
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(MARK ONE)

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934**

For the quarterly period ended March 29, 2003

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934**

For the transition period from to

Commission File Number 1-11893

GUESS?, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

95-3679695

(I.R.S. Employer
Identification No.)

**1444 South Alameda Street
Los Angeles, California, 90021**
(Address of principal executive offices)

(213) 765-3100

(Registrant's telephone number, including area code)

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

No

Indicate by check mark whether registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

As of May 7, 2003, the registrant had 43,145,323 shares of Common Stock, \$.01 par value per share, outstanding.

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FORM 10-Q
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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

| | <u>Mar 29, 2003</u> | <u>Dec 31, 2002</u> |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 9,036 | \$ 31,753 |
| Receivables, net | 49,303 | 35,437 |
| Inventories, net | 90,976 | 95,683 |
| Prepaid expenses and other current assets | 14,382 | 11,278 |
| Deferred tax assets | 14,836 | 14,836 |
| Total current assets | 178,533 | 188,987 |
| Property and equipment, at cost, less accumulated depreciation and amortization | 124,284 | 128,097 |
| Goodwill, net of accumulated amortization | 11,610 | 10,970 |
| Other assets, at cost, net of accumulated amortization | 21,231 | 21,478 |
| Total assets | <u>\$ 335,658</u> | <u>\$ 349,532</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current installments of notes payable and long-term debt | \$ 14,412 | \$ 80,138 |
| Accounts payable | 37,004 | 44,460 |
| Accrued expenses | 39,658 | 42,963 |
| Total current liabilities | 91,074 | 167,561 |
| Notes payable and long-term debt, excluding current installments | 69,480 | 1,480 |
| Other liabilities | 13,648 | 14,211 |
| Total liabilities | <u>174,202</u> | <u>183,252</u> |

| | | |
|---|-------------------|-------------------|
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value. Authorized 10,000,000 shares; no shares issued and outstanding | — | — |
| Common stock, \$.01 par value. Authorized 150,000,000 shares; issued 64,248,508 and 64,203,462 shares, outstanding 43,145,585 and 43,076,767 shares at March 29, 2003 and December 31, 2002, respectively | 150 | 150 |
| Paid-in capital | 170,024 | 170,111 |
| Deferred compensation | (544) | (729) |
| Retained earnings | 150,123 | 155,896 |
| Accumulated other comprehensive loss | (889) | (1,565) |
| Treasury stock, 21,102,923 and 21,126,695 shares repurchased at March 29, 2003 and December 31, 2002, respectively | (157,408) | (157,583) |
| Net stockholders' equity | <u>161,456</u> | <u>166,280</u> |
| Total liabilities and stockholders' equity | <u>\$ 335,658</u> | <u>\$ 349,532</u> |

See accompanying notes to condensed consolidated financial statements.

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GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | First Quarter Ended | |
|---|----------------------------|-------------------------|
| | Mar 29, 2003 | Mar 30, 2002 |
| Net revenue | | |
| Product sales | \$ 128,722 | \$ 128,261 |
| Net royalties | 10,862 | 9,918 |
| | <u>139,584</u> | <u>138,179</u> |
| Cost of product sales | 98,235 | 93,063 |
| Gross profit | 41,349 | 45,116 |
| Selling, general and administrative expenses | 49,424 | 48,627 |
| Restructuring, impairment and severance charges | — | 655 |
| Loss from operations | (8,075) | (4,166) |
| Other (income) expense: | | |
| Interest expense, net | 2,063 | 2,264 |
| Other, net | (15) | (29) |
| | <u>2,048</u> | <u>2,235</u> |
| Loss before income tax benefit | (10,123) | (6,401) |
| Income tax benefit | (4,350) | (2,800) |
| Net loss | <u>\$ (5,773)</u> | <u>\$ (3,601)</u> |
| Net loss per share: | | |
| Basic | \$ (0.13) | \$ (0.08) |
| Diluted | \$ (0.13) | \$ (0.08) |
| Weighted average shares outstanding: | | |
| Basic | 43,140 | 43,525 |
| Diluted | 43,140 | 43,525 |

See accompanying notes to condensed consolidated financial statements.

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GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | First Quarter Ended | |
|---|---------------------|------------------|
| | Mar 29, 2003 | Mar 30, 2002 |
| Cash flows from operating activities: | | |
| Net loss | \$ (5,773) | \$ (3,601) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization of property and equipment | 8,647 | 10,028 |
| Amortization of other assets | 31 | 21 |
| Net loss on disposition of property and equipment | 229 | 111 |
| Other items, net | (257) | (32) |
| Changes in operating assets and liabilities: | | |
| Receivables | (13,866) | (6,137) |
| Inventories | 4,707 | 13,903 |
| Prepaid expenses and other assets | (3,557) | (2,169) |
| Accounts payable | (7,456) | (11,058) |
| Accrued expenses and other liabilities | (3,961) | (1,440) |
| Net cash used in operating activities | <u>(21,256)</u> | <u>(374)</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment, net of lease incentives | (4,165) | (4,983) |
| Acquisition of license | — | (125) |
| Net cash used in investing activities | <u>(4,165)</u> | <u>(5,108)</u> |
| Cash flows from financing activities: | | |
| Proceeds from notes payable and long-term debt | 42,103 | — |
| Repayments of notes payable and long-term debt | (39,829) | (1,355) |
| Issuance of common stock | 273 | 428 |
| Net cash provided by (used in) financing activities | <u>2,547</u> | <u>(927)</u> |
| Effect of exchange rates on cash | 157 | (11) |
| Net decrease in cash and cash equivalents | <u>(22,717)</u> | <u>(6,420)</u> |
| Cash and cash equivalents at beginning of period | 31,753 | 31,870 |
| Cash and cash equivalents at end of period | <u>\$ 9,036</u> | <u>\$ 25,450</u> |
| Supplemental disclosures: | | |
| Cash paid during the period for: | | |
| Interest | \$ 3,920 | \$ 4,353 |
| Income taxes | 975 | 733 |

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 29, 2003
(in thousands, except per share amounts)
(unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements of GUESS?, Inc. and its subsidiaries (the "Company") contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the condensed consolidated balance sheets as of March 29, 2003 and December 31, 2002, the condensed consolidated statements of operations for the first quarter ended March 29, 2003 and March 30, 2002, and the condensed consolidated statements of cash flows for the first quarter ended March 29, 2003 and March 30, 2002. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Accordingly, they have been condensed and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The results of operations for the first quarter ended March 29, 2003 are not necessarily indicative of the results of operations for the full fiscal year. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2002.

The Company's quarterly fiscal reporting period ends on the Saturday nearest the calendar quarter end. The first quarter ended March 29, 2003 had 88 days compared to 89 days in the first quarter ended March 30, 2002.

Certain reclassifications have been made to the prior years' condensed consolidated financial statements to conform to classifications used in the current year. These reclassifications had no impact on previously reported results.

(2) Summary of Significant Accounting Policies

Loss Per Share

Basic loss per share represents net loss divided by the weighted-average number of common shares outstanding for the period. The diluted loss per share for the first quarter ended March 29, 2003 and March 30, 2002 was computed using the basic weighted-average number of shares outstanding and excluded 279,159 potentially dilutive shares for the quarter ended March 30, 2002, as their effect would be anti-dilutive when applied to losses.

Business Segment Reporting

The business segments of the Company are retail, wholesale and licensing. Information relating to these segments is summarized in Note 6. In the first quarter of 2003, the Company revised its segment reporting to better reflect how its three business segments – retail, wholesale and licensing – are managed and each segment's performance is evaluated. The earnings from operations for each segment now include those costs that are specifically related to each segment, consisting primarily of store operations, distribution, selling and merchandising, depreciation, amortization and employee compensation directly related to that business segment. In addition, the Company is continuing to allocate design and advertising charges to the business segments based on the assessed benefit derived from the respective expenditures. The new structure excludes from the segment results corporate overhead costs, which consist of shared costs of the organization. These costs are presented separately and include, among others, the following corporate costs: information technology, human resources, accounting and finance, executive compensation, facilities and legal. All amounts for 2002 have been revised to conform to the 2003 presentation.

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Comprehensive Loss

Comprehensive loss consists of net loss, unrealized gains (losses) on investments available for sale and foreign currency translation adjustments. A reconciliation of comprehensive loss for the first quarter ended March 29, 2003 and March 30, 2002 is as follows (in thousands):

| | First Quarter Ended | |
|--|---------------------|-------------------|
| | Mar 29, 2003 | Mar 30, 2002 |
| Net loss | \$ (5,773) | \$ (3,601) |
| Unrealized gain on investments, net of tax | 11 | 26 |
| Foreign currency translation adjustment | 665 | 836 |
| Comprehensive loss | <u>\$ (5,097)</u> | <u>\$ (2,739)</u> |

Employee Stock Options

The Company has stock-based employee compensation plans. The Company accounts for those plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based employee compensation cost for stock options is reflected in net loss, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The Company records compensation expense related to its restricted stock award plan in which the market price of the underlying stock at grant is recorded as unearned compensation and amortized to expense over the vesting period. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation (in thousands, except per share data):

| | First Quarter Ended | |
|---|---------------------|-------------------|
| | Mar 29, 2003 | Mar 30, 2002 |
| Net loss, as reported | \$ (5,773) | \$ (3,601) |
| Add: Stock-based employee compensation expense included in reported net loss, net of related tax effects | 68 | 236 |
| Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects | <u>(647)</u> | <u>(589)</u> |
| Pro forma loss | <u>\$ (6,352)</u> | <u>\$ (3,954)</u> |
| Loss per share: | | |
| Basic—as reported | \$ (0.13) | \$ (0.08) |
| Basic—pro forma | \$ (0.15) | \$ (0.09) |
| Diluted—as reported | \$ (0.13) | \$ (0.08) |
| Diluted—pro forma | \$ (0.15) | \$ (0.09) |

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New Accounting Standards

On July 30, 2002, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 146 ("SFAS 146"), "Accounting for Costs Associated with Exit or Disposal Activities." SFAS 146 nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." It requires that a liability be recognized for those costs only when the liability is incurred, that is, when it meets the definition of a liability in the FASB's conceptual framework. SFAS 146 also establishes fair value as the objective for initial measurement of liabilities related to exit or disposal activities. SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS 146 did not have a material impact on the Company's financial position or results from operations.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities." FIN 46 clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," and requires companies to evaluate variable interest entities for specific characteristics to determine whether additional consolidation and disclosure requirements apply. FIN 46 is immediately applicable for variable interest entities created after January 31, 2003, and applies to fiscal periods beginning after June 15, 2003 for variable interest entities acquired prior to February 1, 2003. FIN 46 also requires extensive disclosures including disclosures that are applicable to December 31, 2002 financial statements. The adoption of FIN 46 did not have a material impact on the Company's financial position or results of operations as the Company has no variable interest entities.

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 clarifies the requirements of a guarantor in accounting for and disclosing certain guarantees issued and outstanding. FIN 45 is effective for fiscal years ending after December 15, 2002. The adoption of FIN 45 did not have any impact on the Company's financial position or results of operations.

On December 31, 2002, the FASB issued Statement of Financial Accounting Standard No. 148 ("SFAS 148"), "Accounting for Stock-Based Compensation – Transition and Disclosure." SFAS 148 amends FASB Statement No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation" to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. Furthermore, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. Certain of the disclosure modifications are required for fiscal years ending after December 15, 2002. The adoption of SFAS 148 did not have any impact on the Company's financial position or results of operations. The Company has included the required disclosures under SFAS 148 in the notes to the condensed consolidated financial statements.

(3) Accounts Receivable

Accounts receivable consists of trade receivables, net of reserves aggregating \$5,810,000 and \$8,350,000, at March 29, 2003 and December 31, 2002, respectively and royalty receivables, less allowance for doubtful accounts of \$1,013,000 at both March 29, 2003 and December 31, 2002.

(4) Inventories

The components of inventories consist of the following (in thousands):

| | Mar 29, 2003 | Dec 31, 2002 |
|----------------------------|------------------|------------------|
| Raw materials | \$ 7,286 | \$ 7,026 |
| Work in progress | 2,459 | 1,049 |
| Finished goods – wholesale | 27,394 | 33,634 |
| Finished goods – retail | 53,837 | 53,974 |
| | <u>\$ 90,976</u> | <u>\$ 95,683</u> |

As of March 29, 2003 and December 31, 2002, reserves to write-down inventories to the lower of cost or market totaled \$6.8 million and \$7.9 million, respectively.

(5) Income taxes

Income tax benefit for the interim periods were computed using the effective tax rate estimated to be applicable for the full fiscal year, which is subject to ongoing review and evaluation by management.

(6) Segment Information

The Company's reportable business segments and respective accounting policies of the segments are the same as those described in Note 2. Management evaluates segment performance based primarily on revenue and earnings (loss) from operations. Corporate overhead, interest income and expense are evaluated on a consolidated basis and are not allocated to the Company's business segments.

Net revenue and loss from operations are summarized as follows for the first quarter ended March 29, 2003 and March 30, 2002 (in thousands):

| First Quarter Ended | |
|---------------------|---------|
| Mar 29. | Mar 30. |

| | 2003 | 2002 |
|----------------------------------|-------------------|-------------------|
| Net revenue: | | |
| Retail operations | \$ 83,662 | \$ 78,866 |
| Wholesale operations | 45,060 | 49,395 |
| Licensing operations | 10,862 | 9,918 |
| | <u>\$ 139,584</u> | <u>\$ 138,179</u> |
| Earnings (loss) from operations: | | |
| Retail operations | \$ (6,494) | \$ (4,516) |
| Wholesale operations | 260 | 3,425 |
| Licensing operations | 8,920 | 7,591 |
| Corporate overhead | (10,761) | (10,666) |
| | <u>\$ (8,075)</u> | <u>\$ (4,166)</u> |

Due to the seasonal nature of these business segments, the above net revenue and operating results are not necessarily indicative of the results that may be expected for the full fiscal year.

All amounts for the years ended December 31, 2002 and 2001 have been revised as follows to conform to the segment reporting described in Note 2 (in thousands):

| | First Quarter Ended Mar 30, 2002 | Second Quarter Ended Jun 29, 2002 | Third Quarter Ended Sep 28, 2002 | Fourth Quarter Ended Dec 31, 2002 | Year Ended December 31, 2002 | Year Ended December 31, 2001 |
|----------------------------------|--|---|--|---|---------------------------------------|---------------------------------------|
| Net revenue: | | | | | | |
| Retail operations | \$ 78,866 | \$ 79,892 | \$ 94,760 | \$ 130,938 | \$ 384,456 | \$ 380,576 |
| Wholesale operations | 49,395 | 33,104 | 50,764 | 26,362 | 159,625 | 260,124 |
| Licensing operations | 9,918 | 6,793 | 12,274 | 10,073 | 39,058 | 36,920 |
| | <u>\$ 138,179</u> | <u>\$ 119,789</u> | <u>\$ 157,798</u> | <u>\$ 167,373</u> | <u>\$ 583,139</u> | <u>\$ 677,620</u> |
| Earnings (loss) from operations: | | | | | | |
| Retail operations | \$ (4,516) | \$ (2,391) | \$ 1,702 | \$ 9,578 | \$ 4,373 | \$ 7,930 |
| Wholesale operations | 3,425 | (688) | 3,512 | (10,987) | (4,738) | 28,214 |
| Licensing operations | 7,591 | 4,144 | 9,496 | 7,861 | 29,092 | 29,402 |
| Corporate overhead | (10,666) | (10,504) | (5,655) | (10,428) | (37,253) | (41,717) |
| | <u>\$ (4,166)</u> | <u>\$ (9,439)</u> | <u>\$ 9,055</u> | <u>\$ (3,976)</u> | <u>\$ (8,526)</u> | <u>\$ 23,829</u> |

(7) Long-Term Debt

On September 27, 2002, the Company entered into a new credit facility led by Wachovia Securities, Inc., as Arranger and Administrative Agent ("Credit Facility"), which replaces a previous credit agreement. The term of the Credit Facility is for a period of four years and provides for a maximum line of credit of \$85 million, including an amount made available to the Company's Canadian subsidiaries under a separate credit agreement (currently \$15 million). The Credit Facility includes a \$47.5 million sub-limit for letters of credits. Borrowings available under the Credit Facility are subject to a borrowing base and outstanding borrowings are secured by inventory, accounts receivable and substantially all other personal property of the borrowers. For borrowings under the Credit Facility, the Company may elect an interest rate based on either the Prime Rate or a Eurodollar rate plus a margin, which fluctuates depending on availability under the Credit Facility and the Company's financial performance as measured by a cash flow test. This margin ranges from 0 to 75 basis points for prime rate loans and from 175 to 250 basis points for Eurodollar rate loans. Monthly commitment fees for unused borrowings up to \$60 million under the Credit Facility are 37.5 basis points per annum. The Credit Facility requires the Company to maintain a minimum tangible net worth if excess availability under the Credit Facility is less than \$20 million. At March 29, 2003, the Company had \$1.7 million in outstanding borrowings under the Credit Facility, \$3.1 million in outstanding standby letters of credit, \$12.3 million in outstanding documentary letters of credit, and approximately \$47.9 million available for future borrowings. As of March 29, 2003, the Company was in compliance with all of its covenants under the Credit Facility.

On April 28, 2003, Guess? Royalty Finance LLC, an indirect wholly owned subsidiary of the Company, issued in a private placement \$75 million of 6.75% asset-backed notes ("Secured Notes"). The Secured Notes are secured by rights and interests in receivables generated from specific license agreements of specified Guess? trademarks and all royalty monies payable or becoming payable under such license agreements, and a security interest in specified assets consisting primarily of such Guess? trademarks and the specified license agreements. The Secured Notes due June 2012 pay interest and amortize principal quarterly. The Secured Notes are subject to an interest reserve account in an amount equal to the greater of (1) the product of the interest rate and the outstanding principal amount and (2) \$1,750,000. The net proceeds, after interest reserves and expenses, of approximately \$66.8 million, along with available cash and borrowing under the Credit Facility, will be used to repay the 9½% Senior Subordinated Notes due in August 2003. We have defeased the 9½% Senior Subordinated Notes in accordance with their terms on April 28, 2003 by a cash deposit with the trustee of \$79.6 million representing principal plus \$2.1 million in accrued interest. We have called the 9½% Senior Subordinated Notes for redemption, which we expect to occur on May 27, 2003.

(8) Employee Stock Purchase Plan

In January 2002, the Company established a qualified employee stock purchase plan ("ESPP"), the terms of which allow for qualified employees (as defined) to participate in the purchase of designated shares of the Company's common stock at a price equal to 85% of the lower of the closing price at the beginning or end of each quarterly stock purchase period. The ESPP is a straight purchase plan and is not subject to any holding period, however all Company employees are subject to the terms of the Company's securities trading policy which generally prohibits the purchase or sale of any Company securities during the two weeks before the end of each fiscal quarter through the public announcement by the Company of its earnings for that period. On January 23, 2002, the Company filed with the Securities and Exchange Commission a Registration Statement on Form S-8 registering 2,000,000 shares of common stock for the ESPP.

During the first quarter ended March 29, 2003, 23,772 shares of the Company's common stock were issued pursuant to the ESPP at an average price of \$3.02 per share.

(9) Share Repurchase Program

In May 2001, the Company's Board of Directors authorized the Company to repurchase shares of its own stock in an amount of up to \$15 million from time to time in open market transactions. During the fiscal year of 2002, the Company purchased 606,000 shares at an aggregate cost of \$3.2 million, or an average of \$5.21 per share. No share repurchases were made during the first quarter ended March 29, 2003. Since the inception of the share repurchase program in May 2001, the Company has purchased 1,137,000 shares at an aggregated cost of \$7.1 million, or an average of \$6.26 per share.

(10) Related Party Transactions

Effective January 1, 2003, the Company entered into a license agreement with BARN S.r.l. ("BARN"), an Italian corporation, under which the Company granted BARN the right to manufacture and distribute children's clothing in parts of Europe. The license has an initial term of three years and has terms equivalent to our other license agreements. Two key employees of our wholly-owned subsidiary Guess Italia, S.r.l. own BARN. In addition, Guess Italia, S.r.l. provides office space and services for BARN.

(11) Registration Statement

On May 6, 2003, the Company filed a shelf Registration Statement on Form S-3 with the SEC registering substantially all of the Company's common stock beneficially owned by Armand Marciano. This Form S-3 has not yet been declared effective.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

IMPORTANT NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements may also be contained in the Company's other reports filed under the Exchange Act, in its press releases and in other documents. In addition, from time to time, the Company through its management may make oral forward-looking statements.

Forward-looking statements generally relate to future events or future financial performance, and include statements dealing with current plans, intentions, objectives, beliefs and expectations. Some forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," "optimistic," "aims," or "continues" or the negative of such terms or other comparable terminology. Certain statements in this Form 10-Q, including but not limited to those relating to the Company's expected results, the accuracy of data relating to, and anticipated levels of, its future inventory and gross margins, its anticipated cash requirements and sources, and its business seasonality, are forward-looking statements.

Forward-looking statements are only expectations, and involve known and unknown risks and uncertainties, which may cause actual results in future periods and other future events to differ materially from what is currently anticipated. Factors which may cause actual results in future periods to differ from current expectations include, among other things, the continued availability of sufficient working capital, the successful integration of new stores into existing operations, the continued desirability and customer acceptance of existing and future product lines, possible cancellations of wholesale orders, the success of competitive products, and the availability of adequate sources of capital. In addition to these factors, the economic and other factors identified in the Company's most recent annual report on Form 10-K for the fiscal year ended December 31, 2002, including but not limited to the risk factors discussed therein, could affect the forward-looking statements contained herein and in the Company's other public documents.

OVERVIEW

We derive our net revenue from the sale of GUESS? men's and women's apparel and our licensees' products through our network of retail and factory outlet stores located primarily in the United States; from the sale of GUESS? men's and women's apparel worldwide to wholesale customers and distributors; from net royalties from worldwide licensing activities; from the sale of GUESS? apparel through retail and wholesale channels of our wholly-owned Canadian subsidiary, Guess Canada Corporation ("Guess Canada"); and from the sale of GUESS? men's and women's apparel and our licensee products through our on-line store at www.guess.com.

Unless the context indicates otherwise, when we refer to "we," "us" or the "Company" in this Form 10-Q, we are referring to GUESS?, Inc. and its subsidiaries on a consolidated basis.

The Company's quarterly fiscal reporting period ends on the Saturday nearest the calendar quarter end. This resulted in 88 days for the first quarter ended March 29, 2003 compared to 89 days for the first quarter ended March 30, 2002.

RESULTS OF OPERATIONS

First Quarters Ended March 29, 2003 and March 30, 2002.

NET REVENUE. Net revenue for the first quarter ended March 29, 2003 increased \$1.4 million, or 1.0%, to \$139.6 million from \$138.2 million in the first quarter ended March 30, 2002.

Net revenue from retail operations increased 6.1% to \$83.7 million in the first quarter of 2003 from \$78.9 million in the prior year period. This increase was attributable to 22 net new store openings, slightly offset by a sales decrease of 1.7% for comparable stores. However, the Canadian stores continued to perform well during the quarter with positive comparable store sales.

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Net revenue from wholesale operations declined \$4.4 million, or 8.8%, to \$45.0 million in the first quarter ended March 29, 2003 from \$49.4 million in the first quarter ended March 30, 2002. Domestic wholesale net revenue decreased in the first quarter of 2003 by \$9.4 million, or 27.3%, to \$25.0 million from \$34.4 million in the prior year period. The decrease in the first quarter domestic wholesale revenue is attributable to a decrease in the number of locations in which our product is sold, and lower spending by department stores in response to continuing softness in retailing. International wholesale net revenue increased by \$5.0 million, or 33.3%, from \$15.0 million to \$20.0 million during the first quarter of 2003. International wholesale revenue increased due to improved sales in Europe.

Net royalty revenue for the first quarter ended March 29, 2003 increased \$1.0 million, or 9.5%, to \$10.9 million compared to \$9.9 million during the same period in 2002. The increase is attributable to improved performance by both domestic and international licensees.

