows us to compensate our key employees with shares of common stock containing restrictions on sale and other restrictions in lieu of cash compensation

NOTE J. SIGNIFICANT CUSTOMERS:

Our top three customers represented 22%, 16% and 15% our net sales in fiscal 2003. Our top three customers represented 19%, 13%, and 10% in fiscal 2002. Our top three customers represented 15%, 14% and 11% of our total sales in fiscal 2001. We perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses

In fiscal 2003, two customers represented 12% and 53% of Oxford Slacks sales, two customers represented 34% and 48% of Oxford Womenswear groups sales and one customer represented 27% of Oxford Shirt groups sales.

In fiscal 2002, two customers represented 13% and 46% of Oxford Slacks sales, two customers represented 32% and 44% of Oxford Womenswear groups sales and one represented 14% of Oxford Shirt groups sales.

In fiscal 2001, two customers represented 11% and 42% of Oxford Slacks sales, two customers represented 32% and 37% of Oxford Womenswear groups sales and one represented 14% of Oxford Shirt groups sales.

NOTE K. BENEFIT PLANS:

We have a tax-qualified voluntary retirement savings plan covering substantially all full-time U.S. employees. If a participant decides to contribute, a portion of the contribution is matched by us. Total expense under this plan was $1,075,000 in 2003, $1,089,000 in 2002 and $1,318,000 in 2001.

We have a non-qualified deferred compensation plan effective January 1, 2001, offered to a select group of management and highly compensated employees. The plan provides the participants with the opportunity to defer a specified percentage of their cash compensation. We match a portion of the contribution. Participants may elect to defer up to 10% of their annual base salary and up to 25% of their bonus. We fund these deferred compensation liabilities by making contributions to a rabbi trust, which had assets of approximately $1,500,000 at May 30,2003 and approximately $1,000,000 at May 31, 2002. Total expense under this plan was $156,000 in 2003, $170,000 in 2002 and $68,000 in 2001.

NOTE L. INCOME TAXES:

The provision (benefit) for income taxes includes the following:

$ in thousands	2003	2002	2001
Current:			
Federal	$ 12,725	$ 2,944	$ 8,714
State	1,645	120	1,141
Foreign	1,088	781	1,334
	15,458	3,845	11,189
Deferred	(2,371)	2,859	(1,784)
	$ 13,087	$ 6,704	$ 9,405

Reconciliations of the U.S. federal statutory income tax rates and our effective tax rates are summarized as follows:

	2003	2002	2001
Statutory rate	35.0%	35.0%	35.0%
State income taxes - net of federal income tax benefit	2.6	1.9	2.2
Nondeductible expenses and other, net	1.6	1.9	0.8
Effective rate	39.2%	38.8%	38.0%

Deferred tax assets and liabilities are comprised of the following:

$ in thousands	May 30, 2003	May 31, 2002
DEFERRED TAX ASSETS:		
Inventories	$ 1,933	$ 941
Accrued compensation	2,374	1,881
Group insurance	289	259
Allowance for doubtful accounts	1,341	1,293
Depreciation and amortization	1,718	1,218
Noncurrent liabilities	1,721	1,721
Other, net	1,338	1,443
Deferred Tax Assets	10,714	8,756
DEFERRED TAX LIABILITIES:		
Foreign	2,561	3,029
Other, net	1,063	1,008
Deferred Tax Liabilities	3,624	4,037
Net Deferred Tax Asset	$ 7,090	$ 4,719

NOTE M. EARNINGS PER SHARE:

	May 30, 2003	May 31, 2002	June 1, 2001

In thousands, except share and per share amounts			
Net earnings available to common stockholders (numerator):	$ 20,327	$ 10,572	$ 15,346
Shares (denominator):			
Weighted average shares outstanding	7,517,360	7,493,678	7,465,778
Dilutive securities:			
Options	54,285	55,599	18,980
Total assuming conversion	7,571,645	7,549,277	7,484,758
Per share amounts:			
Basic earnings per common share	$ 2.70	$ 1.41	$ 2.06
Diluted earnings per common share	$ 2.68	$ 1.40	$ 2.05

- Options to purchase 88,500 shares of our stock at $35.66 per share were outstanding during fiscal 2003. However, these were not included in the computation of diluted earnings per share because the inclusion of such shares would have had an antidilutive effect.