GROSS PROFIT. Gross profit decreased \$3.8 million, or 8.3%, to \$41.3 million in the first quarter ended March 29, 2003 from \$45.1 million in the comparable 2002 period. Gross profit for the retail segment declined during the first quarter of 2003 compared to the same prior year quarter primarily due to higher markdowns and higher store occupancy costs. Lower wholesale revenues, sales to off-priced channels at prices below cost, and lower initial margins also had adverse effects on wholesale gross profit. Higher licensing revenues partially offset the gross profit declines.

Gross margin (gross profit as a percentage of total net revenue) decreased to 29.6% in the first quarter of 2003 from 32.7% in the first quarter of 2002. Gross margin from product sales decreased to 23.6% in the first quarter of 2003 from 27.4% in the first quarter of 2002. Gross margin in the retail segment declined as a result of higher markdowns and store occupancy costs due to the lower sales productivity of new and existing stores. Gross margin in the wholesale segment was negatively impacted by lower margins on off-price sales, lower initial margins for the period and higher allowances in domestic wholesale sales.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative ("SG&A") expenses slightly increased by \$0.8 million, or 1.6%, to \$49.4 million in the first quarter of 2003 compared to \$48.6 million in the first quarter of 2002. The increase was primarily attributable to the costs of operating 22 net new stores, partially offset by cost savings initiatives. As a percentage of net revenue, SG&A expenses remained relatively flat with the prior year first quarter.

RESTRUCTURING, IMPAIRMENT AND SEVERANCE CHARGES. During the first quarter ended March 30, 2002, the Company recorded an additional \$0.7 million of costs for estimated rent to be paid and lease exit costs related to idle leased facilities identified as part of the restructuring charge recorded during the fourth quarter of 2000. These properties were sublet during the second quarter of 2002.

EARNINGS (LOSS) FROM OPERATIONS. The loss from operations was \$8.1 million in the first quarter of 2003 compared to the loss from operations of \$4.2 million, in the first quarter of 2002. The retail segment recorded a loss from operations of \$6.5 million in the first quarter of 2003 versus a loss from operations of \$4.5 million during the same quarter in 2002. The 2002 first quarter results include restructuring, impairment and severance charges of \$0.7 million. The increase in the loss from operations for the retail segment was principally due to lower margins as a result of higher promotional markdowns and higher costs related to operating 22 net new stores. Earnings from operations decreased in the wholesale segment to \$0.3 million in the first quarter of 2003 from \$3.4 million in the first quarter of 2002 primarily attributable to lower product sales. Earnings from operations for the licensing segment increased \$1.3 million to \$8.9 million in the first quarter of 2003 from \$7.6 million for the same period last year due primarily to the improved performance from both domestic and international licensees. The loss resulting from unallocated corporate overhead slightly increased to \$10.8 million in the first quarter of 2003 from \$10.7 million for the same period last year.

INTEREST EXPENSE, NET. Net interest expense decreased 8.9% to \$2.1 million in the first quarter ended March 29, 2003, from \$2.3 million for the same period in 2002. The decrease was primarily attributable to a lower outstanding average debt during the first quarter of 2003. Total debt at March 29, 2003 was \$83.9 million, which included \$79.6 million of the Company's 9½% Senior Subordinated Notes due 2003 and approximately \$1.7 million of bank debt. On a comparable basis, the average debt balance for the first quarter of 2003 was \$81.3 million, with an average effective interest rate of 10.1%, versus an average debt balance of \$87.2 million, with an average effective interest rate of 10.4%, for the first quarter of 2002.

INCOME TAXES. The income tax benefit for the quarter ended March 29, 2003 was \$4.4 million, or a 43.0% effective tax rate, compared to income tax benefit of \$2.8 million, or a 43.7% effective tax rate, for the quarter ended March 30, 2002. Income taxes for the interim periods were computed using the effective tax rate estimated to be applicable for the full fiscal year, which is subject to ongoing review and evaluation by management.

NET LOSS. The net loss increased by \$2.2 million to \$5.8 million in the first quarter ended March 29, 2003, from a net loss of \$3.6 million in the first quarter ended March 30, 2002.

LIQUIDITY AND CAPITAL RESOURCES

On September 27, 2002, the Company entered into a new credit facility led by Wachovia Securities, Inc., as Arranger and Administrative Agent ("Credit Facility"), which replaced a previous credit agreement. The term of the Credit Facility is for a period of four years and provides for a maximum line of credit of \$85 million, including an amount made available to the Company's Canadian subsidiaries under a separate credit agreement (currently \$15 million). The Credit Facility includes a \$47.5 million sub-limit for letters of credits. Borrowings available under the Credit Facility are subject to a borrowing base and outstanding borrowings are secured by inventory, accounts receivable and substantially all other personal property of the borrowers. For borrowings under the Credit Facility, the Company may elect an interest rate based on either the Prime Rate or a Eurodollar rate plus a margin, which fluctuates depending on availability under the Credit Facility and the Company's financial performance as measured by a cash flow test. This margin ranges from 0 to 75 basis points for Prime Rate loans and from 175 to 250 basis points for Eurodollar rate loans. Monthly commitment fees under the Credit Facility are 37.5 basis points per annum times the difference between \$60 million and the amount of outstanding loans and letters of credit. The Credit Facility requires the Company to maintain a minimum tangible net worth if excess availability under the Credit Facility is less than \$20 million. At March 29, 2003, the Company had \$1.7 million in outstanding borrowings under the Credit Facility, \$3.1 million in outstanding standby letters of credit, \$12.3 million in outstanding documentary letters of credit, and approximately \$47.9 million available for future borrowings. As of March 29, 2003, the Company was in compliance with all of its covenants under the Credit Facility.

On April 28, 2003 Guess? Royalty Finance LLC, an indirect wholly owned subsidiary of the Company, issued in a private placement \$75 million of 6.75% asset-backed notes ("Secured Notes"). The Secured Notes are secured by rights and interests in receivables generated from specific license agreements of specified Guess? trademarks and all royalty monies payable or becoming payable under such license agreements, and a security interest in specified assets consisting primarily of such Guess? trademarks and the specified license agreements. The Secured Notes due June 2012 pay interest and amortize principal quarterly. The Secured Notes are subject to an interest reserve account in an amount equal to the greater of (1) the product of the interest rate and the outstanding principal amount and (2) \$1,750,000. The net proceeds, after interest reserves and expenses, of approximately \$66.8 million, along with available cash and borrowing under the Credit Facility, will be used to repay the 9½% Senior Subordinated Notes due in August 2003. We have defeased the 9½% Senior Subordinated Notes in accordance with their terms on April 28, 2003 by a cash deposit with the trustee of \$79.6 million representing principal plus \$2.1 million in accrued interest. We have called the 9½% Senior Subordinated Notes for redemption, which we expect to occur on May 27, 2003.

During the first quarter ended March 29, 2003, the Company relied on trade credit along with available cash and borrowings under the Company's Credit Facility, and internally generated funds to finance its operations and expansion. Net cash used in operating activities was \$21.3 million for the first quarter of 2003 compared to \$0.4 million of cash used in operating activities for the first quarter of 2002. The increase in net cash used in operating activities was primarily attributable to lower earnings, higher accounts receivable and inventory declining at a significantly lower rate than compared to 2002, partially offset by a corresponding lower rate of decline in the accounts payable balance. At March 29, 2003, the Company had working capital of \$87.5 million compared to \$21.4 million at December 31, 2002. Working capital as of December 31, 2002, included the \$79.6 million of 9½% Senior Subordinated Notes as a current liability.

Capital expenditures totaled \$4.2 million, net of lease incentives granted of \$0.1 million for the first quarter ended March 29, 2003, compared to \$5.0 million, net of lease incentives granted of \$0.3 million in the same period last year. The Company's capital expenditures planned for 2003 are approximately \$18 million, primarily for retail store expansion of approximately 15-20 stores, including our expansion in Canada, store remodeling, investments in information systems and enhancements in other infrastructure.

The Company anticipates that it will be able to satisfy its ongoing cash requirements during the next twelve months for working capital, capital expenditures, and interest and principal payments on its debt, primarily with proceeds from the issuance of the Secured Notes, cash flow from operations, and borrowings under the Credit Facility.

In January 2002, the Company established a qualified employee stock purchase plan ("ESPP"), the terms of which allow for qualified employees to participate in the purchase of designated shares of the Company's common stock at a price equal to 85% of the lower of the closing price at the beginning or end of each quarterly stock purchase period. On January 23, 2002, the Company filed with the Securities and Exchange Commission a Registration Statement on Form S-8 registering 2,000,000 shares of common stock for the ESPP. During the first quarter of 2003, 23,772 shares of the Company's common stock were issued pursuant to the ESPP at an average price of \$3.02 per share for a total of \$0.1 million.

In May 2001, the Company's Board of Directors authorized the Company to repurchase shares of its own stock in an amount of up to \$15 million from time to time in open market transactions. During 2002, the Company purchased 606,000 shares at an aggregate cost of \$3.2 million, or an average of \$5.21 per share. No share repurchases were made during the first quarter ended March 29, 2003. Since the inception of the share repurchase program in May 2001, the Company has purchased 1,137,000 shares at an aggregated cost of \$7.1 million, or an average of \$6.26 per share.

WHOLESALE BACKLOG

The Company generally receives wholesale orders approximately 90 to 120 days prior to the time the products are to be delivered to department and specialty

stores. As of May 3, 2003, unfilled wholesale orders decreased 28.3% to \$46.2 million from \$64.4 million at May 4, 2002. The backlog of wholesale orders is affected by various factors including seasonality and the scheduling of manufacturing and shipment of product, which varies at any given time. Accordingly, a comparison of backlogs of wholesale orders from period to period may not be indicative of eventual actual shipments.

SEASONALITY

The Company's business is impacted by the general seasonal trends characteristic of the apparel and retail industries. Retail operations are generally stronger in the third and fourth quarters, and wholesale operations generally experience stronger performance in the third quarter. As the timing of the shipment of products may vary from year to year, the result for any particular quarter may not be indicative of results for the full year.

INFLATION

The Company does not believe that the relatively moderate rates of inflation experienced in the United States over the last three years have had a significant effect on net revenue or profitability. Although higher rates of inflation have been experienced in a number of foreign countries in which the Company's products are manufactured and sold, management does not believe that foreign rates of inflation have had a material adverse effect on its net revenue or profitability.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on its historical experience and other relevant factors, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management evaluates its estimates and judgments on an ongoing basis including those related to the valuation of inventories, accounts receivable allowances, the useful life of assets for depreciation, restructuring expense and accruals, evaluation of impairment, recoverability of deferred taxes and evaluation of net recoverable amounts and accruals for the sublet of certain lease obligations. The Company believes that of its significant accounting policies the following may involve a higher degree of judgment and complexity:

Accounts Receivable:

In the normal course of business, the Company grants credit directly to certain wholesale customers after a credit analysis based on financial and other criteria. Accounts receivable are recorded net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses that result from the inability of its wholesale customers to make their required payments. The Company bases its allowances on analysis of the aging of accounts receivable at the date of the financial statements, assessments of historical collections trends and an evaluation of the impact of current economic conditions.

Costs associated with customer markdowns are recorded as a reduction to net sales, and are included in the allowance for doubtful accounts. These costs result from seasonal negotiations with the Company's wholesale customers, as well as historic trends and the evaluation of the impact of current economic conditions.

Inventories:

Inventories are valued at the lower of cost (first-in, first-out and weighted average method) or market. The Company continually evaluates its inventories by assessing slow moving current product as well as prior seasons' inventory. Market value of non-current inventory is estimated based on historical sales trends for this category of inventory of the Company's individual product lines, the impact of market trends, an evaluation of economic conditions and the value of current orders relating to the future sales of this type of inventory.

Valuation of goodwill, intangible and other long-lived assets:

The Company assesses the impairment of its long-lived assets (i.e., goodwill, and property and equipment), which requires the Company to make assumptions and judgments regarding the carrying value of these assets on an annual basis or when a triggering event occurs. The assets are considered to be impaired if the Company determines that the carrying value may not be recoverable based upon its assessment of the asset's ability to continue to generate income from operations and positive cash flow in future periods or significant changes in its strategic business objectives and utilization of the assets. If the assets are assessed to be recoverable, they are amortized over the periods benefited. If the assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets.

Litigation reserves:

Estimated amounts for claims that are probable and can be reasonably estimated are recorded as liabilities in the consolidated balance sheets. The likelihood of a material change in these estimated reserves would be dependent on new claims as they may arise and the favorable or unfavorable outcome of the particular litigation. Both the amount and range of loss on the remaining pending litigation is uncertain. As such, the Company is unable to make a reasonable estimate of the liability that could result from unfavorable outcomes in litigation. As additional information becomes available, the Company will assess the potential liability related to pending litigation and revise estimates. Such revisions in estimates of the potential liability could materially impact the results of operations and financial position.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company receives United States dollars ("USD") for substantially all product sales and licensing revenue. Inventory purchases from offshore contract manufacturers are primarily denominated in USD; however, purchase prices for products may be impacted by fluctuations in the exchange rate between the USD and the local currencies of the contract manufacturers, which may have the effect of increasing the cost of goods in the future. In addition, royalties received from international licensees are subject to foreign currency translation fluctuations as a result of the net sales of the licensee being denominated in local currency and royalties being paid to the Company in USD. During the last three fiscal years, exchange rate fluctuations have not had a material impact on inventory costs.

The Company may enter into derivative financial instruments, including forward exchange contracts, to manage exchange risk on foreign currency transactions. These financial instruments can be used to protect the Company from the risk that the eventual net cash inflows from the foreign currency transactions will be adversely affected by changes in exchange rates. Changes in the fair value of derivative financial instruments are either recognized periodically through the income statement or through stockholders' equity as a component of comprehensive income or loss. The classification depends on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives designated as fair value hedges are matched in the income statement against the respective gain or loss relating to the hedged items. Changes in fair values of derivatives accounted for as cash flow hedges, to the extent they are effective as hedges, are recorded in other comprehensive income or loss net of deferred taxes. Changes in fair values of derivatives not qualifying as hedges are currently reported in income.

| Forward Exchange Contracts | U.S. Dollar Equivalent | Maturity Date | Fair Value in U.S. \$ at March 29, 2003 |
|----------------------------|------------------------|---------------------------|---|
| Canadian dollars | \$ 1,000,000 | April 1 to April 30, 2003 | \$ 1,055,227 |
| Canadian dollars | 1,000,000 | May 1 to May 30, 2003 | 1,053,189 |
| Canadian dollars | 1,000,000 | June 2 to June 30, 2003 | 1,045,989 |
| Canadian dollars | 1,000,000 | June 16 to July 16, 2003 | 1,023,911 |
| Canadian dollars | 1,000,000 | July 2 to July 31, 2003 | 1,038,788 |
| Canadian dollars | 1,000,000 | August 1 to 29, 2003 | 1,015,216 |

Based upon the rates at March 29, 2003, the cost to buy the equivalent U.S. dollars discussed above was approximately \$9.2 million Canadian currency.

At March 29, 2003, 94.9% of the Company's indebtedness contained a fixed interest rate of 9.5%. Substantially all of the Company's remaining indebtedness, including borrowings under the Credit Facility, is at variable rates of interest. Accordingly, changes in interest rates would impact the Company's results of operations in future periods. A 100 basis point change in interest rate is not expected to significantly impact the Company's operating results. The Company has called the 9½% Senior Subordinated Notes for redemption as described under "Liquidity and Capital Resources" above.

ITEM 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including Maurice Marciano and Paul Marciano as Co-Chief Executive Officers, Carlos Alberini as President and Chief Operating Officer and Frederick G. Silny as Senior Vice President and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of the disclosure controls and procedures within 90 days of the filing date of this quarterly report, and, based on the evaluation, Maurice Marciano, Paul Marciano, Carlos Alberini and Frederick G. Silny have concluded that these controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation.

The Company's controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that are filed under the Exchange Act is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

Most major corporations, particularly those operating retail businesses, become involved from time to time in a variety of employment-related claims and other matters incidental to their business in addition to those described above. In the opinion of our management, the resolution of any of these pending incidental matters is not expected to have a material adverse effect on our results of operations or financial condition; however, we cannot predict the outcome of these matters.

ITEM 2. Changes in Securities and Use of Proceeds

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders

None.

ITEM 5. Other Information

On May 6, 2003, the Company filed a shelf Registration Statement on Form S-3 with the SEC registering substantially all of the Company's common stock beneficially owned by Armand Marciano. This Form S-3 has not yet been declared effective.

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ITEM 6. Exhibits and Reports on Form 8-K

a) Exhibits:

| Exhibit Number | Description |
|----------------|--|
| 3.1 | Restated Certificate of Incorporation of the Company. (1) |
| 3.2 | Bylaws of the Company. (2) |
| *4.1 | Indenture, dated as of April 28, 2003, by and among Guess? Royalty Finance LLC and BNY Midwest Trust Company, as Indenture Trustee for the 6.75% Secured Notes issued by Guess? Royalty Finance LLC (the "6.75% Secured Notes"). |
| *4.2 | Guarantee and Collateral Agreement dated as of April 28, 2003, made by Guess? IP Holder L.P. in favor of BNY Midwest Trust Company, as Indenture Trustee for the 6.75% Secured Notes. |
| 4.3 | Specimen stock certificate. (1) |
| *10.1 | Guess? Contribution Agreement dated as of April 28, 2003, by and between the Company and Guess? IP Holder L.P. |
| *10.2 | Licensing Contribution Agreement dated as of April 28, 2003, by and between Guess? Licensing, Inc. and Guess? IP Holder L.P. |
| *10.3 | Receivables Contribution Agreement dated as of April 28, 2003, by and between Guess? IP Holder L.P. and Guess? Royalty Finance LLC. |
| *10.4 | Guess? License Agreement dated as of April 28, 2003, by and between Guess? IP Holder L.P. and the Company. (3) |
| *99.1. | Certification of Co-Chief Executive Officer and Director pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4) |
| *99.2. | Certification of Co-Chief Executive Officer and Director pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4) |
| *99.3. | Certification of President, Chief Operating Officer and Director pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4) |
| *99.4. | Certification of Senior Vice President and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (4) |

* Filed herewith

- (1) Incorporated by reference from the Registration Statement on Form S-1 (Registration No. 333-4419) filed by the Company on June 24, 1996, as amended.
- (2) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended September 29, 2001.
- (3) Portions of this agreement have been deleted for which confidential treatment has been requested pursuant to Rule 24(b)(2) of the Securities Exchange Act of 1934, as amended. These portions have been omitted and noted with *. A copy of this agreement, including all information for which confidential treatment has been requested, has been filed separately with the Securities and Exchange Commission.
- (4) A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

b) Reports on Form 8-K:

None

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CERTIFICATION AND SIGNATURES

I, Maurice Marciano, Co-Chief Executive Officer and Director, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GUESS?, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Pursuant to the requirements 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.

GUESS?, INC.

Date: May 13, 2003

By: /s/ MAURICE MARCIANO
Maurice Marciano
Co-Chief Executive Officer and Director

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I, Paul Marciano, Co-Chief Executive Officer and Director, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GUESS?, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this

quarterly report (the "Evaluation Date"); and

- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Pursuant to the requirements 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.

GUESS?, INC.

Date: May 13, 2003

By: /s/ PAUL MARCIANO
Paul Marciano
Co-Chief Executive Officer and Director

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I, Carlos Alberini, President, Chief Operating Officer and Director, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GUESS?, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal

controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Pursuant to the requirements 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.

GUESS?, INC.

Date: May 13, 2003

By: /s/ CARLOS ALBERINI
Carlos Alberini
President, Chief Operating Officer and Director

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I, Frederick G. Silny, Senior Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GUESS?, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - c) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - d) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Pursuant to the requirements 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.

GUESS?, INC.

Date: May 13, 2003

By: /s/ FREDERICK G. SILNY
Frederick G. Silny
Senior Vice President and Chief Financial Officer (Principal
Financial Officer)

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GUESS? ROYALTY FINANCE LLC,
as Issuer

and

BNY MIDWEST TRUST COMPANY,
Indenture Trustee
on behalf of the Noteholders

INDENTURE

Dated as of April 28, 2003

\$75,000,000

6.75% SECURED NOTES

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This Indenture, dated as of April 28, 2003 (this "Indenture"), is between Guess? Royalty Finance LLC, a limited liability company organized under the laws of the State of Delaware (the "Issuer"), and BNY Midwest Trust Company, acting hereunder as indenture trustee and not in its individual capacity (herein, together with its successors in the trust hereunder, the "Indenture Trustee").

PRELIMINARY STATEMENT

The Issuer has duly authorized the execution and delivery of this Indenture to provide for issuance of notes as provided in this Indenture. All covenants and agreements made by the Issuer herein are for the benefit and security of the Noteholders. The Issuer is entering into this Indenture, and the Indenture Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

GRANTING CLAUSE

The Issuer hereby grants to the Indenture Trustee, for the benefit of the Noteholders, a security interest in (all of the following, the "Indenture Collateral"): (a) all Royalty Receivables whether now existing or hereafter created, and all funds collected or to be collected in respect thereof and all other assets contributed to the Issuer pursuant to the Receivables Contribution Agreement; (b) all monies and securities, including, without limitation, all Eligible Investments from time to time held by, or on behalf of, the Indenture Trustee under the terms of this Indenture, including amounts set apart and transferred to the Transaction Accounts and all investment earnings on any of the foregoing, subject to disbursements from such accounts in accordance with the provisions of this Indenture; (c) the Related Contracts, including all rights to receive payment of any amounts which may become payable to the Issuer thereunder (directly or as assignee thereof) and all payments received by the Issuer thereunder and all rights of the Issuer to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments due and payable to the Issuer thereunder to become due and payable thereunder and all rights of action of the Issuer in respect of any breach thereof and all rights of the Issuer to indemnification and to receive damages or obtain other relief with respect thereto, together with all instruments, chattel paper or letters of credit evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of any amounts due and payable to the Issuer under (directly, or as assignee thereof), the Related Contracts (collectively, the "Related Contract Proceeds"); (d) any and all other property of every kind and nature from time to time which was heretofore or hereafter is, by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Indenture Trustee, which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof; and (e) all proceeds of any of the foregoing; subject however, to the lien created pursuant to the Guarantee.

This grant of a security interest is made to the Indenture Trustee, in trust, to secure (i) the payment of all amounts due and to become due on the Notes in accordance with their terms, (ii) the payment of all other sums payable under this Indenture, and (iii) compliance with the provisions of this Indenture, all as provided in this Indenture.

The Indenture Trustee acknowledges the grant of a security interest as provided above and accepts the trusts hereunder in accordance with the provisions hereof and agrees to perform the duties herein required to the end that the interests of the Noteholders may be adequately and effectively protected.

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1. Definitions. Capitalized terms used in this Indenture shall have the respective meanings assigned to such terms in Annex X unless otherwise defined herein. The following terms which are defined in the UCC in the State of New York shall have the meanings set forth therein: "account", "certificated security", "control", "deposit account", "financial asset", "entitlement order", "general intangible", "investment property", "securities account" and "security entitlement."

SECTION 1.2. Rules of Construction. Unless the context otherwise requires:

- (a) a term has the meaning assigned to it;
- (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (c) "or" is not exclusive;
- (d) "including" means including without limitation;
- (e) words in the singular include the plural and words in the plural include the singular;

(f) any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns; and

(g) the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Indenture shall refer to this Indenture as a whole and not to any particular provision of this Indenture; Section, subsection and Schedule references contained in this Indenture are references to Sections, subsections and Schedules in or to this Indenture unless otherwise specified.

ARTICLE II

THE NOTES

SECTION 2.1. Form. The Notes, in each case together with the Indenture Trustee’s certificate of authentication, shall be in substantially the form set forth as Exhibit A (Global Note) or Exhibit B (Definitive Note), with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

SECTION 2.2. Execution, Authentication and Delivery. The Notes shall be executed on behalf of the Issuer by any of its Authorized Officers. The signature of any such Authorized Officer on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signature of individuals who were at any time Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

The Indenture Trustee or the Authenticating Agent, on behalf of the Indenture Trustee, shall, upon receipt of an Issuer Order, authenticate and deliver for original issue, Notes in an aggregate principal amount of \$75,000,000 (the “Notes”). The aggregate principal amount of the Notes at any time may not exceed such amount, except as otherwise provided herein.

Each Note shall be dated the date of its authentication. The Global Notes shall be issuable as registered notes in a minimum denomination of \$100,000 and in integral multiples of \$1,000 in excess thereof. Each Note sold to accredited investors (“Accredited Investors”) as defined in Rule 501 under the Securities Act (the “AI Notes”) shall be issuable as registered, certificated notes in a minimum denomination of \$500,000 and in integral multiples of \$1,000 in excess thereof.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication by the Indenture Trustee substantially in the form provided for herein by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

The Indenture Trustee may appoint one or more authenticating agents reasonably acceptable to the Issuer to authenticate Notes (the “Authenticating Agent”). Unless otherwise provided in the appointment, the Authenticating Agent may authenticate Notes whenever the Indenture Trustee may do so. Each reference in this Indenture to authentication by the Indenture Trustee includes authentication by such agent. The Authenticating Agent shall have the same rights as an agent to deal with the Issuer and Affiliates of the Issuer.

SECTION 2.3. Temporary Notes. Pending the preparation of Global Notes or Definitive Notes, the Issuer may execute, and upon receipt of an Issuer Order, the Indenture Trustee shall authenticate and deliver, temporary notes that are printed, lithographed, typewritten, mimeographed or otherwise produced, of the tenor of the Definitive Notes in lieu of which they are issued and with such variations not inconsistent with the terms of this Indenture as the officers executing such Notes may determine, as evidenced by their execution of such Notes.

If temporary notes are issued, the Issuer will cause Global Notes or Definitive Notes to be prepared without unreasonable delay. After the preparation of Global Notes or Definitive Notes, the temporary notes shall be exchangeable for Global Notes or Definitive Notes upon surrender of the temporary notes at the office or agency of the Issuer to be maintained as provided in Section 3.2, without charge to the Noteholder. Upon surrender for cancellation of any one or more Notes, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a like tenor and principal amount of Global Notes or Definitive Notes in authorized denominations. Until so exchanged, the temporary notes shall in all respects be entitled to the same benefits under this Indenture as Global Notes or Definitive Notes.

SECTION 2.4. Registration; Registration of Transfer and Exchange; Transfer Restriction; Restrictive Legends. (a) The Issuer shall cause to be kept a register (the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Note Registrar, acting as agent of the Issuer, shall register and transfer Notes as herein provided. Upon resignation of any Note Registrar, the Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Note Registrar. The Issuer appoints BNY Midwest Trust Company as “Note Registrar” for the purpose of registering Notes and transfers of Notes as

herein provided.

If a Person other than the Indenture Trustee is appointed by the Issuer as Note Registrar, any action required to be taken by the Indenture Trustee in such capacity shall be deemed to refer to the Note Registrar appointed in its stead. The Issuer will give the Indenture Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Register, and the Indenture Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to rely upon a certificate executed on behalf of the Note Registrar by an Executive Officer thereof as to the names and addresses of the Noteholders and the principal amounts and the amounts and number of such Notes.

An institution succeeding to the corporate agency business of the Note Registrar shall continue to be the Note Registrar without the execution or filing of any paper or any further act on the part of the Indenture Trustee or such Note Registrar.

The Note Registrar shall maintain in the City of New York an office or offices or agency or agencies where Notes may be surrendered for registration of transfer or exchange. The Note Registrar initially designates the office of its designee, The Bank of New York, located at: 101 Barclay Street, 7W, New York, NY 10286, as its office for such purposes. The Note

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Registrar shall give prompt written notice to the Servicer and to the Noteholders of any change in the location of such office or agency.

Upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2, the Issuer shall execute, and the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar or the Indenture Trustee in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations, of a like aggregate principal amount.

At the option of a Noteholder, Notes may be exchanged for other Notes in any authorized denominations, of a like aggregate amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, and the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar, the Notes which the Noteholder making the exchange is entitled to receive.

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

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Note Registrar duly executed by, the Noteholder thereof or such Noteholder's attorney duly authorized in writing, with such signature guaranteed by a commercial bank or trust company located, or having a correspondent located in the city in which the Note Registrar's office is located, or by a member firm of a national securities exchange, and such other documents as the Note Registrar may require.

The Issuer, the Note Registrar or the Indenture Trustee may require the payment by the Noteholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.3 not involving any transfer. The Note Registrar and Indenture Trustee are not authorized to impose any other charge or impost in connection with the registration of any transfer or exchange of any Note.

The preceding provisions of this Section notwithstanding, the Issuer shall not be required to make and the Note Registrar need not register transfers or exchanges of Notes selected for redemption or of any Note for a period of 15 days preceding the due date for any payment with respect to the Note.

Neither the Indenture Trustee nor the Note Registrar shall have any responsibility to monitor or restrict the transfer of beneficial ownership in any Note an interest in which is transferable through the facilities of DTC or any successor that is a Clearing Agency.

(b) Notwithstanding any other provisions hereof to the contrary:

(i) A Global Note may not be transferred, in whole or in part, to any Person other than the Depository or a nominee thereof, and no such transfer to any

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such other Person may be registered; provided, however, that this clause (i) shall not prohibit any transfer of a Note that is issued in exchange for a Global Note but is not itself a Global Note and shall not prohibit any transfer of a beneficial interest in a Global Note effected in accordance with the other provisions of this Section 2.4(b).

(ii) Upon any such exchange or transfer of all or a portion of any Global Note for a Definitive Note or an interest in a Global Note, the Global Note from which an interest is to be so exchanged or transferred will be marked to reflect the reduction of its principal amount by the aggregate principal amount of such Definitive Note or the interest to be so exchanged or transferred for an interest in a Global Note only in accordance with the applicable rules and procedures of the Depository (the "Applicable Procedures") (including any certification requirement intended to ensure that transfers and exchanges of beneficial interests in a Global Note comply with Rule 144A

under the Securities Act) and any Applicable Procedures, as may be adopted from time to time by the Issuer and the Note Registrar. Until so exchanged or transferred in full, such Global Note will in all respects be entitled to the same benefits under this Indenture as the Notes authenticated and delivered hereunder.

(iii) Prior to any such exchange or transfer of all or a portion of any Definitive Note for a Definitive Note, the transferor shall deliver to the Indenture Trustee a duly completed Rule 144A Certificate in the form of Exhibit C attached hereto or an Opinion of Counsel and such other certifications and evidence as the Indenture Trustee may reasonably require to determine that the proposed transfer or exchange is being made in compliance with the Securities Act and any applicable securities laws of any state of the United States. Upon delivery of a duly completed Rule 144A Certificate or an Opinion of Counsel, the Indenture Trustee will (x) cancel the Definitive Note being transferred or exchanged, (y) deliver one or more new Definitive Notes in authorized denominations having an aggregate principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the holder of the cancelled Definitive Note (in the case of an exchange), registered in the name of such transferee or holder, as applicable, and (z) if such transfer or exchange involves less than the entire principal amount of the cancelled Definitive Note, deliver to the holder thereof one or more Definitive Notes in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the cancelled Definitive Note, registered in the name of the holder thereof. All or a portion of any AI Note may be exchanged or transferred for a beneficial interest in a Global Note, provided that the holder of the AI Note deliver to the Indenture Trustee a 144A Certificate and any other evidence reasonably requested by the Indenture Trustee to ensure that transfers and exchanges of Notes comply with Rule 144A under the Securities Act and provided, further, that the Issuer shall issue and the Indenture Trustee shall authenticate a new Global Note (such Global Note having an original CUSIP number, registered in the name of the Depository) and the transferor shall pay a sum sufficient to cover fees and expenses related to the issuance and

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authentication of such Global Note, the registration of such Global Note in the name of the Depository and any other fees or expenses incurred by the Issuer or the Indenture Trustee in connection with any registration of transfer or exchange of the AI Notes.

(iv) Until such time as the Notes cease to be “restricted securities” (as defined in Rule 144 (a) (3) of the Securities Act), each Purchaser (other than the Initial Purchaser) of the Notes (including, without limitation, any purchaser of an interest in the Global Notes) will be deemed to have represented and agreed as follows:

(A) It is (x) a Qualified Institutional Buyer as defined in Rule 144A and is acquiring the Notes for its own institutional account or for the account or accounts of a Qualified Institutional Buyer or, in the case of AI Notes only, (y) an Accredited Investor as defined in Rule 501 and is acquiring the Notes for its own account;

(B) It understands that the Notes are being transferred to it in a transaction not involving any public offering within the meaning of the Securities Act, and that, if in the future it decides to resell, pledge or otherwise transfer any Notes, such Notes may be resold, pledged or transferred only in a transaction meeting the requirements of Rule 144A to a person who the seller reasonably believes is a Qualified Institutional Buyer that purchases for its own account or for the account or accounts of a Qualified Institutional Buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A; and

(C) It understands that each Note will bear a legend substantially to the effect of the Securities Act Legend and each Global Note will also bear a legend substantially to the effect of the Global Note Legend.

(c) Each Note shall bear the following legends (the “Securities Act Legend”) to the extent indicated:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS TWO YEARS AFTER [FOR NON AI NOTES — THE ORIGINAL ISSUE DATE HEREOF][FOR AI NOTES — THE LAST DATE AS OF WHICH ANY OF GUESS? ROYALTY FINANCE LLC (THE “ISSUER”) OR ANY

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AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE)] ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A (A “QIB”) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RIGHT OF THE ISSUER AND THE INDENTURE TRUSTEE, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL (WHICH COUNSEL MAY BE IN-HOUSE COUNSEL), CERTIFICATION

AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

(d) The Global Notes shall bear the following legend (the “Global Note Legend”):

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR ANOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

(e) The Global Notes shall bear the following legend so long as the Depository with respect thereto is The Depository Trust Company:

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10004, TO THE ISSUER OR THE REGISTRAR, AND ANY NOTE 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 BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN.

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(f) The required legends set forth above shall not be removed from the applicable Notes except as provided herein. The legend required for a Note may be removed from such Note if there is delivered to the Issuer and the Note Registrar such satisfactory evidence, which may include an Opinion of Counsel (including of in-house counsel) as may be reasonably required by the Issuer that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such note will not violate the registration requirements of the Securities Act. Upon provision of such satisfactory evidence, the Indenture Trustee at the direction of the Issuer shall authenticate and deliver in exchange for such Note a Note or Notes having an equal aggregate Original Principal Amount that does not bear such legend. If such a legend required for a Note has been removed from a Note as provided above, no other Note issued in exchange for all or any part of such Note shall bear such legend, unless the Issuer has reasonable cause to believe that such other Note is a “restricted security” within the meaning of Rule 144 under the Securities Act and instructs the Indenture Trustee to cause a legend to appear thereon.

SECTION 2.5. Mutilated, Destroyed, Lost or Stolen Notes. If (i) any mutilated Note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Indenture Trustee such indemnity (which in the case of the purchasers purchasing the Notes on the Closing Date need only be such purchaser’s unsecured promise of indemnity in form reasonably satisfactory to the Indenture Trustee if such purchaser is an institutional investor and so long as such purchaser or its parent company (if the parent company is providing the indemnity) has a total net worth or capital surplus of \$100,000,000 or more) as may be reasonably required by the Issuer or the Indenture Trustee to hold them harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Indenture Trustee that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and upon its written request the Indenture Trustee or the Authentication Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become or within seven days shall be due and payable, or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer, and the Indenture Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

Upon the issuance of any replacement Note under this Section, the Issuer, the Note Registrar or the Indenture Trustee may require the payment by the Noteholder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Note Registrar and Indenture Trustee are not authorized to impose any other charge or impost in connection with the registration of any replacement Note.

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Every replacement Note issued pursuant to this Section 2.5 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes 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 Notes.

SECTION 2.6. Persons Deemed Owner. Prior to due presentment for registration of transfer of any Note, the Issuer, the Indenture Trustee, the Note Registrar, any Paying Agent and any of their respective agents shall treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal of and interest, if any, on such Note, delivery of all notices in respect of such Note, determination of matters put to the vote of Note Holders and for all other purposes whatsoever, whether or not such Note be overdue, and none of the Issuer, the Indenture Trustee or the Note Registrar nor any of their respective agents shall be affected by notice to the contrary.

SECTION 2.7. Payment of Principal and Interest. (a) On each Payment Date during the Controlled Amortization Period, principal shall be payable in respect of the Notes in an amount equal to the lesser of (i) the Target Principal Reduction Amount for such Payment Date and (ii) Available Principal Collections for such Payment Date. On each Payment Date occurring during the Rapid Amortization Period, principal shall be payable in respect of the Notes in an amount equal to the lesser of (i) Available Principal Collections on such Payment Date and (ii) the unpaid principal amount of the Notes. The unpaid principal amount of the Notes shall be due and payable on the Maturity Date. The Notes so paid may not be reissued hereunder.

(b) Accrued interest with respect to the Notes shall be payable on each Payment Date. The amount of interest so payable on each Payment Date shall be equal to the product of (i) the outstanding principal amount of the Notes on the preceding Payment Date (or, in the case of the initial Payment Date, on the Closing Date), after giving effect to any repayment of the Notes occurring on such preceding Payment Date and (ii) the Interest Rate divided by four; provided that, with respect to the initial Payment Date, interest on the Notes will be calculated based upon the Interest Rate per annum from the Closing Date to the initial Payment Date calculated on the basis of a year of 360 days consisting of twelve 30-day months. Any interest that is not paid on any Payment Date when due shall bear interest at a rate per annum equal to the Interest Rate until paid in full. Any such past due interest, together with the accrued interest thereon, shall be payable on the succeeding Payment Date. Any portion of the principal of the Notes that remains unpaid after the Maturity Date or date as of which the Notes are accelerated in connection with any Event of Default or Enforcement Event will bear interest at the Interest Rate plus 2% per annum (the "Default Rate").

(c) Per annum interest rates hereunder shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months.

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SECTION 2.8. Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Note Registrar, be delivered to the Note Registrar and shall be promptly canceled by the Note Registrar. The Issuer may at any time deliver to the Note Registrar for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Note Registrar. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Notes may be held or disposed of by the Note Registrar in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be destroyed or returned to it; provided that such Issuer Order is timely and the Notes have not been previously disposed of by the Note Registrar.

SECTION 2.9. Global Notes. (a) The Notes (other than the AI Notes), upon original issuance, shall be issued in the form of typewritten Global Notes registered in the name of the Depository or its nominee and no Note Owner of such Notes will receive a definitive note representing such Note Owner's interest in the Notes, except definitive, fully registered Notes that have been issued to Note Owners in accordance with Section 2.11 (any definitive notes issued in accordance with Section 2.11, the "Definitive Notes").

Unless and until Definitive Notes are issued to replace Global Notes, the Issuer, the Indenture Trustee, the Paying Agent and the Note Registrar may deal with the Depository and its participants for all purposes (including the making of distributions on the Notes) as the authorized representatives of the Note Owners of Global Notes and the rights of Note Owners of Global Notes shall be exercised only through the Depository and its participants and shall be limited to those established by law and agreements between Note Owners of Global Notes and the Depository and such participants. Unless and until Definitive Notes are issued in exchange for Global Notes pursuant to Section 2.11, the Depository will make book-entry transfers among its participants and receive and transmit distributions of principal and interest on the Global Notes to its participants.

(b) Neither any members of, nor participants in, the Depository ("Agent Members") nor any other Persons on whose behalf Agent Members may act shall have any rights under this Indenture with respect to any Global Note, and the Depository or such nominee, as the case may be, may be treated by the Issuer, the Indenture Trustee and any agent thereof as the absolute owner and holder of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer or the Indenture Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or such nominee or impair, as between the Depository, its Agent Members and any other Persons on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of any Noteholder.

(c) Each of the Notes initially (other than AI Notes) will be issued in the form of one or more Global Notes in fully registered form, without coupons, registered in the name of the Depository or its nominee and deposited with the Indenture Trustee, as custodian of the Depository.

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SECTION 2.10. Notices to Depository. Whenever a notice or other communication to the holders of Global Notes is required under this Indenture, unless and until Definitive Notes shall have been issued to such Noteholders pursuant to Section 2.11, the Indenture Trustee or its agent shall give all such notices and communications specified herein to be given to Noteholders of the Global Notes to the Depository, and shall have no obligation to such Noteholders. Prior to the issuance of Definitive Notes, if so instructed by the Issuer, the Trustee will also deliver notices to specific Noteholders on the dates they are delivered to the Depository. With respect to the Holders who are purchasing Notes from the Initial Purchaser on the Closing Date, the Issuer hereby instructs the Indenture Trustee to forward to such Holders copies of all notices and communications received by, or sent by the Indenture Trustee hereunder, at

the addresses to be supplied by such Holders to the Indenture Trustee; provided, however, that in no event shall the Indenture Trustee incur any liability or have an obligation to send notices to any Holder pursuant to this Section if any Holder fails to timely supply the Indenture Trustee with a proper address or a timely notice of a change of address.

SECTION 2.11. Definitive Notes. All Notes will be issued as Definitive Notes. Additionally, Global Notes may be exchanged for Definitive Notes if (a) the Depository notifies the Issuer, the Registrar or the Indenture Trustee in writing that it is no longer willing to continue as Depository hereunder or has ceased to be a Clearing Agency and the Indenture Trustee is unable to locate a qualified successor Depository or (b) the Issuer at its option advises the Indenture Trustee in writing that it elects to terminate the book-entry system through the Depository, the Note Registrar at the request of the Issuer or the Indenture Trustee shall notify all Note Owners of Global Notes, through the Depository, of the occurrence of any such event and of the availability of Definitive Notes to such Note Owners. In addition, if after the occurrence of an Event of Default, the Majority Holders advise the Indenture Trustee and the Depository through the Agent Members in writing, and if the Depository shall so notify the Indenture Trustee that the continuation of a book-entry system through the Depository is no longer in the best interests of the Note Owners, then the Depository shall notify all such Note Owners of the occurrence of any such event and of the availability of Definitive Notes to the Note Owners requesting the same. Upon the giving of such notice and the surrender to the Note Registrar of the Global Notes by the Depository, accompanied by registration instructions, the Issuer shall execute and the Indenture Trustee shall authenticate and (if the Note Registrar is different than the Indenture Trustee, then the Note Registrar shall) deliver the Definitive Notes in accordance with the instructions of the Depository. Upon issuance of Definitive Notes in accordance with this Section 2.11, all references to obligations imposed upon or to be performed by the Depository shall be deemed to be imposed upon and performed by the Indenture Trustee, to the extent applicable with respect to such Definitive Notes, and the Indenture Trustee shall recognize the holders of the Definitive Notes as Noteholders hereunder. If Definitive Notes are to be issued in accordance with this Section 2.11, the Issuer shall promptly make available to the Note Registrar a reasonable supply of Definitive Notes.

SECTION 2.12. Authenticating Agent. (a) The Indenture Trustee may appoint one or more authenticating agents (each, an “Authenticating Agent”) with respect to the Notes which shall be authorized to act on behalf of the Indenture Trustee in authenticating the Notes in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Notes. Whenever reference is made in this Indenture to the authentication of the Notes by the Indenture Trustee or the Indenture Trustee’s certificate of authentication, such reference shall be

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deemed to include authentication on behalf of the Indenture Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Indenture Trustee by an Authenticating Agent. The Indenture Trustee appoints BNY Midwest Trust Company as Authenticating Agent hereunder.

(b) Any institution succeeding to the corporate agency business of an Authenticating Agent shall continue to be an Authenticating Agent without the execution or filing of any paper or any further act on the part of the Indenture Trustee or such Authenticating Agent.

(c) An Authenticating Agent may at any time resign by giving written notice of resignation to the Indenture Trustee and the Issuer. The Indenture Trustee may at any time terminate the agency of an Authenticating Agent by giving notice of termination to such Authenticating Agent and to the Issuer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an Authenticating Agent shall cease to be acceptable to the Indenture Trustee or the Issuer, the Indenture Trustee promptly may appoint a successor Authenticating Agent with the consent of the Issuer. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless acceptable to the Issuer.

(d) The provisions of Sections 6.1, 6.2, 6.3, 6.4, 6.7 and 6.9 shall be applicable, mutatis mutandis, to any Authenticating Agent.

(e) Pursuant to an appointment made under this Section, the Notes may have endorsed thereon, in lieu of the Indenture Trustee’s certificate of authentication, an alternate certificate of authentication in substantially the following form:

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This is one of the Notes issued under the within mentioned Indenture.

BNY MIDWEST TRUST COMPANY , as
Indenture Trustee

By: _____
Name:
Title: Authorized Signatory

BNY MIDWEST TRUST COMPANY, as
Authenticating Agent for the Indenture Trustee

By: _____

Name:
Title: Authorized Signatory

SECTION 2.13. Appointment of Paying Agent. (a) The Issuer may appoint a Paying Agent with respect to the Notes. The Paying Agent shall have the revocable power to withdraw funds from the Trust Accounts and make distributions to the Noteholders, the Indenture Trustee, the Issuer and the Servicer pursuant to the provisions hereof. The Indenture Trustee may revoke such power and remove the Paying Agent if the Indenture Trustee determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Indenture in any material respect or for other good cause. Any Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Issuer and the Indenture Trustee. In the event that any such Paying Agent shall no longer be the Paying Agent, the Indenture Trustee shall appoint a successor to act as Paying Agent (which shall be a bank or trust company and may be the Indenture Trustee) with the consent of the Issuer, which consent shall not be unreasonably withheld. If at any time the Indenture Trustee shall be acting as the Paying Agent, the provisions of Sections 6.1, 6.2, 6.3, 6.4, 6.7 and 6.9 shall apply, mutatis mutandis, to the Indenture Trustee in its role as Paying Agent.

The Issuer will cause each Paying Agent, other than the Indenture Trustee, to execute and deliver to the Issuer an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Notes 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 and pay such sums to such Persons as herein provided;

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(ii) give the Indenture Trustee notice of any default by the Issuer (or any other obligor upon the Notes) of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of the Notes if at any time it ceases to meet the standards required to be met by the Paying Agent at the time of its appointment; and

(v) comply with all requirements of applicable law with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(b) The Indenture Trustee in its capacity as initial Paying Agent hereunder agrees that it (i) will hold all sums held by it hereunder for payment to the Noteholders in trust for the benefit of the Noteholders entitled thereto until such sums shall be paid to such Noteholders and (ii) shall comply with all requirements of applicable law with respect to the withholding from any payments made by it on any Note of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

(c) An institution succeeding to the corporate agency business of the Paying Agent shall continue to be the Paying Agent without the execution or filing of any paper or any further act on the part of the Indenture Trustee or such Paying Agent.

SECTION 2.14. Servicer's Reports. The Indenture Trustee shall deliver to the Issuer and to each Rating Agency each Quarterly Servicer's Report delivered to the Indenture Trustee by the Servicer on behalf of the Issuer pursuant to the Servicing Agreement. The Indenture Trustee shall review each Quarterly Servicer's Report solely for verification of amounts deposited into, withdrawn from and on deposit in the Trust Accounts as described therein, verification of the mathematical accuracy of servicer calculations at face value (including the Historical Coverage Ratio and Prospective Coverage Ratio) and calculation of principal and interest due on the related Payment Date, shall cooperate with the Servicer to correct any errors therein and to resolve any disputes with respect to any such calculations or verifications prior to the relevant Payment Date, and shall deliver to the Issuer and to each Rating Agency at the time it delivers each Quarterly Servicer's Report a certificate (the "Quarterly Servicer's Report Certificate") in substantially the form set forth as Exhibit D. The Indenture Trustee will distribute a Quarterly Servicer's Report to any Note Owner that may from time to time request such report in writing (provided that such Note Owner has provided to the Indenture Trustee a current mailing address, email address or fax number and evidence, reasonably satisfactory to the Indenture Trustee, that it is a Note Owner).