- Options to purchase 190,700 shares of our stock at prices ranging from $27.88 to $35.66 per share were outstanding during fiscal 2002. However, these were not included in the computation of diluted earnings per share because the inclusion of such shares would have had an antidilutive effect.

- Options to purchase 198,950 shares of our stock at prices ranging from $27.88 to $35.66 per share were outstanding during fiscal 2001. However, these were not included in the computation of diluted earnings per share because the inclusion of such shares would have had an antidilutive effect.

NOTE N. SEGMENTS:

We identify operating segments based on the way we organize the components of our business for purposes of allocating resources and assessing performance. Our business segments are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group. The Oxford Shirt Group operations encompass branded and private label dress and sport shirts and branded golf apparel. Lanier Clothes produces branded and private label suits, sportscoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress and casual slacks and walkshorts. The Oxford Womenswear Group is a producer of private label women's sportswear. Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, transportation and logistics, intercompany eliminations, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups.

$ in thousands	Oxford Shirt Group	Lanier Clothes	Oxford Slacks	Oxford Womenswear Group	Corporate and Other	Total
2003						
Net sales	$ 201,567	$ 157,385	$ 96,564	$ 308,762	$ 324	$ 764,602
Depreciation and amortization	1,751	1,763	814	958	701	5,987
Earnings before interest and taxes	3,819	16,444	7,574	17,321	(9,809)	35,349
Interest expense, net						1,935
Earnings before income taxes						33,414
Total assets	73,532	72,576	35,879	86,118	226,260	494,365
Purchases of property, plant and equipment	415	1,130	168	82	256	2,051
2002						
Net sales	$ 189,380	$ 153,060	$ 80,693	$ 253,723	$ 408	$ 677,264
Depreciation and amortization	2,132	1,813	1,020	2,982	941	8,888
Earnings before interest and taxes	742	11,477	3,823	9,538	(8,061)	17,519
Interest expense, net						243
Earnings before income taxes						17,276
Total assets	76,716	69,348	31,784	75,585	(2,920)	250,513
Purchases of property, plant and equipment	409	864	48	82	125	1,528
2001						
Net sales	$ 220,949	$ 175,062	$ 103,096	$ 312,973	$ 415	$ 812,495
Depreciation and amortization	2,394	1,833	1,157	2,826	1,039	9,249

Earnings before interest and taxes	(1,385)	12,557	6,054	15,455	(3,060)	29,621
Interest expense, net						4,870
Earnings before income taxes						24,751
Total assets	100,156	94,647	45,083	90,451	(67,097)	263,240
Purchases of property, plant and equipment	1,369	1,359	310	782	512	4,332

Information for the net book value of property plant and equipment by geographic area is presented below:

Year ended	May 30, 2003	May 31, 2002
United States	$11,277	$14,061
Latin America	9,928	12,068
Other foreign	766	1,059
Total	$21,971	$27,188

NOTE O. SUBSEQUENT EVENTS

On June 13, 2003, we acquired all of the common stock of Viewpoint International, Inc. The transaction is valued at up to $325 million consisting of $240 million in cash, $10 million in Oxford common stock and up to $75 million in contingent payments, subject to the achievement by Viewpoint of certain performance targets. Viewpoint owns the Tommy Bahama lifestyle brand that is used to market a wide array of products and services including apparel, footwear, accessories, home furnishings and restaurants. Viewpoint also produces two additional collections under the Tommy Bahama label, Indigo Palms and Island Soft. It also operates over 30 Tommy Bahama retail locations across the country, six of which are retail/restaurant compounds.

We also entered into a new $275 million senior secured revolving credit facility, which has a five year term and bears interest, at our option, at rates determined from time to time based upon (1) the higher of the federal funds rate or the applicable prime rate plus a spread or (2) LIBOR plus a spread. Borrowings under the new senior secured revolving credit facility are subject to a borrowing base calculation based on our inventories, real property and accounts receivable.

In connection with the completion of the Viewpoint acquisition, the net proceeds from our $200 million senior notes offering were released from escrow. We used the net proceeds from our senior notes offering, together with limited borrowings under our new senior secured revolving credit facility and cash on hand, to finance the cash portion of the purchase price for the Viewpoint acquisition.