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SECTION 2.15. Tax Treatment. (a) All payments by the Issuer in respect of any Note will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature imposed or levied by or on behalf of the United States or any political subdivision or authority thereof or therein having power to tax ("Taxes"), unless such withholding or deduction is required by law.

(b) The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that the Notes qualify as indebtedness for United States federal income tax purposes. Each of the Issuer, the Indenture Trustee, and each Noteholder and Note Owner, by acceptance of a Note or a

beneficial interest in a Note, agrees to treat the Notes as indebtedness for United States federal income tax purposes.

SECTION 2.16. CUSIP Numbers. The Issuer in issuing the notes will use CUSIP numbers and the Indenture Trustee will use CUSIP numbers in notices as convenience to the Holders; provided that any such notice may state that no representation is made to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification number printed on the Notes, and any such notice will not be affected by a defect in or omission of such numbers. The Issuer will promptly notify the Indenture Trustee in writing of any change in the CUSIP numbers.

ARTICLE III

COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Payment of Principal and Interest. The Issuer shall duly and punctually pay the principal and interest of the Notes in accordance with the terms of this Indenture. Amounts properly withheld under the Code by any Person from a payment to any Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

SECTION 3.2. Maintenance of Office or Agency. The Issuer will maintain in the City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange. The Issuer hereby initially appoints the Note Registrar to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Indenture Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such surrenders, notices and demands may be made or served at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such surrenders, notices and demands.

SECTION 3.3. Money for Payments to be Held in Trust. All moneys received by or on behalf of the Indenture Trustee or its agents hereunder shall be segregated by the Indenture Trustee or its agents in accordance with the provisions hereof and shall be held in trust for the benefit of the Persons entitled thereto. As provided in Article VIII all payments of amounts due and payable with respect to the Notes shall be made on behalf of the Issuer by the

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Indenture Trustee or by another Paying Agent, and no amounts withdrawn from the Distribution Account for payments of Notes shall be paid over to the Issuer except as provided in this Section.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by delivery of an Issuer Order, direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to escheat of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and upon receipt of an Issuer Order shall be paid over by the Indenture Trustee to the Issuer; and the related Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; provided, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer 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 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 publication, any unclaimed balance of such money then remaining will be repaid to or for the account of the Issuer. The Indenture Trustee may also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Noteholders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Noteholder).

SECTION 3.4. Existence. (a) The Issuer will keep in full effect its existence, rights and franchises as a Delaware limited liability company and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes and each other instrument or agreement included in the Indenture Collateral.

(b) The Issuer has not engaged in any activities since its formation (other than those incidental to its formation and other appropriate actions including the issue of beneficial interest, the proposed contribution of the Royalty Receivables, the authorization and issuance of the Notes, the execution of the Transaction Documents to which it is a party and the performance of the activities referred to in or contemplated by such agreements).

SECTION 3.5. Compliance with Laws. The Issuer will comply with all applicable laws, ordinances, rules, regulations and requirements of Governmental Authorities in the jurisdiction of its formation and the rules and regulations thereunder except where the

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necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to so comply will not have a Material Adverse Effect.

SECTION 3.6. Protection of Collateral. (a) This Indenture creates a valid and continuing security interest in the Indenture Collateral in favor of the Indenture Trustee, which security interest is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from the Issuer.

- (b) The Indenture Collateral constitutes General Intangibles, Accounts or Deposit Accounts.
- (c) The Issuer owns and has good and marketable title to the Indenture Collateral, free and clear of any Lien, claim or encumbrance of any Person.
- (d) The Issuer:
 - (i) has caused, or will have caused, on or before the Closing Date, the filing of all appropriate (A) financing statements in the office of the Secretary of State of Delaware in order to perfect the security interest in the Indenture Collateral granted to the Indenture Trustee hereunder, and (B) filings with the United States Patent and Trademark Office to provide notice of such security interest; and
 - (ii) has delivered to the Indenture Trustee a fully executed Lockbox Account Control Agreement pursuant to which the bank maintaining the Lockbox Account has agreed to comply with all instructions originated by the Indenture Trustee directing disposition of the funds in the Lockbox Account without further consent of the Issuer.
- (e) Other than Liens created pursuant to the Transaction Documents, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Indenture Collateral. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Indenture Collateral other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or otherwise pursuant to the Transaction Documents. The Issuer is not aware of any judgment or tax lien filings against the Issuer (other than Permitted Liens).
- (f) The Transaction Accounts are not in the name of any person other than the Issuer or the Indenture Trustee. The Issuer has not consented to any bank maintaining a Transaction Account to comply with instructions of any person other than the Indenture Trustee; provided, that prior to an Event of Default, the Issuer and the Servicer may instruct the disposition of the funds in the Lockbox Account.
- (g) The Issuer will from time to time prepare (or shall cause to be prepared), execute, file and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

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- (i) maintain or preserve the Lien and security interest (and the priority thereof) of this Indenture or carry out more effectively the purposes hereof;
- (ii) perfect, publish notice of or protect the validity of the Lien and security interest created by this Indenture;
- (iii) enforce the rights of the Indenture Trustee and the Noteholders in any of the Indenture Collateral; or
- (iv) preserve and defend title to the Indenture Collateral and the rights of the Indenture Trustee and the Noteholders in the Indenture Collateral against the claims of all persons and parties.

The Issuer hereby designates the Indenture Trustee its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required to be filed by the Issuer pursuant to this Section.

(h) So long as this Indenture is in effect and any Notes are outstanding, the Issuer agrees that (a) each representation, warranty and agreement made pursuant to this Section 3.6 shall survive and (b) the Issuer shall not waive, by course of conduct or in writing, any of the representations, warranties and agreements made pursuant to this Section 3.6.

SECTION 3.7. Annual Opinion of Counsel. On or before March 31 of each calendar year, commencing with March 31, 2004, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture, any indentures supplemental hereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as are necessary to maintain the perfection of the Lien and security interest created by this Indenture and the Guarantee and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain the perfection of such Liens and security interests. Such Opinion of Counsel shall also describe the recording, filing, re-recording and re-filing of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the perfection of the Lien and security interest of this Indenture and the Guarantee until March 31 in the following calendar year.

SECTION 3.8. Performance of Obligations; Servicing of Payment Obligations; Inspection. (a) The Issuer will not take any action and

will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's material covenants or obligations under any instrument or agreement included in the Indenture Collateral or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except as ordered by any bankruptcy or other court or as expressly provided in, or permitted by, this Indenture, any other Transaction Document or such other instrument or agreement.

(b) The Issuer may contract with other Persons to assist it in performing its duties and obligations under this Indenture, and any performance of such duties by a Person

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identified to the Indenture Trustee in an Officer's Certificate shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the other Transaction Documents and in the instruments and agreements included in the Indenture Collateral, including but not limited to preparing (or causing to be prepared) and filing (or causing to be filed) all financing statements, continuation statements, agreements, instruments, documents, or papers pursuant to Section 3.6, required to be filed by the terms of this Indenture, the Guarantee and any other applicable Transaction Document in accordance with and within the time periods provided for herein and therein.

(d) If the Issuer shall have actual knowledge of the occurrence of a Servicer Default, the Issuer shall promptly notify the Indenture Trustee and each Rating Agency thereof. Upon any termination of the Servicer's rights and powers pursuant to the Servicing Agreement, the Issuer shall promptly notify the Indenture Trustee. As soon as a Successor Servicer is appointed pursuant to the Servicing Agreement, the Issuer shall notify the Indenture Trustee and the Rating Agencies of such appointment (to the extent such party has not already been notified pursuant to the Servicing Agreement), specifying in such notice the name and address of such Successor Servicer.

(e) The Issuer agrees that it will not waive timely performance or observance by the Servicer, or IP Holder of their respective duties under the Transaction Documents if the effect thereof would have a Material Adverse Effect.

SECTION 3.9. Use of Proceeds. The Issuer will distribute the net proceeds of the Notes after deduction of any expenses relating to its formation, minimum capitalization requirements or the issuance of the Notes, to IP Holder.

SECTION 3.10. Negative Covenants. So long as any Notes are outstanding, the Issuer shall not:

(a) except as expressly permitted or required by the Transaction Documents, sell, transfer, exchange or otherwise dispose of, or permit the sale, transfer or other disposition of, any of the properties or assets of the Issuer, including those included in the Indenture Collateral, or otherwise fail to comply with any of the covenants or agreements set forth in its operating agreement;

(b) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under applicable law) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Indenture Collateral;

(c) (i) permit the validity or effectiveness of this Indenture to be impaired, or permit the Lien created by this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenant or obligations with respect to the Notes under this Indenture except as may be expressly permitted hereby, (ii) permit any Lien to be created on or extended to or otherwise arise upon or burden the Indenture Collateral or

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any part thereof or any interest therein or the proceeds thereof (other than Permitted Liens), (iii) permit the Lien created by this Indenture not to constitute a valid perfected security interest in the Indenture Collateral;

(d) dissolve or liquidate in whole or in part;

(e) issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness for borrowed money except for the Permitted Indebtedness;

(f) except as contemplated by the Transaction Documents, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person;

(g) make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);

(h) directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest in or of the Issuer, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or (iii) set aside or otherwise segregate any amounts for any such purpose; provided that, so long as no Rapid Amortization Event, Trapping Event or Event of Default has occurred and is continuing, the Issuer may make, or cause to be made, any such distributions as are permitted, or not otherwise prohibited by, and to the extent funds are available for such purpose under, the Transaction Documents; or

(i) directly or indirectly, make payments to or distributions from the Transaction Accounts except in accordance with this Indenture and the Transaction Documents.

SECTION 3.11. Consolidations, Mergers, Sales of Assets. Except as expressly contemplated herein and in the other Transaction Documents, the Issuer will not consolidate or merge with or into any other Person or sell, lease or otherwise transfer, directly or indirectly, all or any substantial part of its assets to any other Person, other than its grant of the Indenture Collateral pursuant to this Indenture. The Issuer will not create any Subsidiaries.

SECTION 3.12. Conduct of Business and Maintenance of Existence. The Issuer will not engage in any business activity other than as required or contemplated hereunder and under the other Transaction Documents, or such other activities that are necessary, suitable or desirable to accomplish the foregoing or are incidental thereto. The Issuer will preserve, renew and keep in full force and effect its limited liability company existence and rights, privileges and franchises necessary or desirable in the normal conduct of business.

SECTION 3.13. Amendment of Transaction Documents. The Issuer will not agree or consent to any amendment, modification or waiver of any provision of any Transaction

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Document (other than this Indenture and the Notes, amendments and modifications of which shall be governed by Article IX), without (x) the consent of the Indenture Trustee acting at the written direction of the Majority Holders and (y) the Rating Agency Condition having been satisfied with respect to such amendment, modification or waiver; provided, that the Issuer may agree to any amendment, waiver or modification of any such provision of any Transaction Document without any such consent or confirmation as follows:

(a) to add to the covenants of the Issuer for the benefit of the Noteholders or surrender for the benefit of the Noteholders any right or power conferred upon the Issuer; or to add to the covenants of IP Holder, the Servicer for the benefit of the Issuer or surrender for the benefit of the Issuer any right or power conferred upon IP Holder or the Servicer;

(b) to cure any ambiguity or to correct or supplement any provision contained in the Transaction Documents, which may be defective or inconsistent with any other provision contained therein or in any of the Transaction Documents; or

(c) to make such other provisions in regard to matters or questions arising under the Transaction Documents as the parties thereto may deem necessary or desirable, which are not inconsistent with the provisions thereof and which shall not materially and adversely affect the interests of the Noteholders; provided, however, that if requested by the Indenture Trustee or the Majority Holders, an Opinion of Counsel shall be addressed and delivered to the Indenture Trustee opining that such amendment, waiver or modification does not materially and adversely affect the rights of the Noteholders under this Indenture.

SECTION 3.14. Restrictions on Certain Actions. The Issuer will not take, or knowingly permit to be taken, any action which would terminate or discharge or prejudice the validity or effectiveness of any of the Transaction Documents or the validity, effectiveness or priority of the Liens created thereby or permit any party to any of the Transaction Documents whose obligations form part of the security created by this Indenture to be released from such obligations.

SECTION 3.15. Notices; Information. (a) The Issuer agrees to give the Indenture Trustee and each Rating Agency, as soon as it receives notice thereof, prompt written notice of each Trapping Event, Rapid Amortization Event and Event of Default hereunder, of a Servicer Default and the existence of any Lien (other than Permitted Liens) imposed on any of the Indenture Collateral.

(b) The Issuer will at all times give to the Indenture Trustee such information as the Indenture Trustee may reasonably require for the purpose of the discharge of the trusts, powers, rights, duties, authorities and discretions vested in it hereunder, or under any other Transaction Document or by operation of law. Additionally, the Issuer will promptly deliver to the Indenture Trustee any notices, opinions of counsel, financial statements, officers' certificates or other forms of communication that it receives pursuant to the terms of the Related Contracts.

(c) The Issuer will take, or will cause Guess? to take, all action necessary to provide information to permit resales of the Notes pursuant to Rule 144A under the Securities Act, including furnishing to any Noteholder or owner of a beneficial interest in a Note, or to any

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prospective purchaser designated by such Noteholder or owner, upon request of such Noteholder or owner, financial and other information required to be delivered under paragraph (d)(4) of Rule 144A (as amended from time to time and including any successor provision) unless, at the time of such request, the

Issuer is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act or is exempt from such requirements pursuant to Rule 12g3-2(b) under the Exchange Act (as amended from time to time and including any successor provision).

SECTION 3.16. Separate Existence. The Issuer shall comply with all of the covenants and agreements set forth in its operating agreement, including those to:

- (a) maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions and ensure that the funds of the Issuer will not be diverted to any other Person or for other than organizational uses of the Issuer, nor will such funds be commingled with the funds of IP Holder or any other Subsidiary or Affiliate of IP Holder;
- (b) to the extent that it shares the same officers or other employees as any of its members or Affiliates, ensure that the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and ensure that each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees;
- (c) to the extent that it jointly contracts with any of its members or Affiliates to do business with vendors or service providers or to share overhead expenses, ensure that the costs incurred in so doing shall be allocated fairly among such entities, and ensure that each such entity shall bear its fair share of such costs. To the extent that the Issuer contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided, and each such entity shall bear its fair share of such costs. All material transactions between the Issuer and any of its Affiliates, whether currently existing or hereafter entered into, shall be only on terms negotiated at an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (c);
- (d) maintain office space separate from the office space of Guess? and its Affiliates (but which may be located at the same address as Guess? and its Affiliates); provided, that segregated offices in the same building shall constitute separate addresses for purposes of this clause (d). To the extent that the Issuer and any of its members or Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses;
- (e) conduct its affairs in its own name and strictly in accordance with its organizational documents and observe all necessary, appropriate and customary organizational formalities, including, but not limited to, holding all regular and special members' and managers' meetings appropriate to authorize all organizational action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken

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or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;

- (f) not assume or guarantee any of the liabilities of IP Holder, the Servicer or any Affiliate of any thereof; and
- (g) take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order to (i) ensure that the assumptions and factual recitations set forth in the Bankruptcy Opinion remain true and correct in all material respects with respect to the Issuer and (ii) comply with those procedures described in such provisions which are applicable to the Issuer.

SECTION 3.17. Further Instruments and Acts. Upon request of the Indenture Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.18. Issuer Representations.

- (a) The execution, delivery and performance of this Indenture in accordance with its terms and the consummation of the transactions contemplated hereby by the Issuer do not and will not (i) require the consent or approval of any Person, except for such consents and approvals as have already been obtained and (ii) violate any applicable laws.
- (b) The Issuer is not required to obtain any consent, approval, authorization, permit or license from, or effect any filing or registration with any Governmental Authority in connection with the execution, delivery and performance of this Indenture in accordance with its terms other than filings intended to perfect the security interest granted hereunder.
- (c) As of the date hereof, the Issuer is organized under the laws of the State of Delaware.
- (d) Reference is made to the representations and warranties of IP Holder set forth in Section 4.3 of the Receivables Contribution Agreement. The Issuer hereby adopts as its own and confirms the accuracy as of the date hereof, being deemed to restate here to the same extent as if set forth in full herein, all such representations and warranties to the Indenture Trustee for the benefit of the Noteholders.

ARTICLE IV

SATISFACTION AND DISCHARGE

SECTION 4.1. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Section 3.3, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of

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the Indenture Trustee under Section 6.7 and the obligations of the Indenture Trustee under Section 4.2) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property deposited with the Indenture Trustee payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when

(a) either

(i) all Notes theretofore authenticated and delivered (other than (x) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.5 and (y) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.3) have been delivered to the Indenture Trustee for cancellation and been paid in full; or

(ii) all Notes not theretofore delivered to the Indenture Trustee for cancellation have become due and payable,

and the Issuer, in the case of Section 4.1(a)(ii) has irrevocably deposited or caused to be irrevocably deposited with the Indenture Trustee cash or direct obligations of or obligations guaranteed by the United States, in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Indenture Trustee for cancellation when due and for the purposes of Sections 3.6 and 3.10 such cash or direct obligations of or obligations guaranteed by the United States shall thereafter be deemed the Indenture Collateral;

(b) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(c) the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel and each meeting the applicable requirements of Section 11.1 and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

SECTION 4.2. Application of Trust Money. All moneys deposited with the Indenture Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Noteholders for the payment or redemption of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal and interest.

SECTION 4.3. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.3 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

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ARTICLE V

REMEDIES

SECTION 5.1. Rapid Amortization Events. If any one of the following events shall occur (each a "Rapid Amortization Event"):

(a) on any Payment Date, (i) the Historical Coverage Ratio as of the preceding Determination Date is less than 110% or (ii) the Prospective Coverage Ratio as of the preceding Determination Date is less than 107.5%;

(b) a Servicer Default shall have occurred; or

(c) an Event of Default shall have occurred;

then, a Rapid Amortization Event shall occur, without giving of further notice or any other action on the part of the Indenture Trustee or any Holder, immediately upon occurrence of such event.

SECTION 5.2. Events of Default. "Event of Default", wherever used herein, means the occurrence and continuance of 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) the Issuer shall amend its organizational documents without the written consent of the Majority Holders and confirmation by each

Rating Agency that the Rating Agency Condition is satisfied;

(b) the Issuer shall fail to pay (i) any principal of any Note on the Maturity Date; or (ii) any interest in accordance with the terms hereof, and such failure to pay such interest shall continue for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by the Issuer herein or in any other Transaction Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Indenture or any such other Transaction Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made, and shall, at the time of such determination, have a Material Adverse Effect, and such inaccuracy, if curable, is not cured within twenty (20) Business Days after the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Issuer from the Indenture Trustee (or to the Issuer and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding);

(d) the Issuer shall default in the observance and performance of any agreement (i) contained in Section 3.10(c) and such default shall continue unremedied for a period of five (5) Business Days or (ii) contained in this Indenture or any other Transaction Document (other than as provided in this Section), and, if curable, such default shall continue

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unremedied for a period of twenty (20) Business Days after the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Issuer from the Indenture Trustee (or to the Issuer and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding);

(e) a Servicer Default shall have occurred and shall be continuing and a Successor Servicer shall not have been appointed under the Servicing Agreement within a period of thirty (30) days following the occurrence of any such Servicer Default;

(f) on any Payment Date, (i) the Historical Coverage Ratio as of the preceding Determination Date is less than 100% or (ii) the Prospective Coverage Ratio as of the preceding Determination Date is less than 100%;

(g) a Change of Control shall have occurred and, if curable, such default shall continue unremedied for a period of twenty (20) Business Days following the occurrence of such Change of Control;

(h) an Insolvency Event shall have occurred with respect to the Issuer, IP Holder or Guess?

(i) (A) the transfer of the Guess? Contributed IP or the Licensing Contributed License Agreements to IP Holder pursuant to the Guess? Contribution Agreement and Licensing Contribution Agreement shall fail to constitute a valid transfer of ownership of all such property, and all proceeds thereof, to IP Holder; (B) IP Holder shall fail to have good title to the Guarantee Collateral, free and clear of all prior Liens, other than the Permitted Liens; or (C) the Receivables Contribution Agreement shall cease to create for the Issuer the enforceable right to require IP Holder to sell the Royalty Receivables to the extent provided thereto, in each case to the extent such event would have a Material Adverse Effect and, if curable, is not cured within fifteen (15) Business Days of the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Issuer from the Indenture Trustee (or to the Issuer and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding);

(j) the Issuer shall fail to have a valid security interest in all Collateral conveyed or pledged under the Receivables Contribution Agreement, whether existing on the Closing Date or thereafter created, subject only to the Permitted Liens, to the extent such event would have a Material Adverse Effect and, if curable, is not cured within fifteen (15) Business Days of the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Issuer from the Indenture Trustee (or to the Issuer and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding);

(k) the Grant of the security interest in the Indenture Collateral pursuant to this Indenture or the Guarantee Collateral pursuant to the Guarantee shall cease, for any reason, to be in full force and effect, or the Issuer or IP Holder or any Affiliate of either of them shall so assert, or any lien created by this Indenture or the Guarantee shall cease to be enforceable and of the same effect and priority purported to be created thereby, in each case to the extent such event would have a Material Adverse Effect and, if curable, is not cured within fifteen (15) Business Days of the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2)

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notice to the Issuer from the Indenture Trustee (or to the Issuer and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding); and

(l) any representation or warranty made or deemed made by the Guarantor in the Guarantee or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with the Guarantee shall prove to have been inaccurate in any material respect on or as of the date made or deemed made, and shall, at the time of such determination, have a Material Adverse Effect, and such inaccuracy, if curable, is not cured within twenty (20) Business Days after the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Guarantor from the Indenture Trustee (or to the Guarantor and Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding);

(m) the Guarantor shall default in the observance or performance of any agreement contained in the Guarantee, and, if curable, such default shall continue unremedied for a period of twenty (20) Business Days after the earlier of (1) any Responsible Officer of IP Holder becoming aware thereof or (2) notice to the Guarantor from the Indenture Trustee (or to the Guarantor and the Indenture Trustee from the Holders of not less than 25% of the Outstanding Principal Balance of the Notes Outstanding); and

(n) a final judgment or order for the payment of money shall be rendered against IP Holder or the Issuer, and such judgment or order is in an amount which, when aggregated with the amount of other unsatisfied final judgments or orders against IP Holder and the Issuer, exceeds \$250,000 and either; (i) such judgment or order is not discharged within the period of 30 days after entry thereof or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order shall not be in effect.

The Issuer hereby grants to the Indenture Trustee for the benefit of the Noteholders an irrevocable power of attorney to prepare, execute and deliver on behalf of the Issuer, in the name of the Issuer or in the name of the Indenture Trustee for the benefit of the Noteholders, any and all agreements, certifications, statements, filings or other documents necessary and appropriate to cure any of the above-mentioned breaches of representations, warranties and covenants, to the extent curable, without any requirement that the Indenture Trustee obtain any consent from or give prior notice thereof to the Issuer in connection with its preparation, execution or delivery thereof.

SECTION 5.3. Rights Upon Event of Default; Notice; Rescission and Annulment. If an Event of Default referred to in clause (h) of Section 5.2 has occurred with respect to IP Holder or the Issuer or an Enforcement Event shall have occurred, the unpaid principal amount of the Notes, together with interest accrued but unpaid thereon, and all other amounts due to the Noteholders under this Indenture, shall immediately and without further act become due and payable. If any other Event of Default shall occur and be continuing, then and in every such case the Indenture Trustee or the Majority Holders may declare all the Notes to be immediately due and payable, by a notice in writing to the Issuer (and to the Indenture Trustee if given by the Noteholders), and upon any such declaration the unpaid principal amount of such Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall

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become immediately due and payable. In connection with any acceleration of the Notes other than in connection with (i) an Event of Default specified in Section 5.2(b), (e) or (f), or (ii) an Enforcement Event relating to any such Events of Default, in addition to all other amounts then due and owing on the Notes, an Acceleration Premium also will be immediately due and payable on all Notes, and will constitute an Issuer Obligation secured by the lien of this Indenture and comprising a payment obligation under the Guarantee.