We also terminated the accounts receivable securitization facility in June 2003, in connection with the new senior revolving credit facility.

NOTE P SUMMARIZED QUARTERLY DATA (UNAUDITED):

Following is a summary of the quarterly results of operations for the years ended May 30, 2003, May 31, 2002 and June 1, 2001:

$ in thousands, except per share amounts	Fiscal Quarter First	Second	Third	Fourth	Total
2003					
Net sales	$172,139	$185,421	$208,969	$198,073	$764,602
Gross profit	38,462	37,186	42,913	41,150	159,711
Net earnings	4,510	4,263	6,927	4,627	20,327
Basic earnings per common share	0.60	0.57	0.92	0.61	2.70
Diluted earnings per common share	0.60	0.56	0.92	0.60	2.68
2002*					
Net sales	$179,530	$156,528	$149,495	$191,711	$677,264
Gross profit	36,320	27,545	28,912	40,471	133,248
Net earnings	3,127	461	1,357	5,627	10,572
Basic earnings per common share	0.42	0.06	0.18	0.75	1.41
Diluted earnings per common share	0.42	0.06	0.18	0.74	1.40
2001					
Net sales	$204,368	$194,869	$197,404	$215,854	$812,495
Gross profit	37,344	35,796	36,805	39,066	149,011
Net earnings	3,477	2,703	3,912	5,254	15,346
Basic earnings per common share	0.46	0.36	0.53	0.71	2.06
Diluted earnings per common share	0.45	0.36	0.53	0.70	2.05

*Includes an after-tax favorable LIFO adjustment in the fourth quarter of $767,806 or $0.10 per share diluted in 2002.

NET SALES BY PRODUCT CLASS

The following table sets forth separately in percentages net sales by class of similar products for each of the last three fiscal years:

	2003	2002	2001
Net Sales:			
Menswear	58%	60%	60%
Womenswear	42%	40%	40%
	100%	100%	100%

COMMON STOCK INFORMATION

	Market price on the New York Stock Exchange				Quarterly Cash Dividend Per Share	
	Fiscal 2003		Fiscal 2002		Fiscal 2003	Fiscal 2002
	High	Low	High	Low		
1st quarter	$28.10	$20.60	$24.14	$21.11	$ .21	$ .21
2nd quarter	26.25	19.50	24.06	18.30	.21	.21
3rd quarter	26.53	22.01	26.10	22.19	.21	.21

4th quarter	40.90	23.03	29.00	25.05	.21	.21

At the close of fiscal 2003, there were 522 stockholders of record.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Oxford Industries, Inc. is responsible for the integrity and objectivity of the consolidated financial statements and other financial information presented in this report. These statements have been prepared in conformity with accounting principles generally accepted in the United States consistently applied and include amounts based on the best estimates and judgments of management.

Oxford maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

The consolidated financial statements for the years ended May 30, 2003 and May 31, 2002, have been audited by Ernst & Young LLP, independent auditors, and the financial statements for the year ended June 1, 2001 have been audited by other auditors. In connection with its audit, Ernst & Young LLP develops and maintains an understanding of Oxford's accounting and financial controls and conducts tests of Oxford's accounting systems and other related procedures as it considers necessary to render an opinion on the financial statements.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with Oxford's management, internal auditors and independent auditors to review matters relating to the quality of financial reporting and internal accounting controls, and the independent nature, extent and results of the audit effort. The Committee recommends to the Board appointment of the independent auditors. Both the internal auditors and the independent auditors have access to the Audit Committee, with or without the presence of management.

Ben B. Blount, Jr.
Executive Vice President-
Finance, Planning and Administration
and Chief Financial Officer

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders of Oxford Industries, Inc.

We have audited the accompanying consolidated balance sheets of Oxford Industries, Inc. and Subsidiaries as of May 30, 2003 and May 31, 2002, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the two years in the period ended May 30, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of Oxford Industries, Inc. and Subsidiaries for the year ended June 1, 2001 were audited by other auditors who have ceased operations, and whose report dated July 13, 2001 expressed an unqualified opinion on those statements before the restatement adjustment described in Note F.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2003 and 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxford Industries, Inc. and Subsidiaries at May 30, 2003 and May 31, 2002, and the consolidated results of their operations and their cash flows for each of the two years in the period ended May 30, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Note A, the Company changed its method of calculating LIFO inventories in the year ended May 31, 2002.