Promptly following its receipt of written notice hereunder of any Event of Default, the Indenture Trustee shall send a copy thereof to the Issuer, the Servicer, each Rating Agency, the Back-Up Manager and each Noteholder.

At any time after such a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, the Majority Holders, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences (including the imposition of any Acceleration Premium) if all existing Events of Default, other than the non-payment of the principal of the Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.14. No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 5.4. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee; Authority of Indenture Trustee. (a) The Issuer covenants that if (i) default is made in the payment of any interest on the Notes when the same becomes due and payable, (ii) the Notes are accelerated following the occurrence of an Event of Default or (iii) default is made in the payment of the principal of the Notes on the Maturity Date, the Issuer will, to the extent of funds available, upon demand of the Indenture Trustee, pay to it, for the benefit of the Noteholders, the whole amount then due and payable on the Notes for principal and interest, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the Interest Rate and the Default Rate, as applicable, and in addition thereto such further amount as shall be sufficient to cover costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel.

(b) In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Indenture Trustee, in its own name and as trustee of an express trust, may institute a 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 Issuer and collect in the manner provided by law out of the property of the Issuer, wherever situated, the moneys adjudged or decreed to be payable, in each case subject to Section 5.5.

(c) If an Event of Default occurs and is continuing, the Indenture Trustee may, as more particularly provided in, and subject to the limitations of, Section 5.5, in its discretion, proceed to protect and enforce its rights and the rights of the Noteholders, by such appropriate proceedings as the Indenture Trustee shall deem most effective to protect and enforce any such rights, 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 to enforce any other

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proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or by law, in each case subject to the limitations specified in Section 5.5.

(d) In case there shall be pending, relative to the Issuer or any Person having or claiming an ownership interest in the Indenture Collateral, Proceedings under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such Person, or in case of any other comparable judicial Proceedings relative to the Issuer, or to the creditors or property of the Issuer, the Indenture Trustee, irrespective of whether the principal of any amounts owing hereunder shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence or bad faith) and of the Noteholders allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Noteholders in any election of a trustee, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Noteholders allowed in any judicial proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence or bad faith.

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(e) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or compensation affecting the Notes or the rights of any Noteholder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(f) All rights of action and of asserting claims under this Indenture or under any of the Notes, may be enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings relative thereto, and any such action or Proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the benefit of the Noteholders.

(g) In any Proceedings brought by the Indenture Trustee (including any Proceedings involving the interpretation of any provision of this Indenture), the Indenture Trustee shall be held to represent all of the Noteholders, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

SECTION 5.5. Remedies. If an Event of Default shall have occurred and be continuing and the Notes have been accelerated under Section 5.3, the Indenture Trustee (subject to Section 5.6 of this Indenture, Sections 4.02(c) of the Guess? License Agreement, Sections 2.02(d) and 6.03(f) of the Servicing Agreement, Section 5.2(d) of the Receivables Contribution Agreement, and Section 6.6 of the Guarantee) may do one or more of the following:

(a) institute Proceedings in its own name and as or on behalf of a trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(b) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Indenture Collateral;

(c) exercise any remedies of a secured party under applicable law and any other remedy available to the Indenture Trustee and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee on behalf of the Noteholders under this Indenture or the Notes; and

(d) direct the Issuer to sell the Indenture Collateral or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law;

provided that upon any acceleration of the Notes, the Indenture Trustee will instruct the Back-Up Manager to commence performance of the Liquidation

Services specified in the Back-Up Management Agreement, and in particular, to seek valuations of the Indenture Collateral and Guarantee Collateral for the purpose of instructing the Indenture Trustee to Downstream and/or liquidate all or any part of the Indenture Collateral or Guarantee Collateral in order to satisfy the

Issuer's Obligations; and provided, further, that the Indenture Trustee may act upon the instruction of the Back-Up Manager with respect to all determinations as to the appropriateness of any Downstreaming or liquidation plan with respect to the Indenture Collateral or Guarantee Collateral, except that the Indenture Trustee shall not sell or otherwise liquidate the Indenture Collateral pursuant to the exercise of its rights under this Section if (i) it has determined (or been instructed by the Back-Up Manager) that the proceeds thereof would not be sufficient to pay in full 100% of the outstanding principal of, accrued interest on and any Acceleration Premium due on all Notes in connection with such acceleration of the Notes unless the Indenture Trustee obtains the consent of holders of 100% of the principal amount of all Outstanding Notes (after such Noteholders have given Paul Marciano and Maurice Marciano a reasonable opportunity to express their views of the appropriateness or reasonableness of various possible remedies, including Downstreaming, provided that the Noteholders shall be under no obligation whatsoever to follow such views), or if (ii) it has determined (or been instructed by the Back-Up Manager) that the proceeds thereof would be sufficient to pay in full 100% of the outstanding principal of, accrued interest on and any Acceleration Premium due on all Notes in connection with such acceleration of the Notes, unless the Indenture Trustee obtains the consent of the Majority Holders (after such Noteholders have given Paul Marciano and Maurice Marciano a reasonable opportunity to express their views of the appropriateness or reasonableness of various possible remedies including Downstreaming, provided that the Noteholders shall be under no obligation whatsoever to follow such views). The Majority Holders will be deemed to have consented to the sale or other liquidation of the Indenture Collateral pursuant to clause (ii) of the prior sentence if Majority Holders either vote in favor of such action or fail to vote with respect to such action within 30 Business Days of receipt of the notice seeking consent from the Indenture Trustee. In determining such sufficiency or insufficiency, the Indenture Trustee will obtain and rely upon an opinion of an independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Indenture Collateral for such purpose.

SECTION 5.6. Optional Preservation of the Indenture Collateral. If the Notes have been declared to be due and payable under Section 5.3 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may, but need not, elect to maintain possession of the Indenture Collateral. It is the desire of the parties hereto and the Noteholders that there be at all times sufficient funds for the payment of principal of and interest on the Notes, and the Indenture Trustee shall take such desire into account when determining whether to maintain possession of the Indenture Collateral. In determining whether to maintain possession of the Indenture Collateral, the Indenture Trustee may, but need not, obtain and rely upon an opinion of an independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Indenture Collateral for such purpose.

SECTION 5.7. Priorities. (a) If the Indenture Trustee collects any money pursuant to Section 5.5 (which money shall be deposited in the Distribution Account) or property upon the sale or other disposition of the Indenture Collateral following the occurrence of an Event of Default, it shall pay out or cause to be paid from the proceeds of such sale or other disposition (net of any amounts due to the Indenture Trustee under Section 6.7) in the following order of priority:

- (i) to the Servicer, any unpaid Servicer Advance Reimbursement Amounts;
- (ii) to the Indenture Trustee, any unpaid Indenture Trustee Fees and expenses;
- (iii) to the Back-Up Manager, any unpaid Standby Fees;
- (iv) to the Servicer, any accrued and unpaid Servicing Fees;
- (v) to the Noteholders, the aggregate amount of all accrued but unpaid interest to the date of distribution on the Notes;
- (vi) to the Noteholders, the outstanding principal amount of the Notes;
- (vii) to the Noteholders, any Acceleration Premium payable on the Notes;

(viii) if, after giving effect to the application of amounts referred to in clauses (i) through (vii) of this Section, the outstanding principal amount of the Notes and all interest in respect thereof have been paid in full, to the Issuer, any remaining amounts, free and clear of the Lien created by this Indenture.

(b) The Issuer may fix a record date and payment date for any payment to Noteholders pursuant to this Section. At least 15 days before such record date, the Issuer shall mail to each Noteholder and the Indenture Trustee a notice that states the record date, the payment date and the amount to be paid.

SECTION 5.8. Limitation of Suits. No Noteholder shall have any right to institute any Proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

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

- (b) the Noteholders of not less than 25% of the outstanding principal amount of the Notes have made written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;
- (c) such Noteholder or Noteholders have offered to the Indenture Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;
- (d) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings; and
- (e) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the Majority Holders.

It is understood and intended that no one or more Noteholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder or to obtain or to seek to obtain priority or preference over any other Noteholder or to enforce any right under this Indenture or to take any actions in violation of Section 6.6 of the Guarantee, except in the manner herein provided.

If the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Noteholders, each representing less than a majority of the outstanding principal amount of the Notes, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.9. Unconditional Rights of Noteholders to Receive Principal and Interest. Notwithstanding any other provisions in this Indenture, each Noteholder shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on the Notes held by it on or after the respective due dates thereof expressed herein or in the Note held by such holder or in this Indenture and, subject to the terms hereof, to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Noteholder.

SECTION 5.10. Restoration of Rights and Remedies. If the Indenture Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case the Indenture Trustee and the Noteholders 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 Indenture Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

SECTION 5.11. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders 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 5.12. Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee or any Noteholder to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Noteholders, as the case may be.

SECTION 5.13. Control by Noteholders. The Majority Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available

to the Indenture Trustee with respect to the Notes or exercising any trust or power conferred on the Indenture Trustee; provided that

- (a) such direction shall not be in conflict with any rule of law or with this Indenture;
- (b) subject to the terms of Section 5.5 which may limit such right as set forth in such Section;
- (c) if the conditions set forth in Section 5.6 have been satisfied and the Indenture Trustee elects to retain the Indenture Collateral pursuant to such Section, then any direction to the Indenture Trustee by Holders of Notes representing less than 100% of the principal amount of the Notes Outstanding shall be of no force and effect;
- (d) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction; and
- (e) such direction shall be in writing;

provided, further, that, subject to Section 6.1, the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Note Owner not consenting to such action.

SECTION 5.14. Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.3, the Majority Holders may, on behalf of all Noteholders, waive any past Default or Event of Default and its consequences except a Default (a) in payment of principal at maturity or interest on any of the Notes or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Registered Holder of each Note. In the case of any such waiver, the Issuer, the Indenture Trustee and the Noteholders shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto. Upon any such waiver, such Event of Default shall cease to exist and be deemed to have been cured and not to have occurred, for every purpose of this Indenture. The Issuer shall give prompt written notice of any waiver to the Rating Agencies.

SECTION 5.15. Undertaking for Costs. All parties to this Indenture agree, and each Holder of a Note by such Noteholder's 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 Indenture Trustee for any action taken, suffered or omitted by it as Indenture 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 (i) any suit instituted by the Indenture Trustee, (ii) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the outstanding principal amount of the Notes or (iii) any suit instituted by any Noteholder for the enforcement of the payment of principal of or

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interest on any Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of redemption, on or after the Redemption Date).

SECTION 5.16. Waiver of Stay or Extension Laws. The Issuer 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 wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantages of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.17. Action on Notes. The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Indenture Collateral or upon any of the assets of the Issuer. Any money or property collected by the Indenture Trustee shall be applied in accordance with Section 5.7.

ARTICLE VI

THE INDENTURE TRUSTEE

SECTION 6.1. Duties of Indenture Trustee. (a) If an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise the rights and powers vested in it by this Indenture and the Transaction Documents and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture or the other Transaction Documents against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the factual statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; however, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture and the other Transaction Documents to which the Indenture Trustee is a party, and shall review each Quarterly Servicer's Report in accordance with Section 2.14.

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

(i) this paragraph does not limit the effect of Section 6.1(b);

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is conclusively determined by a court of competent jurisdiction that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.13.

(d) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may agree in writing with the Issuer.

(e) Money held in trust by the Indenture Trustee need not be segregated from other funds except to the extent required by law or the terms of this Indenture or the Servicing Agreement.

(f) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur 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 to believe that repayments of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) The Indenture Trustee shall have no duties other than those explicitly set forth in this Indenture or the other Transaction Documents, and no permissive right hereunder shall be construed as a duty.

(h) The Indenture Trustee shall not be charged with knowledge of an Event of Default until such time as a Responsible Officer shall have actual knowledge or have received written notice thereof.

SECTION 6.2. Rights of Indenture Trustee. (a) The Indenture Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper person. The Indenture Trustee need not investigate any fact or matter stated in the document or confirm or verify the accuracy of any information or calculations contained therein.

(b) Before the Indenture Trustee acts or refrains from acting, it may require an Officer's Certificate (with respect to factual matters) or an Opinion of Counsel, as applicable. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

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(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the other Transaction Documents either directly or by or through agents or attorneys or a custodian or nominee, and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder. The Indenture Trustee shall have no duty to monitor the performance of the Issuer or the Servicer.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Indenture Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture, the other Transaction Documents and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, the Indenture 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, consent, order, approval, bond, or other paper or document (other than with respect to Quarterly Servicer's Reports as provided in Section 2.14 of this Indenture), unless requested in writing to do so by Noteholders of not less than 25% of the Outstanding Principal Amount of the Notes; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses, or liabilities likely to be incurred by it in the making of such investigation shall be, in the opinion of the Indenture Trustee, not reasonably assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require indemnity reasonably satisfactory to it against such cost, expense, or liability or payment of such expenses as a condition precedent to so proceeding; the reasonable expense of every such investigation shall be paid by the Person making such request, or, if paid by the Indenture Trustee, shall be reimbursed by the Person making such request upon demand.

(g) The Indenture Trustee is hereby authorized to execute, deliver and perform those Transaction Documents (other than this Indenture) to which it is a party.

SECTION 6.3. Individual Rights of Indenture Trustee. The Indenture Trustee in its individual or other capacity (and any Paying Agent or Note Registrar) may not become the owner or pledgee of the Notes.

SECTION 6.4. Indenture Trustee's Disclaimer. The Indenture Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Transaction Documents, the Indenture Collateral or the Notes. The Indenture Trustee shall not be accountable for the Issuer's use of the proceeds from the Notes. The Indenture Trustee shall not be responsible for any statement of the Issuer in this Indenture or in any document

issued in connection with the sale of the Notes other than the Indenture Trustee's certificate of authentication.

SECTION 6.5. Notice of Defaults. If an Event of Default occurs and is continuing and if it is actually known to a Responsible Officer, or written notice of the existence thereof has been delivered to a Responsible Officer of the Indenture Trustee, the Indenture Trustee shall mail to each Noteholder notice of the Event of Default within thirty 30 days after such knowledge or notice occurs.

SECTION 6.6. Reports by Indenture Trustee to Noteholders. Within the prescribed period of time for tax reporting purposes after the end of each calendar year during the term of this Indenture, the Indenture Trustee shall deliver to each Noteholder such information as may be reasonably required to enable such Noteholder to prepare its United States federal, state and local income or franchise tax returns for such calendar year.

SECTION 6.7. Compensation and Indemnity. The Issuer shall pay to the Indenture Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder or under the other Transaction Documents as the Issuer and the Indenture Trustee shall from time to time agree in writing. The Indenture Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Indenture Trustee upon demand for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, costs of preparing and reviewing reports, certificates and other documents, costs of preparation and mailing of notices to the Noteholders and reasonable costs of counsel retained by the Indenture Trustee in connection with the delivery of an Opinion of Counsel or otherwise, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Indenture Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify the Indenture Trustee in each of its capacities hereunder or under the other Transaction Documents and its officers, directors, employees and agents, and hold them harmless against any and all loss, liability, damage, claims or expense (including attorneys' fees and expenses) incurred by it without negligence or bad faith on its part in connection with the administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture and of defending itself against any claims. The Indenture Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Indenture Trustee to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend any such claim, and the Indenture Trustee may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel, provided, that the Issuer shall not be required to pay such fees and expenses if it assumes the Indenture Trustee's defense, and, in the reasonable judgment of outside counsel to the Indenture Trustee, there is no conflict of interest between the Issuer and the Indenture Trustee in connection with such defense. The right to conduct the defense of any action against the Indenture Trustee shall include the right to pursue any remedy of the Indenture Trustee against any other person on the grounds of any act or omission which may have caused or contributed to, or which would otherwise entitle the Indenture Trustee to hold such third party liable for, any part of the matter for which the action is brought. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indenture Trustee's own willful misconduct, negligence or bad faith.

To the extent the Indenture Trustee renders services or incurs expenses after an Event of Default specified in 5.2(h), the compensation for services and expenses incurred by it are intended to constitute expenses of administration under any applicable federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect.

The Issuer's payment obligations to the Indenture Trustee pursuant to this Section shall survive the discharge of this Indenture and the resignation or removal of the Indenture Trustee.

SECTION 6.8. Replacement of Indenture Trustee. (a) The Indenture Trustee may give notice of its intent to resign at any time by so notifying the Issuer, each Rating Agency and the Servicer. The Issuer shall remove the Indenture Trustee, in each case with notice to the Servicer and each Rating Agency if:

- (i) the Indenture Trustee fails to comply with Section 6.11;
- (ii) a court having jurisdiction in the premises in respect of the Indenture Trustee in a case or Proceeding under any Insolvency Laws shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee's property, or ordering the winding-up or liquidation of the Indenture Trustee's affairs, provided any such decree or order shall have continued unstayed and in effect for a period of 30 consecutive days;
- (iii) the Indenture Trustee commences a voluntary Proceeding under any Insolvency Laws, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator or other similar official for the Indenture Trustee or for any substantial part of the Indenture Trustee's property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing; or
- (iv) the Indenture Trustee otherwise becomes incapable of acting as required by this Indenture.

(b) If the Indenture Trustee gives notice of its intent to resign or is removed or if a vacancy exists in the office of the Indenture Trustee for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), the Issuer shall promptly appoint a successor

Indenture Trustee.

(c) A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring Indenture Trustee and to the Issuer and thereupon the resignation or removal of the Indenture Trustee shall become effective, and the successor Indenture Trustee, without any further act, deed or conveyance shall have all the rights, powers and duties of the Indenture Trustee under this Indenture. The successor Indenture Trustee shall mail a notice of its succession to the Noteholders. The retiring Indenture Trustee shall promptly transfer all property held by it as the Indenture Trustee to the successor Indenture Trustee.

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(d) If a successor Indenture Trustee does not take office within 30 days after the retiring Indenture Trustee gives notice of its intent to resign or is removed, the retiring Indenture Trustee, the Issuer or the Majority Holders may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(e) If the Indenture Trustee fails to comply with Section 6.11, any Noteholder may petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(f) Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section shall not become effective until acceptance of appointment by the successor Indenture Trustee pursuant to Section 6.8(c) and payment of all fees and expenses owed to the retiring Indenture Trustee.

(g) Notwithstanding the resignation or removal of the Indenture Trustee pursuant to this Section, the Issuer's obligations under Section 6.7 shall continue for the benefit of the retiring Indenture Trustee. The retiring Indenture Trustee shall not be liable for the acts or omissions of any successor Indenture Trustee.

SECTION 6.9. Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Indenture Trustee; provided, that such corporation or banking association shall be otherwise qualified and eligible under Section 6.11. The Indenture Trustee shall provide the Issuer, the Servicer and each Rating Agency prompt notice of any such transaction.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor Indenture Trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificate of authentication shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of authentication of the Indenture Trustee shall have.

SECTION 6.10. Appointment of Co-Indenture Trustee or Separate Indenture Trustee. (a) Notwithstanding any other provision of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Indenture Collateral may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, jointly with the Indenture Trustee, or separate trustee or separate trustees, of all or any part of the trust created hereby, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such title to the Indenture Collateral, or any part hereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Indenture

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Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility of a successor Indenture Trustee under Section 6.11 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.8.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Indenture Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of co-appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee and a copy thereof given to the Issuer.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor Indenture Trustee.

SECTION 6.11. Eligibility. The Indenture Trustee hereunder shall at all times be a trust company organized and doing business under the laws of the United States or any

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State, authorized under such laws to exercise corporate trust powers, whose long term unsecured debt is rated at least “Baa2” by Moody’s or “BBB” by S&P and shall have a combined capital and surplus of at least \$50,000,000 or shall be a member of a bank holding system the aggregate combined capital and surplus of which is \$200,000,000 and subject to supervision or examination by federal or state authority or whose parent company shall meet the foregoing requirements. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of a supervising or examining authority, then for the purposes of this Section 6.11, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 6.11, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 6.8.

SECTION 6.12. Representations and Warranties of Indenture Trustee. The Indenture Trustee in its individual capacity and as Indenture Trustee represents and warrants as follows:

(a) It is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Indenture Trustee under this Indenture and to authenticate the Notes.

(b) The execution and delivery of the Indenture, the consummation of the transactions provided for therein and the authentication of the Notes have been duly authorized by all necessary corporate action on its part, either in its individual capacity or as Indenture Trustee, as the case may be.

(c) The Indenture constitutes a legal, valid and binding obligation of the Indenture Trustee, enforceable against the Indenture Trustee in accordance with its terms except as such enforceability may be limited by Insolvency Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity) or by an implied covenant of good faith and fair dealing.

ARTICLE VII

NOTEHOLDERS’ LISTS AND REPORTS

SECTION 7.1. Issuer to Furnish Indenture Trustee Names and Addresses of Noteholders. The Issuer will furnish or cause to be furnished to the Indenture Trustee (i) not more than five days after each Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Noteholders as of such Record Date and (ii) at such other times as the Indenture Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.

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SECTION 7.2. Preservation of Information; Communication to Noteholders. The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Noteholders contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.1 and the names and addresses of Noteholders received by the Indenture Trustee. The Indenture Trustee may destroy any list furnished to it as provided in such Section 7.1 upon receipt of a new list so furnished.

SECTION 7.3. Rule 144A Information. For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer agrees to provide, or cause to provide, to any Noteholder or Note Owner and to any prospective purchaser of Notes designated by such Noteholder or Note Owner upon the request of such Noteholder or Note Owner or prospective purchaser, any information in its possession and required to be provided to such holder or prospective purchaser to satisfy the conditions set forth in Rule 144A(d)(4) under the Securities Act.

SECTION 7.4. Servicer’s Reports. The Indenture Trustee shall deliver to each Noteholder the Quarterly Servicer’s Report and Quarterly Servicer’s Report Certificate within five Business Days after receipt thereof. The Indenture Trustee shall deliver to each Note Owner who so requests in writing, and to each Rating Agency, each Quarterly Servicer’s Report and Quarterly Servicer’s Report Certificate within five Business Days after receipt

thereof.

SECTION 7.5. Certifications. In no event shall the Indenture Trustee or any agent of the Indenture Trustee be obligated or responsible for preparing, executing, filing or delivering in respect of the Issuer or on behalf of another person, either (a) any report or filing required or permitted by the Securities and Exchange Commission to be prepared, executed, filed or delivered by or in respect of the Issuer or another person, or (b) any certification in respect of any such report or filing.

ARTICLE VIII

ACCOUNTS, DISBURSEMENTS AND RELEASE

SECTION 8.1. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Indenture Trustee, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim an Event of Default under this Indenture and any right to proceeds thereafter as provided in Article V.

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SECTION 8.2. Establishment of Accounts; Investment of Funds. On or prior to the Closing Date, there shall have established the following accounts (collectively, the "Transaction Accounts"):

(a) Lockbox Account. Pursuant to the Servicing Agreement, the Servicer, as agent for the Issuer, shall cause the Indenture Trustee to establish and maintain, at The Bank of New York, an Eligible Deposit Account (ABA No. 021000018; GLA # 111565; Account No. 115633; ref: Guess? Royalty Finance) in the name of the Issuer, and over which the Indenture Trustee, pursuant to the Lockbox Account Control Agreement, shall have sole and exclusive control and sole and exclusive right of withdrawal from the Closing Date (the "Lockbox Account"); provided that the Indenture Trustee will transfer to IP Holder or to an account of IP Holder all amounts at any time on deposit in the Lockbox Account that do not constitute Collections and will transfer to the Servicer (if the Servicer is Guess?, Inc.) all amounts on deposit in the Lockbox Account that the Indenture Trustee has confirmed comprise Retained Collections for the relevant Collection Period. From and after the occurrence of an Event of Default or any date on which the Historical Coverage Ratio is less than 120% or during the Rapid Amortization Period or a Trapping Period, the Indenture Trustee shall cause all amounts on deposit in the Lockbox Account to be transferred into the Distribution Account without any releases of Retained Collections to the Servicer. Except as set forth below, all right, title and interest in and to all cash amounts on deposit from time to time in the Lockbox Account attributable to Collections shall constitute part of the Indenture Collateral and shall be held for the benefit of the Indenture Trustee and the Noteholders until applied as hereinafter provided. Each Receivables Obligor is obligated to make payments of all amounts owing to IP Holder under the Subject License Agreements directly to the Lockbox Account, in each case without setoff except for commissions, fees and chargebacks. On each Business Day during a Measurement Period, the Indenture Trustee shall cause all amounts on deposit in the Lockbox Account to be transferred into the Distribution Account until such time as the Servicer provides the Indenture Trustee with written notice (substantially in the form of Exhibit E) that the amount on deposit in the Distribution Account at least equals the Estimated Distribution Amount for the Payment Date next succeeding the last day of such Measurement Period, and providing a calculation of such Estimated Distribution Amount. Within 2 Business Days of receipt of such notice, the Indenture Trustee shall verify the mathematical accuracy of the Servicer's calculation of the Estimated Distribution Amount at face value. Any amounts on deposit in the Lockbox Account that the Indenture Trustee has so confirmed will not be needed to fund the Estimated Distribution Amount or any component thereof will not be required to be transferred to the Distribution Account pursuant to the preceding sentences and will comprise "Retained Collections." The Indenture Trustee shall instruct The Bank of New York to withdraw any such Retained Collections from the Lockbox Account and deliver them to the Servicer (if the Servicer is Guess? Inc.). Such withdrawals shall be subject to repayment (in whole or in part) by the Servicer to the Collection Account on the Business Day preceding the succeeding Payment Date if prior to such Business Day the Indenture Trustee confirms and notifies the Servicer that all or any part thereof will in fact be needed in order to fund any of the amounts comprising Estimated Distribution Amounts or to fund required deposits into the Trapping Account.

(b) Distribution Account. The Indenture Trustee, for the benefit of the Noteholders, shall establish and maintain, at BNY Midwest Trust Company, an Eligible Account (ABA No. 021 000 018; GLA # 111565; Account No. 115632 ; ref: Guess? Distribution Account)

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in the name of the Indenture Trustee, and over which the Indenture Trustee for the benefit of the Noteholders shall have sole and exclusive right of withdrawal (the "Distribution Account"). All right, title and interest in and to all cash amounts on deposit from time to time in the Distribution Account shall constitute part of the Indenture Collateral and shall be held for the benefit of the Noteholders until applied as hereinafter provided.

(c) Interest Reserve Account. The Indenture Trustee, for the benefit of the Noteholders, shall establish and maintain, at BNY Midwest Trust Company, an Eligible Account (ABA No. 021 000 018; GLA # 111565; Account No. 145631; ref: Guess? Interest Reserve Account) in the name of the Indenture Trustee, and over which the Indenture Trustee for the benefit of the Noteholders shall have sole and exclusive right of withdrawal (the "Interest Reserve Account"). All right, title and interest in and to all cash amounts on deposit from time to time in the Interest Reserve Account shall constitute part of the Indenture Collateral and shall be held for the benefit of the Noteholders until applied as hereinafter provided. Monies in the Interest Reserve Account shall be subject to withdrawal pursuant to this Indenture, including Section 8.11 (c). The Issuer shall deposit, or shall cause to be deposited,

into the Interest Reserve Account on the Closing Date, an amount equal to \$5,062,500.00.

(d) Trapping Account. The Indenture Trustee, for the benefit of the Noteholders, shall establish and maintain, at BNY Midwest Trust Company, an Eligible Account (ABA No. ABA No. 021 000 018; GLA # 111565; Account No. 145630; ref: Guess? Trapping Account) in the name of the Indenture Trustee, and over which the Indenture Trustee for the benefit of the Noteholders shall have sole and exclusive right of withdrawal (the "Trapping Account"). All right, title and interest in and to all cash amounts on deposit from time to time in the Trapping Account shall constitute part of the Indenture Collateral and shall be held for the benefit of the Noteholders until applied as hereinafter provided. Monies in the Trapping Account shall be subject to withdrawal pursuant to this Indenture, including Section 8.11 (d) and (e).

(e) (i) Upon the written instructions of the Servicer, the Indenture Trustee shall invest funds on deposit in the Trust Accounts in Eligible Investments in accordance with this Section 8.2(e), such Eligible Investments to be selected by the Servicer and the settlement thereof to be arranged by the Indenture Trustee or an agent of the Indenture Trustee appointed for such purpose (an "Investment Agent"). Any Investment Agent will be subject to replacement at the discretion of the Indenture Trustee.

(ii) Neither the Indenture Trustee nor the Investment Agent shall be liable for any loss arising from such investment in Eligible Investments. The Indenture Trustee shall have no obligation to invest and reinvest any cash in the absence of timely and specific written investment direction from the Servicer. In no event shall the Indenture Trustee be liable for the selection of investments or for investment losses incurred thereon. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Servicer to provide timely written investment direction. All such Eligible Investments shall be held by the Indenture Trustee for the benefit of the Noteholders.

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(iii) Funds on deposit in the Trust Accounts that are to be invested shall be invested in Eligible Investments that will mature so that such funds will become available not later than the Business Day prior to the next Payment Date, unless such funds shall be invested under paragraph (e) of the definition of Eligible Investments.

(iv) All investment income earned on such investments shall be credited to the Distribution Account on the date such income is realized.

(f) If at any time a Trust Account ceases to be an Eligible Deposit Account, the Indenture Trustee shall, within 20 Business Days after becoming aware thereof, establish a new Eligible Deposit Account for such Trust Account and shall transfer any cash and/or any investments to such new account.

SECTION 8.3. Control of Trust Accounts. The Indenture Trustee shall have sole control of the Trust Accounts, and shall be entitled to give instructions and directions to the Securities Intermediary which shall act upon entitlement orders with respect to each Trust Account solely from the Indenture Trustee. If at any time the Indenture Trustee shall give the Securities Intermediary an entitlement order relating to any Trust Account, the Securities Intermediary shall be entitled to comply with such entitlement order without further consent by the Issuer or any other Person. The Issuer shall not be entitled to give the Securities Intermediary any entitlement orders with respect to the Trust Accounts.

SECTION 8.4. Treatment as Financial Assets. Each item of property (whether investment property, financial asset, security, instrument or cash) credited to the Trust Accounts shall be treated as a financial asset.

SECTION 8.5. Securities Intermediary's Location. The Trust Accounts and the rights and obligations of the Securities Intermediary, the Indenture Trustee and the Issuer with respect thereto shall be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC in the State of New York, New York shall be deemed to be the Securities Intermediary's location and the Trust Accounts (and the securities entitlements related thereto) shall be governed by the laws of the State of New York.

SECTION 8.6. No Other Claims. The Issuer represents that, except for the claims and interest of the Indenture Trustee and the Issuer in the Trust Accounts, there is no claim to, or interest in, the Trust Accounts or in any financial asset credited thereto. If any person asserts any Lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Trust Accounts or in any financial asset carried therein, the Securities Intermediary will promptly notify the Indenture Trustee. In the event that the Securities Intermediary (in its capacity as such) has or subsequently obtains by agreement, operation of law or otherwise a security interest in the Trust Accounts or any security entitlement credited thereto, such security interest shall be subordinate to the security interest of the Indenture Trustee on behalf of the Noteholders.

SECTION 8.7. Investment and Release. All proceeds of financial assets from time to time credited to the Trust Accounts shall be allocated, invested and reinvested as

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provided in this Indenture. At all times prior to termination of this Indenture, no property shall be released from the Trust Accounts except in accordance with this Indenture and upon written instructions of the Indenture Trustee.

SECTION 8.8. Tax Allocations. All items of income, gain, expense and loss recognized in the Trust Accounts shall be reported by or on

behalf of the Issuer to the IRS and all state and local taxing authorities in the same manner as income, gain, expense and loss of the Issuer.

SECTION 8.9. No Other Agreements. The Issuer shall not permit the Securities Intermediary to enter into or suffer to exist prior to the termination of this Indenture any agreement (other than the Transaction Documents) with any other Person relating to the Trust Accounts or any financial assets credited thereto, including, without limitation, any agreement to comply with entitlement orders of any Person other than the Indenture Trustee (as directed in accordance with Section 8.2).

SECTION 8.10. Powers Coupled With An Interest. The rights and powers granted in this Article 8 to the Indenture Trustee have been granted in order to perfect its security interests in the Transaction Accounts, are powers coupled with an interest and will be affected neither by the bankruptcy of the Issuer nor by the lapse of time.

SECTION 8.11. Payment Date Distributions. (a) On each Payment Date (including any Payment Date on which an Optional Redemption will occur) funds on deposit in the Distribution Account shall be withdrawn by the Indenture Trustee based solely on the instructions of the Servicer set forth in the Quarterly Servicer's Report (as reviewed by the Servicer pursuant to Section 2.14 of this Indenture) for payment on such Payment Date solely for the following purposes and in the following order of priority:

- (i) first, to the Servicer, in payment of the Servicer Advance Reimbursement Amount due on such Payment Date;
- (ii) second, to the Indenture Trustee, an amount equal to the lesser of (a) unpaid Indenture Trustee Fees due on such Payment Date and (b) the Indenture Trustee Priority Fee Amount for such Payment Date;
- (iii) third, to the Back-Up Manager, the Standby Fee due on such Payment Date;
- (iv) fourth, to the Servicer, the Servicing Fee due on such Payment Date;
- (v) fifth, to the Noteholders, the accrued and unpaid interest on the Notes due on such Payment Date pursuant to Section 2.7(b);
- (vi) sixth, to the Interest Reserve Account, the excess, if any, of the Required Interest Reserve Amount on such Payment Date over the amount on deposit in the Interest Reserve Account on such Payment Date;

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(vii) seventh, to the Noteholders (a) on each Payment Date falling in the Controlled Amortization Period, the amount specified in Section 2.7(a) for such Payment Date and (b) on each Payment Date falling in the Rapid Amortization Period, the amount specified in Section 2.7(a) for such Payment Date;

(viii) eighth, during a Trapping Period, to the Trapping Account, an amount equal to the lesser of (a) any remaining amounts and (b) the excess, if any, of (i) the unpaid principal amount of the Notes (after giving effect to the application of amounts allocated pursuant to clause (vi) of this Section) over (ii) the amounts on deposit in the Trapping Account on such Payment Date (before giving effect to an allocation pursuant to this clause (viii));

(ix) ninth, to the Indenture Trustee, any unreimbursed fees, expenses, and indemnities;

(x) tenth, to the parties owed such amounts, to the payment of all Additional Costs, if any, identified in the Quarterly Servicer Report as being payable on such Payment Date; and

(xi) eleventh, to the Issuer, any remaining amounts, free and clear of the Lien created by this Indenture.

(b) If the Servicer has knowledge that, or the Indenture Trustee notifies the Servicer that, amounts available in the Distribution Account on any Payment Date may be less than the amounts required to be distributed on such Payment Date pursuant to clauses (ii), (iii), (v), (vi), (vii) and (ix) of Section 8.11(a), then, pursuant to the Servicing Agreement, on the Business Day preceding such Payment Date the Servicer shall deposit into the Distribution Account an amount equal to the lesser of (i) such deficiency and (ii) the amount of Retained Collections that were retained by or released to the Servicer during the related Measurement Period. Subject to the foregoing, on each Payment Date the Servicer shall remit all Retained Collections to the Issuer in satisfaction of amounts due to the Issuer under clause (x) of Section 8.11(a) hereof free and clear of the Lien created by this Indenture.

(c) If on the Business Day preceding any Payment Date, the amount on deposit in the Distribution Account (including any Retained Collections but before giving effect to any withdrawal from the Interest Reserve Account but after taking into account all other amounts available) is less than the aggregate amounts required to be distributed on such Payment Date pursuant to clause (v) of Section 8.11(a) (without giving effect to any limitation based on lack of available funds), the Indenture Trustee shall make a withdrawal on the related Payment Date from the Interest Reserve Account in an amount equal to the lesser of (i) such deficiency and (ii) the amount on deposit in the Interest Reserve Account and use such amount to pay the amount owing under such clause (v). On each Payment Date (after giving effect to any withdrawal from the Interest Reserve Account described in the preceding sentence), if the amount on deposit in the Interest Reserve Account exceeds the Required Interest Reserve Amount, the Indenture Trustee shall withdraw such excess and deposit such excess in the Distribution Account for distribution pursuant to Section 8.11(a); provided that, if on any Payment Date (after giving effect to all amounts available to repay the Notes on such date,

including but not limited to any withdrawal from the Interest Reserve Account pursuant to the preceding sentence) the amount remaining in the Interest Reserve Account would be sufficient to pay the outstanding principal amount of the Notes in full, the Indenture Trustee shall withdraw any funds remaining in the Interest Reserve Account and shall distribute such amounts (i) first, to the Noteholders, the amount required to pay the Notes in full and (ii) second, the remainder, if any, to the Distribution Account, for distribution on such Payment Date pursuant to Section 8.11(a). On the Maturity Date the Indenture Trustee shall withdraw from the Interest Reserve Account any funds remaining in the Interest Reserve Account (after giving effect to any allocation pursuant to the preceding sentence) and deposit such funds in the Distribution Account for distribution on the Maturity Date pursuant to Section 8.11(a).

(d) If on the Business Day preceding any Payment Date during a Trapping Period, the amount on deposit in the Distribution Account (including any Retained Collections but before giving effect to any withdrawal from the Trapping Account but after taking into account all other amounts available) is less than the aggregate amounts required to be distributed on such Payment Date pursuant to clauses (i) through (vii) of Section 8.11(a) (without giving effect to any limitation based on lack of available funds), the Indenture Trustee shall make a drawing on the related Payment Date from the Trapping Account in an amount equal to the lesser of (i) such deficiency and (ii) the amount on deposit in the Trapping Account. On the Maturity Date the Indenture Trustee shall withdraw from the Trapping Account any funds remaining in the Trapping Account (after giving effect to any allocation pursuant to the preceding sentence) and deposit such funds in the Distribution Account for distribution on the Maturity Date pursuant to Section 8.11(a).

(e) If on any Payment Date after the occurrence of a Trapping Event and prior to the occurrence of a Rapid Amortization Event, the Historical Coverage Ratio is greater than 120% (a "Trapping Cure Event") then on such date the Indenture Trustee shall make a withdrawal from the Trapping Account in an amount equal to the amount on deposit in the Trapping Account (after giving effect to any allocation pursuant to section 8.11(d) on such date) and deposit such funds in the Distribution Account for distribution in accordance with Section 8.11(a).

(f) On any Payment Date during a Trapping Period the Issuer may elect to apply all or a portion of the amount on deposit in the Trapping Account (after giving effect to any allocation of such amounts pursuant to Sections 8.11(d) and (e) on such Payment Date) as a mandatory prepayment of the Notes in accordance with this Section 8.11(f). Each such prepayment shall be accompanied by payment to the Noteholders of a prepayment premium calculated as set forth below in this Section. If the Issuer intends to make such an optional prepayment, the Issuer shall notify the Servicer and the Indenture Trustee no later than the Determination Date preceding the Payment Date of its intention to do so, such notice to set forth the amount of such prepayment and the amount of the prepayment premium associated therewith. Such notice shall be accompanied by a deposit into the Trapping Account from amounts available to the Issuer pursuant to Section 8.11(a)(x) hereof in an amount equal to such prepayment premium. On the Payment Date specified in such notice, and subject to compliance by the Issuer with the requirements of the preceding sentence, the Indenture Trustee shall withdraw from the Trapping Account an amount equal to the prepayment amount and prepayment premium specified in such notice and pay such amount to the Noteholders pursuant

to clause (vii) of Section 8.11(a), ratably in accordance with the principal amount of the Notes held by such Noteholder. Prepayments made pursuant to this Section 8.11(f) shall be applied to reduce the Target Principal Amount applicable to each Payment Date after the Payment Date of such prepayment ratably in the proportion which such Target Principal Amount bears to the original unpaid balance of the Notes. Each such prepayment shall be accompanied by payment of a prepayment premium equal to the excess, if any, of (i) the sum of the present values of the remaining principal and interest scheduled to have been paid in respect of the principal amount of the Notes then being prepaid (assuming payments in respect of such principal are made on each Payment Date in an amount proportional to the Target Principal Reduction Amount for such Payment Date as provided in the preceding sentence), discounted to the date of prepayment (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 50 basis points over (ii) the principal amount of the Notes then being prepaid.

(g) On the Payment Date following any Measurement Period during which any Royalty Receivables are repurchased from the Issuer by IP Holder pursuant to Section 4.3(c) of the Receivables Contribution Agreement, the Issuer will apply the amounts received as the related Repurchase Price as a mandatory prepayment of the Notes in accordance with this Section 8.11(g). Each such prepayment shall be accompanied by payment to the Noteholders of a prepayment premium calculated as set forth below in this Section. The Issuer shall notify the Servicer and the Indenture Trustee promptly, but no later than second Business Day following its receipt from IP Holder of such Repurchase Price of its intention to do so, such notice to set forth the amount of such prepayment and the amount of the prepayment premium associated therewith. Such notice shall be accompanied by a deposit into the Distribution Account of such Repurchase Price. On the Payment Date specified in such notice, and subject to compliance by the Issuer with the requirements of the preceding sentence, the Indenture Trustee shall withdraw from the Distribution Account an amount equal to the prepayment amount and prepayment premium specified in such notice and pay such amount to the Noteholders pursuant to clause (vii) of Section 8.11(a), ratably in accordance with the principal amount of the Notes held by such Noteholder. Prepayments made pursuant to this Section 8.11(g) shall be applied to reduce the Target Principal Amount applicable to each Payment Date after the Payment Date of such prepayment ratably in the proportion which such Target Principal Amount bears to the original unpaid balance of the Notes. Each such prepayment shall be accompanied by payment of a prepayment premium equal to the excess, if any, of (i) the sum of the present values of the remaining principal and interest scheduled to have been paid in respect of the principal amount of the Notes then being prepaid (assuming payments in respect of such principal are made on each Payment Date in an amount proportional to the Target Principal Reduction Amount for such Payment Date as provided in the preceding sentence), discounted to the date of prepayment (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 50 basis points, over (ii) the principal amount of the Notes then being prepaid.

SECTION 8.12. Release of Collateral. (a) When required or contemplated by the provisions of this Indenture, the Indenture Trustee shall, at the request and sole expense of the Issuer, release property from the Lien of this Indenture, and shall deliver to the Issuer any Indenture Collateral held by the Indenture Trustee hereunder, and execute and deliver to the Issuer such documents (including, without limitation, UCC termination statements) as the

Issuer shall reasonably request to evidence such release. No party relying upon an instrument executed by the Indenture Trustee as provided in this Section shall be bound to ascertain the Indenture

Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(b) The Indenture Trustee shall, at such time as there are no Notes outstanding, release the Indenture Collateral (including, without limitation any funds then on deposit in the Transaction Accounts). The Indenture Trustee shall, at such time as any Royalty Receivables are repurchased from the Issuer by IP Holder pursuant to Section 4.3(c) of the Receivables Contribution Agreement, release the lien of this Indenture with respect to such Royalty Receivables and all related items of Indenture Collateral. The Indenture Trustee shall release property from the Lien of this Indenture pursuant to this Section 8.12(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate.

SECTION 8.13. Opinion of Counsel. The Indenture Trustee shall receive at least 3 days prior written notice when requested by the Issuer to take any action pursuant to Section 8.12(a), accompanied by copies of any instruments involved, and the Indenture Trustee may also require, as a condition to such action, an Opinion of Counsel, in form and substance reasonably satisfactory to the Indenture Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Indenture Collateral. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.1. Supplemental Indenture Without Consent of Noteholders. Without the consent of the Noteholders, the Issuer and the Indenture Trustee, when authorized by an Issuer Order and upon written notice to the Rating Agencies, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Indenture Trustee, for any of the following purposes:

(a) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien created by this Indenture, or to subject additional property to the Lien created by this Indenture;

(b) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes contained;

(c) to add to the covenants of the Issuer, for the benefit of the Noteholders, or to surrender any right or power herein conferred upon the Issuer;

(d) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;

(e) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture which may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided that such action shall not have a Material Adverse Effect; and

(f) to evidence and provide for the acceptance of the appointment hereunder of a successor Indenture Trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one Indenture Trustee, pursuant to the requirements of Article VI.

(g) The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

SECTION 9.2. Supplemental Indentures With Consent of Noteholders. The Issuer and the Indenture Trustee, when authorized by an Issuer Order, also may, with prior written notice to each Rating Agency, and with the prior written consent of the Majority Holders, delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Noteholders under this Indenture; provided, however, that, no such supplemental indenture shall, without the consent of each Noteholder of each Note Outstanding adversely affected thereby:

(a) change the date of payment of any installment of principal of or interest on any Notes, or reduce the principal amount thereof, or the interest rate thereon, change the provisions of this Indenture relating to the application of collections on, or the proceeds of the sale of, the Indenture Collateral to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Notes or the interest thereon is payable, or impair the right to institute suit for the enforcement of the provisions of this Indenture requiring the application of funds available

therefor, as provided in Article V, to the payment of any such amount due on the Notes on or after the respective due dates thereof;

(b) reduce the percentage of the Outstanding Principal Balance of the Notes, the consent of the Noteholders of which is required for any such supplemental indenture, or the consent of the Noteholders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(c) reduce the percentage of the outstanding principal amount of the Notes required to direct the Indenture Trustee to sell or liquidate the Indenture Collateral pursuant to Section 5.5 or amend the provisions of this Article which specify the percentage of the

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Outstanding Principal Balance of the Notes required to amend this Indenture or the other Transaction Documents;

(d) modify any provision of this Section except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the other Transaction Documents cannot be modified or waived without the consent of the Noteholder adversely affected thereby; or

(e) permit the creation of any Lien ranking prior to or on a parity with the Lien created by this Indenture with respect to any part of the Indenture Collateral or, except as otherwise permitted or contemplated herein, terminate the Lien created by this Indenture on any property at any time subject hereto or deprive the Noteholder of the security provided by the Lien created by this Indenture.

It shall not be necessary for any Act of Noteholders to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the parties hereto of any supplemental indenture pursuant to this Section, the Indenture Trustee, at the expense of the Issuer, shall mail to the Noteholders to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee 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 9.3. Execution of Supplemental Indentures. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to Sections 6.1 and 6.2 shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the parties hereto and the Noteholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.5. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer

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or the Indenture Trustee shall so determine, new notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for the Notes outstanding.

ARTICLE X

OPTIONAL REDEMPTION OF NOTES

SECTION 10.1. Optional Redemption. Notes are redeemable, in whole but not in part, at the option of the Issuer in accordance with their terms and in accordance with this Article X.

SECTION 10.2. Notice of Redemption. Notice of redemption (an "Optional Redemption Notice") to Noteholders shall be given by mailing notice of such redemption by first-class mail, postage prepaid, at least 15 days and not more than 30 days prior to the date fixed for redemption to such Noteholders at their last addresses as they shall appear in the Register. Any Optional Redemption Notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Failure to give notice by mail, or any defect in the notice to the Noteholder of any Note designated for redemption, shall not affect the validity of the proceedings for the redemption of any other Note.

The Optional Redemption Notice shall specify the principal amount of the Notes held by such Holder to be redeemed (which shall be all Notes outstanding), calculation and amount of the Optional Redemption Premium, the date fixed for redemption (the “Redemption Date”), the redemption price, the place or places of payment, that interest accrued but unpaid to the date fixed for redemption will be paid as specified in said notice and that on and after such date interest thereon or on the portions thereof to be redeemed will cease to accrue. The Optional Redemption Notice shall be given by the Issuer or, at the Issuer’s request, by the Indenture Trustee in the name and at the expense of the Issuer.