As discussed above, the consolidated financial statements of Oxford Industries, Inc. and Subsidiaries for the year ended June 1, 2001 were audited by other auditors who have ceased operations. As described in Note F, the consolidated financial statements of Oxford Industries, Inc. and Subsidiaries for the year ended June 1, 2001 have been revised to include the transitional disclosures required by Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangibles, which was adopted by the Company as of June 1, 2002. Our audit procedures with respect to the 2001 disclosures in Note F included (a) agreeing the previously reported net income to the previously issued financial statements, (b) agreeing the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in the year ended June 1, 2001 related to goodwill that is no longer being amortized as a result of initially applying Statement No. 142 (including any related tax effects) to the Company's underlying records obtained from management, and (c) testing the mathematical accuracy of the reconciliation of pro forma net income to reported net income. In our opinion, such disclosures are appropriate and have been properly applied. However, we were not engaged to audit, review, or apply any procedures to the 2001 consolidated financial statements of the Company other than with respect to such adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2001 consolidated financial statements taken as a whole.

/s/Ernst & Young LLP

Atlanta, Georgia
July 11, 2003

Exhibit 23

Consent of Independent Auditors

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Oxford Industries, Inc. of our report dated July 11, 2003, with respect to the consolidated financial statements of Oxford Industries, Inc. and Subsidiaries for the years ended May 30, 2003 and May 31, 2002, included in the 2003 Annual Report to Shareholders of Oxford Industries, Inc.

We also consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-7231 and Form S-8 No. 33-64097) pertaining to the Oxford Industries, Inc. 1992 Stock Option Plan, in the Registration Statement (Form S-8 No. 333-59409) pertaining to the Oxford Industries, Inc. 1997 Restricted Stock Plan and in the Registration Statement (Form S-8 No. 333-59411) pertaining to the Oxford Industries, Inc. 1997 Stock Option Plan of our report dated July 11, 2003, with respect to the consolidated financial statements incorporated herein by reference.

/s/ Ernst & Young LLP

Atlanta, Georgia
August 25, 2003

EXHIBIT 24
ELECTRONIC SUMMARY - POWER OF ATTORNEY

Each of the undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Thomas Caldecot Chubb, III, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 31, 2002 and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorneys-in-fact full power and authority to sign such documents on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorneys-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Oxford Industries, Inc.

CECIL D. CONLEE	CLARENCE B. ROGERS, JR
Cecil D. Conlee Dated: July 16, 2002 Director	Clarence B. Rogers, Jr. Dated: July 16, 2002 Director
THOMAS GALLAGHER	KNOWLTON J. O'REILLY
Thomas Gallagher Dated: July 15, 2002	Knowlton J. O'Reilly
Dated July 16, 2002 Director	Director
E. JENNER WOOD	ROBERT E. SHAW
E. Jenner Wood Dated: August 7, 2002 Director	Robert E. Shaw Dated: July 31, 2002 Director
J. REESE LANIER	HELEN B. WEEKS
J. Reese Lanier Dated July 23, 2002 Director	Helen B. Weeks Dated: August 12, 2002 Director

EXHIBIT 31.1

SECTION 302
CERTIFICATION

I, J. Hicks Lanier , certify that:

I have reviewed this Annual Report on Form 10-K of Oxford Industries, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officers(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2003

/s/ J. Hicks Lanier

Chief Executive Officer

SECTION 302
CERTIFICATION

I, Ben B. Blount, Jr, certify that:

I have reviewed this Annual Report on Form 10-K of Oxford Industries, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a

material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officers(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2003

/s/ Ben B. Blount, Jr.

Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Oxford Industries, Inc. (the "Company") on Form 10-K for the year ended May 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K "), I, J. Hicks Lanier, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 28, 2003

/s/ J. Hicks Lanier

J. Hicks Lanier
Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Oxford Industries, Inc. (the "Company") on Form 10-K for the year ended May 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K "), I, Ben B. Blount, Jr., Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 28, 2003

/s/ Ben B. Blount, Jr.

Ben B. Blount, Jr.
Chief Financial Officer