SECTION 10.3. Payment of Notes Called for Redemption. If the Optional Redemption Notice has been given as provided above, the Notes shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, and on and after said date (unless the Issuer shall default in the payment of such Notes at the redemption price, together with accrued and unpaid interest and any other amounts payable pursuant hereto in respect thereof), interest on the Notes shall cease to accrue and, except as provided in Section 4.3 and to the extent redeemed, such Notes shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect thereof except the right to receive the redemption price, together with accrued and unpaid interest and any other amounts payable pursuant hereto in respect thereof; provided that all indemnities hereunder shall survive any such redemption. The Notes shall be paid and redeemed by the Issuer at the applicable redemption price; provided, that any payment of interest becoming due on the date fixed for redemption shall be payable to the Holders of such Notes subject to the terms and provisions of Section 2.7(b).

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Compliance Certificates and Opinions, etc. (a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee (i) an Officer’s Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and (ii) if requested by the Indenture Trustee, an Opinion of Counsel 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 documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;
- (ii) 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;
- (iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether such covenant or condition has been complied with; and
- (iv) a statement as to whether, in the opinion of each such signatory such condition or covenant has been complied with.

(b) (i) Except in connection with the deposit of cash or cash equivalents in connection with a redemption of all of the Notes, prior to the deposit of any part of the Indenture Collateral or other property or securities with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the Lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 11.1(a) or elsewhere in this Indenture, furnish to the Indenture Trustee an Officer’s Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such deposit) to the Issuer of the part of the Indenture Collateral or other property or securities to be so deposited;

(ii) Whenever any property or securities are to be released from the Lien of this Indenture, the Issuer shall also furnish to the Indenture Trustee an Officer’s Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person

the proposed release will not impair the security under this Indenture in contravention of the provisions hereof; and

(iii) Notwithstanding any provision of this Section, the Issuer may collect, liquidate, sell or otherwise dispose of the Indenture Collateral as and to the extent permitted or required by the Transaction Documents.

SECTION 11.2. Form of Documents Delivered to Indenture 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 or opinion of an Authorized Officer of the Issuer 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 certificate or opinion is based are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel 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 Servicer, IP Holder or the Issuer, stating that the information with respect to such factual matters is in the possession of the Servicer, IP Holder or the Issuer.

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

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 11.3. Acts of Noteholders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents 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 Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied

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therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders 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 (subject to Section 6.1) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any manner that the Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Noteholder shall bind the Noteholder of any Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 11.4. Notices. All notices, demands, certificates, requests and communications hereunder ("notices") shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, or (b) one Business Day after delivery to an overnight courier, or (c) on the date personally delivered to an Authorized Officer of the party to which sent, or (d) on the date transmitted by facsimile transmission with a confirmation of receipt, in all cases addressed to the recipient at the address specified below.

If to the Indenture Trustee: BNY Midwest Trust Company
2 North LaSalle, Suite 1020
Chicago, IL 60602
Attention: Corporate Trust / Structured Finance
Telephone: 312-827-8500
Facsimile: 312-827-8562

If to the Issuer: Guess? Royalty Finance LLC
2222 Glendale Galleria 2
Glendale, California 91324
Attention:
Telephone:
Facsimile:

with a copy to: Guess?, Inc.
1444 South Alameda Street
Los Angeles, California 90021
Attention: General Counsel
Telephone: (213) 765-3100
Facsimile: (213) 744-7821

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O'Melveny & Myers
400 S. Hope Street, 15th Floor
Los Angeles, CA 90071
Attention: Daniel Passage
Telephone: (213) 430-6618
Facsimile: (212) 669-6407

If to Rating Agencies:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: ABS Monitoring Group
Telephone:
Facsimile: (212) 298-7139

Standard & Poor's,
a division of The McGraw-Hill Companies, Inc.
55 Water Street, 41st Floor
New York, New York 10041
Attention: Asset Back Surveillance Department
Telephone: (212) 438-2000
Facsimile:

Each party hereto may, by notice given in accordance herewith to each of the other parties hereto, designate any further or different address to which subsequent notices shall be sent.

SECTION 11.5. Notices to Noteholders; Waiver. Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid to each Noteholder affected by such event, at his address as it appears on the Note Register, not later than the later date, and not earlier than the earlier date, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any 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 Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute an Event of Default.

SECTION 11.6. 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 11.7. Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors, co-Indenture Trustees and agents.

SECTION 11.8. Separability. In case any provision in this Indenture or in the Notes 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 11.9. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other Person with an ownership interest in any part of the Indenture Collateral, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 11.10. Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment 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 the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 11.11. GOVERNING LAW. THIS INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 11.12. Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 11.13. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Issuer, the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Noteholders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

SECTION 11.14. No Petition Covenant. Notwithstanding any prior termination of this Indenture, the Indenture Trustee agrees that it shall not, and each Noteholder by its acceptance of a Note agrees that it shall not, prior to the date which is one year and one day after

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the Notes (including all interest and premium, if any thereon) shall have been paid in full, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any bankruptcy, insolvency, liquidation or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidating of the affairs of the Issuer.

SECTION 11.15. Limited Recourse. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Indenture Trustee in its individual capacity, (ii) the owner of any beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of the Indenture Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee have no such obligations in their individual capacity).

SECTION 11.16. WAIVERS OF JURY TRIAL. THE ISSUER AND THE INDENTURE TRUSTEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS INDENTURE AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 11.17. Submission to Jurisdiction; Waivers. Each of Issuer and the Indenture Trustee hereby irrevocably and unconditionally:

- (a) submits for itself and its property in any legal action or proceeding relating to this Indenture and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;
- (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Issuer or the Indenture Trustee, as the case may be at its address set forth in Section 11.4 or at such other address of which the Indenture Trustee shall have been notified pursuant thereto;
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and
- (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

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[Rest of page left intentionally blank]

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IN WITNESS WHEREOF, the undersigned have caused this Indenture to be duly executed as a deed as of the date first written above by their respective officers hereunto duly authorized.

By: _____
Name:
Title:

BNY MIDWEST TRUST COMPANY,
not in its individual capacity
but solely as Indenture Trustee

By: _____
Name:
Title:

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EXHIBIT A

[FORM OF GLOBAL NOTE]

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SETFORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF. ACCORDINGLY, THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH GUESS? ROYALTY FINANCE LLC (THE “ISSUER”) OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A (A “QIB”) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RIGHT OF THE ISSUER AND THE INDENTURE TRUSTEE, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

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UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10004, TO THE ISSUER OR THE REGISTRAR, AND ANY NOTE 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 BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN.

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6.75% Secured Note

Guess? Royalty Finance LLC, a limited liability company organized and existing under the laws of the State of Delaware (herein referred to as the “Issuer”), for value received, hereby promises to pay to Cede & Co., or its registered assigns, the lesser of the principal sum of \$ Dollars (\$) or the outstanding principal amount of this Note, payable on the earlier of the Payment Date occurring in June, 2012 (the “Maturity Date”) and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture referred to on the reverse hereof.

Accrued interest with respect to the Notes shall be payable on each Payment Date. The amount of interest so payable on each Payment Date shall be equal to the product of (i) the outstanding principal amount of the Notes on the preceding Payment Date (or, in the case of the initial Payment Date, on the Closing Date), after giving effect to any repayment of the Notes occurring on such preceding Payment Date and (ii) the Interest Rate divided by four; provided that, with respect to the initial Payment Date, interest on the Notes will be calculated based upon the Interest Rate per annum from the Closing Date to the initial Payment Date calculated on the basis of a year of 360 days consisting of twelve 30-day months.

All payments made by the Issuer with respect to this Note shall be applied as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Authenticating Agent or the Indenture Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

It is expressly understood and agreed by the parties hereto that (a) this Note is executed and delivered by BNY Midwest Trust Company, not individually or personally but solely as indenture trustee of the Issuer (the “Indenture Trustee”), in the exercise of the powers and authority conferred and vested in it under the Indenture, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by the Indenture Trustee but is made and intended for the purpose of binding only the Issuer and (c) under no circumstances shall the Indenture Trustee be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under the Indenture or the other Transaction Documents.

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IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by an Authorized Officer, as of the date set forth below.

GUESS? ROYALTY FINANCE LLC

By: _____
Printed Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is the Note designated above and referred to in the within-mentioned Indenture.

[INDENTURE TRUSTEE]
or
[AUTHENTICATING AGENT]
not in its individual capacity but solely as
Authenticating Agent

By: _____
Printed Name:
Title:

Dated: _____

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[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its \$75,000,000 6.75% Secured Notes (the “Notes”), all

issued under an Indenture, dated as of April 28, 2003 (the “Indenture”), between the Issuer and BNY Midwest Trust Company, as Indenture Trustee (the “Indenture Trustee”), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Noteholders. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Notes are and will be equally and ratably secured by the Indenture Collateral pledged as security therefor as provided in the Indenture subject to the priorities of allocations as to interest and principal payments as described therein.

The principal of the Notes shall be payable on each Payment Date. During the Controlled Amortization Period, principal shall be payable in respect of the Notes in an amount equal to the lesser of (i) the Target Principal Reduction Amount for such Payment Date and (ii) Available Principal Collections for such Payment Date. On each Payment Date occurring during the Rapid Amortization Period, principal shall be payable in respect of the Notes in an amount equal to the lesser of (i) Available Principal Collections on such Payment Date and (ii) the unpaid principal amount of the Notes. The unpaid principal amount of the Notes shall be due and payable on the Maturity Date. The Notes so paid may not be reissued hereunder.

Notices in connection with redemptions of Notes shall be mailed to Noteholders as provided in Section 10.2 of the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, and subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes.

Upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2 of the Indenture, the Issuer shall execute, and the Indenture Trustee or the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations, of a like aggregate principal amount.

At the option of a Noteholder, Notes may be exchanged for other Notes in any authorized denominations, of a like aggregate amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, and the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar, the Notes which the Noteholder making the exchange is entitled to receive.

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

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Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Note Registrar duly executed by, the Noteholder thereof or such Noteholder’s attorney duly authorized in writing, with such signature guaranteed by a commercial bank or trust company located, or having a correspondent located in the city in which the Note Registrar’s office is located, or by a member firm of a national securities exchange, and such other documents as the Note Registrar may require.

The Issuer, the Note Registrar or the Indenture Trustee may require the payment by the Noteholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.3 of the Indenture not involving any transfer.

The preceding provisions notwithstanding, the Issuer shall not be required to make and the Note Registrar need not register transfers or exchanges of Notes selected for redemption or of any Note for a period of 15 days preceding the due date for any payment with respect to the Note.

Each Noteholder, by its acceptance of a Note or a beneficial interest in a Note, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Notes or under the Indenture or any certificate or other writing delivered in connection therewith, against (i) the Indenture Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Indenture Trustee or of any successor or assign of the Indenture Trustee in its individual capacity, except as any such Person may have expressly agreed and except as otherwise stated in the Indenture.

Each of the Issuer, the Indenture Trustee, and each Noteholder, by acceptance of a Note or a beneficial interest in a Note, agrees to treat the Notes as indebtedness for United States federal income tax purposes.

Notwithstanding any prior termination of the Indenture, the Indenture Trustee agrees that it shall not, and each Noteholder, by its acceptance of a Note, agrees that it shall not, prior to the date which is one year and one day after the Notes (including all interest and premium, if any thereon) shall have been paid in full, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any bankruptcy, insolvency, liquidation or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidating of the affairs of the Issuer.

Prior to due presentment for registration of transfer of any Note, the Issuer, the Indenture Trustee, the Note Registrar, any Paying Agent and any of their respective agents, shall treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and

of the Issuer, the Indenture Trustee nor any of their respective agents shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Noteholders under the Indenture with the consent of the Majority Holders. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Noteholders issued thereunder.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

Notwithstanding any other provisions herein or in the Indenture, each Noteholder shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Note on or after the respective due dates thereof expressed herein or in the Indenture and, subject to the terms hereof or of the Indenture, to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Noteholder.

EXHIBIT B

[FORM OF DEFINITIVE NOTE]

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF. ACCORDINGLY, THE OUTSTANDING PRINCIPAL BALANCE OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS TWO YEARS AFTER [FOR NON_AI NOTES — THE ORIGINAL ISSUE DATE HEREOF][FOR AI NOTES — THE LAST DATE ON WHICH ANY OF GUESS? ROYALTY FINANCE LLC (THE "ISSUER") OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE)], ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A (A "QIB") THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RIGHT OF THE ISSUER AND THE INDENTURE TRUSTEE, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL (WHICH COUNSEL MAY BE IN-HOUSE COUNSEL), CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

CUSIP No. []

6.75% Secured Note

Guess? Royalty Finance, LLC, a limited liability company organized and existing under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to the holder of this Note, or its registered assigns, the lesser of the principal sum of \$ _____ Dollars (\$) or the outstanding principal amount of this Note, payable on the earlier of the Payment Date occurring in December, 2010 (the "Maturity Date") and the Redemption Date, if any, pursuant to Section 10.1 of the Indenture referred to on the reverse hereof.

Accrued interest with respect to the Notes shall be payable on each Payment Date. The amount of interest so payable on each Payment Date shall be equal to the product of (i) the outstanding principal amount of the Notes on the preceding Payment Date (or, in the case of the initial Payment Date, on the Closing Date), after giving effect to any repayment of the Notes occurring on such preceding Payment Date and (ii) the Interest Rate divided by four; provided that, with respect to the initial Payment Date, interest on the Notes will be calculated based upon the Interest Rate per annum from the Closing Date to

the initial Payment Date calculated on the basis of a year of 360 days consisting of twelve 30-day months.

All payments made by the Issuer with respect to this Note shall be applied as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Authenticating Agent or the Indenture Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

It is expressly understood and agreed by the parties hereto that (a) this Note is executed and delivered by BNY Midwest Trust Company, not individually or personally but solely as indenture trustee of the Issuer (the "Indenture Trustee"), in the exercise of the powers and authority conferred and vested in it under the Indenture, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by the Indenture Trustee but is made and intended for the purpose of binding only the Issuer and (c) under no circumstances shall the Indenture Trustee be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture or the other Transaction Documents.

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IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually or in facsimile, by an Authorized Officer, as of the date set forth below.

GUESS? ROYALTY FINANCE LLC

By: _____
Printed Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is the Note designated above and referred to in the within-mentioned Indenture.

[INDENTURE TRUSTEE]
or
[AUTHENTICATING AGENT]
not in its individual capacity but solely as
Authenticating Agent

By: _____
Printed Name:
Title:

Dated: _____

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[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its \$75,000,000 6.75% Secured Notes (the "Notes"), all issued under an Indenture, dated as of April 28, 2003 (the "Indenture"), between the Issuer and BNY Midwest Trust Company, as Indenture Trustee (the "Indenture Trustee"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Noteholders. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented or amended.

The Notes are and will be equally and ratably secured by the Indenture Collateral pledged as security therefor as provided in the Indenture subject to the priorities of allocations as to interest and principal payments as described therein.

The principal of the Notes shall be payable on each Payment Date. During the Controlled Amortization Period, principal shall be payable

in respect of the Notes in an amount equal to the lesser of (i) the Target Principal Reduction Amount for such Payment Date and (ii) Available Principal Collections for such Payment Date. On each Payment Date occurring during the Rapid Amortization Period, principal shall be payable in respect of the Notes in an amount equal to the lesser of (i) Available Principal Collections on such Payment Date and (ii) the unpaid principal amount of the Notes. The unpaid principal amount of the Notes shall be due and payable on the Maturity Date. The Notes so paid may not be reissued hereunder.

The Notes may be redeemed at the option of the Issuer in accordance with Article X of the Indenture. Notices in connection with redemptions of Notes shall be mailed to Noteholders as provided in Section 10.2 of the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, and subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes.

Upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2 of the Indenture and subject to the limitations of Section 2.4 of the Indenture, the Issuer shall execute, and the Indenture Trustee or the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar, in the name of the designated transferee or transferees, one or more new Notes in any authorized denominations, of a like aggregate principal amount.

At the option of a Noteholder and subject to certain limitations set forth in the Indenture, Notes may be exchanged for other Notes in any authorized denominations, of a like aggregate amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, and the Authenticating Agent shall authenticate and the Noteholder shall obtain from the Note Registrar, the Notes which the Noteholder making the exchange is entitled to receive.

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

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Note Registrar duly executed by, the Noteholder thereof or such Noteholder's attorney duly authorized in writing, with such signature guaranteed by a commercial bank or trust company located, or having a correspondent located in the city in which the Note Registrar's office is located, or by a member firm of a national securities exchange, and such other documents as the Note Registrar may require.

The Issuer, the Note Registrar or the Indenture Trustee may require the payment by the Noteholder of a sum sufficient to cover fees and expenses related to the registration of transfer or exchange of Notes, which sum shall also be sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.3 of the Indenture not involving any transfer.

The preceding provisions notwithstanding, the Issuer shall not be required to make and the Note Registrar need not register transfers or exchanges of Notes selected for redemption or of any Note for a period of 15 days preceding the due date for any payment with respect to the Note.

Each Noteholder, by its acceptance of a Note or a beneficial interest in a Note, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Indenture Trustee on the Notes or under the Indenture, the Guarantee, or any certificate or other writing delivered in connection therewith, against (i) the Indenture Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer, (iii) any partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Indenture Trustee or of any successor or assign of the Indenture Trustee in its individual capacity, except as any such Person may have expressly agreed and except as otherwise stated in the Indenture or (iv) IP Holder in violation of Section 6.6 of the Guarantee.

Each of the Issuer, the Indenture Trustee, and each Noteholder, by acceptance of a Note or a beneficial interest in a Note, agrees to treat the Notes as indebtedness for United States federal income tax purposes.

Notwithstanding any prior termination of the Indenture, the Indenture Trustee agrees that it shall not, and each Noteholder, by its acceptance of a Note, agrees that it shall not, prior to the date which is one year and one day after the Notes (including all interest and premium, if any thereon) shall have been paid in full, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any bankruptcy, insolvency, liquidation or similar law or appointing a receiver, liquidator, assignee, trustee, custodian,

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sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidating of the affairs of the Issuer.

Prior to due presentment for registration of transfer of any Note, the Issuer, the Indenture Trustee, the Note Registrar, any Paying Agent and any of their respective agents, shall treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payments of principal and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note be overdue, and none of the Issuer, the Indenture Trustee nor any of their respective agents shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Noteholders under the Indenture with the consent of the Majority Holders. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Noteholders issued thereunder.

The Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

Notwithstanding any other provisions herein or in the Indenture, each Noteholder shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Note on or after the respective due dates thereof expressed herein or in the Indenture and, subject to the terms hereof or of the Indenture, to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Noteholder.

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EXHIBIT C

Rule 144A Certificate

BNY Midwest Trust Company
2 North LaSalle, Suite 1020
Chicago, IL 60602
Attention: Corporate Trust/Structured Finance

Re: Guess? Royalty Finance LLC (the "Issuer")
6.75% Secured Notes Due 2012 (the "Notes")
dated as of April 28, 2003, relating to the Notes

Ladies and Gentlemen:

TO BE COMPLETED BY PURCHASER IF (A) BELOW IS CHECKED.

This Certificate relates to:

[CHECK A OR B AS APPLICABLE.]

- Our proposed purchase of \$ _____ principal amount of Notes issued under the Indenture.
- Our proposed exchange of \$ _____ principal amount of Notes issued under the Indenture for an equal principal amount of Notes to be held by us.

We and, if applicable, each account for which we are acting, are a qualified institutional buyer within the meaning of Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act"). If we are acting on behalf of an account, we exercise sole investment discretion with respect to such account. We are aware that the transfer of Notes to us, or such exchange, as applicable, is being made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Prior to the date of this Certificate we have received such information regarding the Issuer as we have requested pursuant to Rule 144A(d)(4) or have determined not to request such information.

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You and the Issuer are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to matters covered hereby.

Very truly yours,

[NAME OF PURCHASER
(FOR TRANSFERS) OR OWNER
(FOR EXCHANGES)]

By: _____

Name:

Title:
Address:

Date: _____

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EXHIBIT D

Form of Quarterly Servicer's Report Certificate

[INDENTURE TRUSTEE LETTERHEAD]

Guess? Royalty Finance LLC
2222 Glendale Galleria 2
Glendale, California 91324

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: ABS Monitoring Group

Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
55 Water Street, 41st Floor
New York, New York 10041
Attention: Asset Back Surveillance Department

Re: Quarterly Servicer's Report Certificate

Ladies and Gentlemen:

Reference is made to that Indenture, dated as of April 28, 2003 (the "Indenture"), between Guess? Royalty Finance LLC, a limited liability company organized under the laws of the State of Delaware, and BNY Midwest Trust Company, acting as indenture trustee and not in its individual capacity.

Pursuant to Section 2.14 of the Indenture, I have reviewed the enclosed Quarterly Servicer's Report dated _____, 20____, and I hereby certify that:

1. I have verified the accuracy of the amounts deposited into, withdrawn from and on deposit in the Trust Accounts as described therein, and

2. I have verified the mathematical accuracy of servicer calculations at face value (including the Historical Coverage Ratio and Prospective Coverage Ratio) and calculation of principal and interest due on the related Payment Date.

Very truly yours,

BNY MIDWEST TRUST COMPANY

By: _____

Name:

Title:

Date: _____

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EXHIBIT E

Form of Servicer's Notice Regarding Distribution Account

[SERVICER LETTERHEAD]

BNY Midwest Trust Company
2 North LaSalle, Suite 1020
Chicago, IL 60602
Attention: Corporate Trust/Structured Finance

Re: Servicer Notice Regarding Distribution Account

Ladies and Gentlemen:

Reference is made to that Indenture, dated as of April 28, 2003 (the "Indenture"), between Guess? Royalty Finance LLC, a limited liability company organized under the laws of the State of Delaware, and BNY Midwest Trust Company, acting as indenture trustee and not in its individual capacity.

This letter is being furnished pursuant to Section 8.2(a) of the Indenture, and shall serve as notice that the amount on deposit in the Distribution Account at least equals the Estimated Distribution Amount for the Payment Date next succeeding the last day of the current Measurement Period.

The calculation of the Estimated Distribution Amount appears below.

Very truly yours,

[SERVICER]

By: _____
Name:
Title:

Date: _____

GUARANTEE AND COLLATERAL AGREEMENT

made by

GUESS? IP HOLDER L.P.

in favor of

BNY MIDWEST TRUST COMPANY,

as Indenture Trustee

Dated as of April 28, 2003

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GUARANTEE AND COLLATERAL AGREEMENT, dated as of April 28, 2003 (this "[Agreement](#)"), made by Guess? IP Holder L.P. (the "[IP Holder](#)") in favor of BNY Midwest Trust Company (the "[Indenture Trustee](#)") for the benefit of the holders of notes (the "[Noteholders](#)") issued pursuant to the Indenture, dated as of April 28, 2003 (as amended, supplemented or otherwise modified from time to time, the "[Indenture](#)") between the Indenture Trustee and Guess? Royalty Finance LLC (the "[Issuer](#)").

W I T N E S S E T H:

WHEREAS, pursuant to the Indenture, the Noteholders have severally agreed to purchase notes (the "[Notes](#)") from the Issuer upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition to the Noteholders' purchase of the Notes that IP Holder shall have executed and delivered this Agreement to the Indenture Trustee for the benefit of the Noteholders; and

WHEREAS, IP Holder will derive substantial direct and indirect benefit from the proceeds of the sale of the Notes;

NOW, THEREFORE, in consideration of the premises and to induce the Noteholders to purchase the Notes, IP Holder hereby agrees with the Indenture Trustee, for the benefit of the Noteholders, as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in Annex X attached hereto and used herein shall have the meanings given to them in Annex X.

(b) The following terms are used herein as defined in the New York UCC: Accounts, Certificated Security, Chattel Paper, Documents, General Intangibles, Instruments, and Supporting Obligations.

1.2 Other Definitional Provisions. (a) The words “hereof,” “herein”, “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. GUARANTEE

2.1 Guarantee. (a) IP Holder hereby unconditionally and irrevocably, guarantees as principal, and not as surety, to the Indenture Trustee, for the benefit of the Noteholders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Issuer of the Issuer Obligations.

(b) Upon the occurrence of an Event of Default, the Indenture Trustee will demand for payment hereunder; provided that the Indenture Trustee, on behalf of the Noteholders, may not appropriate and realize upon the Guarantee Collateral, or any part thereof, until the occurrence of any Enforcement Event.

(c) The guarantee contained in this Section 2 shall remain in full force and effect until all the Issuer Obligations and the obligations of IP Holder under the guarantee contained in this Section 2 shall have been satisfied by payment in full.

2.2 No Subrogation. Notwithstanding any payment made by IP Holder hereunder, IP Holder shall not be entitled to be subrogated to any of the rights of the Indenture Trustee or any Noteholder against the Issuer or any collateral security or guarantee held by the Indenture Trustee or any Noteholder for the payment of the Issuer Obligations, nor shall IP Holder seek or be entitled to seek any contribution or reimbursement from the Issuer until all amounts owing to the Indenture Trustee and the Noteholders by the Issuer on account of the Issuer Obligations are paid in full. If any amount shall be paid to IP Holder on account of such subrogation rights at any time when all of the Issuer Obligations shall not have been paid in full, such amount shall be held by IP Holder in trust for the Indenture Trustee, for the benefit of the Noteholders, segregated from other funds of IP Holder, and shall, forthwith upon receipt by IP Holder, be deposited into the Lockbox Account in the exact form received by IP Holder (duly indorsed by IP Holder to the Indenture Trustee, if required), to be applied against the Issuer Obligations, whether matured or unmatured, in accordance with the Indenture.

2.3 Amendments, etc. with respect to the Issuer Obligations. IP Holder shall remain obligated hereunder notwithstanding that, without any reservation of rights against IP Holder and without notice to or further assent by IP Holder, any demand for payment of any of the Issuer Obligations made by the Indenture Trustee or any Noteholder may be rescinded by the Indenture Trustee or such Noteholder and any of the Issuer Obligations continued, and the Issuer Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Indenture Trustee or any Noteholder, and the Indenture and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Indenture Trustee (in accordance with the terms of such agreements or documents) may deem advisable from time to time, and any collateral security, or guarantee at any time held by the Indenture Trustee or any Noteholder for the payment of the Issuer Obligations may be sold, exchanged, waived, surrendered or released. Neither the Indenture Trustee nor any Noteholder shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Issuer Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.4 Guarantee Absolute and Unconditional. IP Holder waives any and all requirement of notice of the creation, renewal, extension or accrual of any of the Issuer Obligations and notice of or proof of reliance by the Indenture Trustee or any Noteholder upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Issuer Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee

contained in this Section 2; and all dealings between the Issuer and IP Holder, on the one hand, and the Indenture Trustee and the Noteholders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. IP Holder waives requirement of diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Issuer with respect to the Issuer Obligations. IP Holder understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Indenture or any other Transaction Document, any of the Issuer Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Indenture Trustee or any Noteholder, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Issuer, IP Holder or any other Person against the Indenture Trustee or any Noteholder, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Issuer or IP Holder) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Issuer for the Issuer Obligations, or of IP Holder under the guarantee contained in this Section 2, in bankruptcy or in any similar proceeding. When making any demand

hereunder or otherwise pursuing its rights and remedies hereunder against IP Holder, the Indenture Trustee or any Noteholder may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Issuer, IP Holder or any other Person or against any collateral security or guarantee for the Issuer Obligations or any right of offset with respect thereto, and any failure by the Indenture Trustee or any Noteholder to make any such demand, to pursue such other rights or remedies or to collect any payments from the Issuer, IP Holder or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Issuer, IP Holder or any other Person or any such collateral security, guarantee or right of offset, shall not relieve IP Holder of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Indenture Trustee or any Noteholder against IP Holder. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings by the Indenture Trustee or any Noteholder with respect to this Agreement, the Indenture or the Notes .

2.5 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Issuer Obligations is rescinded or must otherwise be restored or returned by the Indenture Trustee or any Noteholder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Issuer or IP Holder, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Issuer or IP Holder or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.6 Payments. IP Holder hereby guarantees that payments hereunder will be timely paid to the Indenture Trustee for deposit in the Lockbox Account without set-off or counterclaim in Dollars.

SECTION 3. GRANT OF SECURITY INTEREST

IP Holder hereby assigns and transfers to the Indenture Trustee and hereby grants to the Indenture Trustee, for the benefit of the Noteholders, a security interest in, all of the

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following property now owned or at any time hereafter acquired by IP Holder or in which IP Holder now has or at any time in the future may acquire any right, title or interest (collectively, the “Guarantee Collateral”), as collateral security for the prompt and complete payment and performance when due of the Obligations:

- (a) all Guess? Trademarks;
- (b) all of the Guess? Contributed IP, the Licensing Contributed License Agreements and the Guess? License Agreement;
- (c) all related Accounts;
- (d) all books and records pertaining to the Guarantee Collateral; and
- (e) to the extent not otherwise included in the foregoing, all Goodwill, the Guess? Contributed License Agreement Files and Licensing Contributed License Agreement Files, and all proceeds and Supporting Obligations of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

Insofar as the foregoing grant of a security interest relates to amounts included in the Obligations owing to the Back-Up Manager, such grant is subject to the subordination provisions set forth in the Back-Up Management Agreement that specify that payments of such amounts to the Back-Up Manager are subject to the priority of payments set forth in the Indenture.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Noteholders to purchase the Notes issued under the Indenture, IP Holder hereby represents and warrants to the Indenture Trustee, for the benefit of the Noteholders that:

4.1 Title; No Other Liens. Except for the Permitted Liens, IP Holder has good and marketable title to each item of the Guarantee Collateral free and clear of any and all Liens, claims or encumbrances of others. No financing statement or other public notice with respect to all or any part of the Guarantee Collateral is on file or of record in any public office, except such as have been filed (i) pursuant to the Guess? Contribution Agreement, Licensing Contribution Agreement or Receivables Contribution Agreement or (ii) in favor of the Indenture Trustee, for the benefit of the Noteholders, pursuant to this Agreement or the Indenture or such as have been properly amended or terminated. For the avoidance of doubt, it is understood and agreed that IP Holder has and will continue to grant, as part of its business, licenses to third parties to use the Guess? Trademarks owned or developed by IP Holder. Such licensing activities constitute Permitted Liens. Each of the Indenture Trustee and each Noteholder understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Indenture Trustee to utilize, sell, lease or transfer the Guess? Trademarks or otherwise realize value from the Guess? Trademarks pursuant hereto.

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4.2 Perfected Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filing of all appropriate

financing statements in the proper filing office and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Indenture Trustee in completed and duly executed form) will constitute valid and continuing first priority perfected security interests in all of the Guarantee Collateral in favor of the Indenture Trustee, for the benefit of the Noteholders, as collateral security for the Obligations, enforceable in accordance with the terms hereof against IP Holder and all creditors of IP Holder and any Persons purporting to purchase any Guarantee Collateral from IP Holder and (b) are prior to all other Liens on the Guarantee Collateral in existence on the date hereof except for Permitted Liens. Other than Liens created pursuant to the Transaction Documents, IP Holder has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Guarantee Collateral. IP Holder has not authorized the filing of and is not aware of any financing statements against IP Holder that include a description of collateral covering the Guarantee Collateral other than any financing statement relating to the security interest granted to the Indenture Trustee hereunder or otherwise pursuant to the Transaction Documents. IP Holder is not aware of any judgment or tax lien filings against IP Holder (other than Permitted Liens).

4.3 Jurisdiction of Organization; Chief Executive Office. On the date hereof, IP Holder's jurisdiction of organization and identification number from the jurisdiction of organization are specified on Schedule 3. IP Holder has furnished to the Indenture Trustee a certified charter, certificate of incorporation or other organization document and good standing certificate as of a date which is recent to the date hereof.

4.4 General Intangibles. The Guess? Trademarks and Subject License Agreements constitute General Intangibles and/or marks registered with the United States Patent and Trademark Office in accordance with 15 U.S.C. *et seq.*

4.5 Guarantee Collateral. Reference is made to the representations and warranties set forth in Section 3.03 of the Guess? Contribution Agreement, Section 3.03 of the Licensing Contribution Agreement, and Section 8.01 of the Guess? License Agreement. IP Holder hereby adopts as its own and confirms the accuracy as of the date hereof, being deemed to restate here to the same extent as if set forth in full herein, all such representations and warranties with respect to all of the items of Guarantee Collateral to the Indenture Trustee for the benefit of the Noteholders.

SECTION 5. COVENANTS

IP Holder covenants and agrees with the Indenture Trustee that, from and after the date of this Agreement until the Obligations shall have been paid in full:

5.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Guarantee Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Indenture Trustee, duly indorsed in a manner satisfactory to the Indenture Trustee, to be held as Guarantee Collateral pursuant to this Agreement.

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5.2 Payment of Obligations. IP Holder will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Guarantee Collateral or in respect of income or profits therefrom, as well as all claims of any kind against or with respect to the Guarantee Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings; reserves in conformity with GAAP with respect thereto have been provided on the books of IP Holder; and such proceedings are not reasonably likely to result in the sale, forfeiture or loss of any material portion of the Guarantee Collateral or any interest therein.

5.3 Maintenance of Perfected Security Interest; Further Documentation. (a) IP Holder shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against the claims and demands of all Persons whomsoever. IP Holder also shall maintain its ownership and other interests in the Guarantee Collateral as to which filings or other actions are required in non-U.S. jurisdictions by timely making all such filings or taking all such actions and shall defend such ownership or other interests against the claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of the Indenture Trustee, and at the sole expense of IP Holder, IP Holder will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Indenture Trustee may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby, (ii) in the case of any Guarantee Collateral, taking any actions necessary to enable the Indenture Trustee to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto to the extent "control" is the basis for perfecting the Indenture Trustee's security interest therein and (iii) in the case of the Intellectual Property (including any license agreements or intellectual property that become Intellectual Property after the date of this Agreement), any registration in the United States Patent and Trademark Office and any other filings as may be required by applicable Requirements of Law or by the laws of any non-U.S. jurisdiction.

5.4 Changes in Locations, Name, etc. IP Holder will not, except upon 15 days' prior written notice to the Indenture Trustee and delivery to the Indenture Trustee of all additional executed financing statements and other documents reasonably requested by the Indenture Trustee to maintain the validity, perfection and priority of the security interests provided for herein (i) change its jurisdiction of organization from that referred to in Section 4.3 or (ii) change its name.

5.5 Notices. IP Holder will advise the Indenture Trustee promptly, in reasonable detail, of:

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- (a) any Lien (other than any Permitted Lien) on any of the Guarantee Collateral which would adversely affect the ability of the Indenture Trustee to exercise any of its remedies hereunder;
- (b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Guarantee Collateral or on the security interests created hereby; and
- (c) each Rapid Amortization Event, Trapping Event and Event of Default under the Indenture, a Servicer Default under the Servicing Agreement or an Enforcement Event under this Guarantee.

5.6 Maintenance of Separate Existence. IP Holder shall:

- (a) maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions and ensure that the funds of IP Holder will not be diverted to any other Person or for other than organizational uses of IP Holder, nor will such funds be commingled with the funds of Guess? or any other Subsidiary or Affiliate of Guess?;
- (b) to the extent that it shares the same officers or other employees as any of its partners or Affiliates, ensure that the salaries of and the expenses related to providing benefits to such officers and other employees shall be fairly allocated among such entities, and ensure that each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees;
- (c) to the extent that it jointly contracts with any of its partners or Affiliates to do business with vendors or service providers or to share overhead expenses, ensure that the costs incurred in so doing shall be allocated fairly among such entities, and ensure that each such entity shall bear its fair share of such costs. To the extent that IP Holder contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided, and each such entity shall bear its fair share of such costs. All material transactions between IP Holder and any of its Affiliates, whether currently existing or hereafter entered into, shall be only on an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (c);
- (d) maintain a principal executive office at a separate address from the address of Guess? and its Affiliates; provided, that segregated offices in the same building shall constitute separate addresses for purposes of this clause (d). To the extent that IP Holder and any of its partners or Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses;
- (e) issue separate financial statements prepared at least annually and prepared in accordance with generally accepted accounting principles;

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- (f) conduct its affairs in its own name and strictly in accordance with its organizational documents and observe all necessary, appropriate and customary organizational formalities, including, but not limited to, holding all regular and special partners or directors' meetings appropriate to authorize all organizational action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;
- (g) not assume or guarantee any of the liabilities of Guess? or any Affiliate thereof (other than pursuant to the Transaction Documents);
- (h) take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order to (i) ensure that the assumptions and factual recitations set forth in the Bankruptcy Opinion remain true and correct in all material respects with respect to IP Holder and (ii) comply with those procedures described in such provisions which are applicable to IP Holder; and
- (i) comply with the covenants and agreements set forth in its agreement of limited partnership.

5.7 Negative Covenants. So long as this Guarantee is in effect or any Notes are outstanding, IP Holder shall not:

- (a) except as expressly permitted or required by the Transaction Documents, sell, transfer, exchange or otherwise dispose of, or permit the sale, transfer or other disposition of, any of the Intellectual Property or any interest therein;
- (b) (i) permit the validity or effectiveness of this Guarantee to be impaired, or permit the Lien created by this Guarantee to be amended, hypothecated, subordinated, terminated or discharged, (ii) permit any Lien to be created on or extended to or otherwise arise upon or burden the Guarantee Collateral or any part thereof or any interest therein or the proceeds thereof (other than Permitted Liens), (iii) permit the Lien created by this Guarantee not to constitute a valid first priority perfected security interest in the Guarantee Collateral;
- (c) dissolve or liquidate in whole or in part;

(d) issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness for borrowed money except for the Permitted Indebtedness;

(e) except as contemplated by the Transaction Documents, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person;

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(f) make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);

(g) at any time when an Event of Default has occurred and is continuing, directly or indirectly, (i) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of a beneficial interest in IP Holder or otherwise with respect to any ownership or equity interest in or of IP Holder, (ii) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or (iii) set aside or otherwise segregate any amounts for any such purpose;

(h) except as expressly contemplated herein and in the other Transaction Documents, consolidate or merge with or into any other Person or sell, lease or otherwise transfer, directly or indirectly, all or any substantial part of its assets to any other Person or sell, lease or otherwise transfer, directly or indirectly, all or any substantial part of its assets to any other Person, other than its grant of the Guarantee Collateral pursuant to this Agreement and the grant of the Subject IP pursuant to the Receivables Contribution Agreement; or

(i) engage in any business activity other than as required or contemplated hereunder and in the other Transaction Documents, or such other activities that are necessary, suitable or desirable to accomplish the foregoing or are incidental thereto.

5.8 Existence. IP Holder will preserve, renew and keep in full force and effects its limited partnership existence and rights, privileges and franchises necessary or desirable in the normal conduct of business.

5.9 Restrictions on Certain Actions. IP Holder will not take, or knowingly permit to be taken, any action which would terminate or discharge or prejudice the validity or effectiveness of any of the Transaction Documents or the validity, effectiveness or priority of the Liens created thereby or permit any party to any of the Transaction Documents whose obligations form part of the security created by this Guarantee to be released from such obligations. IP Holder will not license any Subject Trademark to Guess?, Inc. or any of its affiliates on an exclusive basis except upon certification by the Back-Up Manager that such license contains commercially reasonable terms that unaffiliated third parties reasonably would accept as licensees or licensors. IP Holder will not enter into any license of any Subject Trademark or permit Guess?, Inc., as licensee under the Guess? License Agreement, to enter into any sublicense of any Subject Trademark, on an exclusive basis with any third party to the extent that so doing would violate any material provision of any Subject License. Subject to the foregoing sentences, IP Holder is permitted to license, and to authorize Guess?, Inc. as licensee under the Guess? License Agreement, to sublicense Subject Trademarks on an exclusive basis, so long as any such license contains commercially reasonable terms that unaffiliated third parties reasonably would accept as licensees or licensors.

5.10 Performance of Obligations. IP Holder will not take any action and will use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's covenants or obligations under any instrument or agreement included in the Guarantee Collateral or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or

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agreement, except as ordered by any bankruptcy or other court or as expressly provided in, or permitted by, this Guarantee, any other Transaction Document or such other instrument or agreement.

5.11 Perfection of Intellectual Property after the Closing Date. On the Closing Date, IP Holder shall file and record, or shall cause to be filed and recorded, financing statements and other filing or recording documents or instruments with respect to the Guarantee Collateral in each foreign jurisdiction appropriate to perfect the security interests of the Indenture Trustee under this Agreement. On or prior to the Closing Date, IP Holder shall have delivered a form of opinion from special Italian counsel to the Issuer, addressed to the Indenture Trustee, with respect to the creation and enforceability of a perfected first-priority security interest in the Guarantee Collateral that is located in or subject to the laws of Italy, with such conditions, exceptions and exclusions as are customary in Italy, as applicable, and which is satisfactory to the purchasers purchasing the Notes on the Closing Date. The final opinion shall be delivered within 2 weeks after the Closing Date, and within 90 days of the Closing Date a security interest in such Italian collateral shall be filed and perfected. IP Holder shall pay the related registration tax at the time of filing.

IP Holder will continue to establish quality standards with respect to the production, manufacture, marketing, distribution and sale of goods appropriate to the reasonable maintenance of the existence of and value as Guarantee Collateral of the Subject Trademarks; provided that the foregoing does not in any sense limit IP Holder's right to approve any Downstreaming or to allow any licensee or the Servicer or any successor Servicer to Downstream in accordance with the provisions of the Transaction Documents, any Subject License (as the same may be modified in accordance with the limitations of the Transaction Documents) and, in the case of the Guess? License Agreement, past and future business practices of the Trademark Originator undertaken in the

sole discretion of the Trademark Originator.

5.12 Survival and Non-Waiver of Representations and Warranties. So long as this Guarantee is in effect and any Notes are outstanding, IP Holder agrees that (a) each representation and warranty made by IP Holder pursuant to Sections 4.1, 4.2 and 4.4 of this Agreement (the “Surviving Representations and Warranties”) shall survive and (b) IP Holder shall not waive, by course of conduct or in writing, any of the Surviving Representations and Warranties.

SECTION 6. REMEDIAL PROVISIONS

6.1 Communications with Obligors; IP Holder Remains Liable. (a) The Indenture Trustee in its own name or in the name of others may at any time after the occurrence and during the continuance of an Enforcement Event communicate with parties to the License Agreements to verify with them to the Indenture Trustee’s satisfaction the existence and terms of such License Agreements.

(b) Upon the request of the Indenture Trustee at any time after the occurrence and during the continuance of an Enforcement Event, IP Holder shall notify the parties to the License Agreements that the License Agreements have been assigned to the Indenture Trustee for the benefit of the Noteholders.

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(c) Anything herein to the contrary notwithstanding, IP Holder shall remain liable under each of the License Agreements to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Indenture Trustee nor any Noteholder shall have any obligation or liability under any License Agreements by reason of or arising out of this Agreement or the receipt by the Indenture Trustee or any Noteholder of any payment relating thereto, nor shall the Indenture Trustee or any Noteholder be obligated in any manner to perform any of the obligations of IP Holder under or pursuant to any License Agreement, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.2 Proceeds to be Turned Over To Indenture Trustee. If an Enforcement Event shall occur and be continuing, all proceeds of Guarantee Collateral received by IP Holder consisting of cash, checks and other near-cash items shall be remitted within two Business Days of receipt thereof by IP Holder to the Indenture Trustee in the exact form received by IP Holder (duly indorsed by IP Holder to the Indenture Trustee, if required) and be deposited by Indenture Trustee in the exact form received by the Indenture Trustee into the Lockbox Account. All proceeds deposited in the Lockbox Account or held by IP Holder in trust for the Indenture Trustee (for the benefit of the Noteholders) shall be collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.3.

6.3 Application of Proceeds. Proceeds received and held as described in Section 6.2 shall be applied in accordance with Section 5.7 of the Indenture. Any balance of such proceeds remaining after the Obligations shall have been paid in full shall be paid over to whomsoever may be lawfully entitled to receive the same.

6.4 Code and Other Remedies. If an Enforcement Event shall occur and be continuing, the Indenture Trustee, on behalf of the Noteholders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Indenture Trustee, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon IP Holder or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Guarantee Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Guarantee Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker’s board or office of the Indenture Trustee or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Indenture Trustee shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Guarantee Collateral so sold, free of any right or equity of redemption in IP Holder, which right or equity is hereby waived and released. IP Holder further agrees, at the

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Indenture Trustee’s request, to assemble the Guarantee Collateral and make it available to the Indenture Trustee at IP Holder’s premises. The Indenture Trustee shall apply the net proceeds of any action taken by it pursuant to this Section 6.4, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Guarantee Collateral or in any way relating to the Guarantee Collateral or the rights of the Indenture Trustee and the Noteholders hereunder, including, without limitation, reasonable attorneys’ fees and disbursements, to the payment in whole or in part of the Obligations, in accordance with Section 5.7 of the Indenture, and only after such application and after the payment by the Indenture Trustee of any other amount required by any provision of law, need the Indenture Trustee account for the surplus, if any, to IP Holder. To the extent permitted by applicable law, IP Holder waives all claims, damages and demands it may acquire against the Indenture Trustee or any Noteholder arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Guarantee Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Notwithstanding the foregoing, the Indenture Trustee may not sell or otherwise liquidate the Guarantee Collateral pursuant to the exercise of its rights under this Section, unless (i) it has determined (or been instructed by the

Back-Up Manager) that the proceeds thereof would not be sufficient to pay in full 100% of the outstanding principal of, accrued interest on and any Acceleration Premium due on all Notes in connection with such acceleration of the Notes unless the Indenture Trustee obtains the consent of holders of 100% of the principal amount of all Outstanding Notes (after such Noteholders have given Paul Marciano and Maurice Marciano a reasonable opportunity to express their views of the appropriateness or reasonableness of various possible remedies, including Downstreaming, provided that the Noteholders shall be under no obligation whatsoever to follow such views), or if (ii) it has determined (or been instructed by the Back-Up Manager) that the proceeds thereof would be sufficient to pay in full 100% of the outstanding principal of, accrued interest on and any Acceleration Premium due on all Notes in connection with such acceleration of the Notes, unless the Indenture Trustee obtains the consent of the Majority Holders (after such Noteholders have given Paul Marciano and Maurice Marciano a reasonable opportunity to express their views of the appropriateness or reasonableness of various possible remedies including Downstreaming, provided that the Noteholders shall be under no obligation whatsoever to follow such views). The Majority Holders will be deemed to have consented to the sale or other liquidation of the Indenture Collateral pursuant to clause (ii) of the prior sentence if Noteholders holding a majority of the principal amount of the Notes Outstanding either vote in favor of such action or fail to vote with respect to such action within 30 Business Days after receipt of the notice seeking consent from the Indenture Trustee. In determining such sufficiency or insufficiency, the Indenture Trustee will obtain and rely upon an opinion of an independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Guarantee Collateral for such purpose.

6.5 Intercreditor Issues. If the security interest hereunder and the security interest under the Receivables Contribution Agreement are enforceable concurrently, the Indenture Trustee may elect to enforce the rights under either or both agreements in its absolute discretion.

6.6 Non Disturbance. Notwithstanding the foregoing, the Indenture Trustee and the Noteholders acknowledge and agree that all remedial actions permitted to be taken by the

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Indenture Trustee under this Agreement and the other Transaction Documents are subject to the provisions of Section 5.6 of the Indenture, Sections 4.02(c) of the Guess? License Agreement, Sections 2.02(d) and 6.03(f) of the Servicing Agreement, and Section 5.2(d) of the Receivables Contribution Agreement. For the avoidance of doubt, but not in limitation of the generality of the foregoing, the Indenture Trustee and the Noteholders acknowledge and agree that the Indenture Trustee shall not be permitted to take any action that is reasonably likely to constitute an assignment in gross of the Guess? Trademarks.

SECTION 7. THE INDENTURE TRUSTEE

7.1 Indenture Trustee's Appointment as Attorney-in-Fact, etc. (a) IP Holder hereby irrevocably constitutes and appoints the Indenture Trustee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of IP Holder and in the name of IP Holder or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, IP Holder hereby gives the Indenture Trustee the power and right, on behalf of IP Holder, without notice to or assent by IP Holder, to do any or all of the following:

- (i) in the name of IP Holder or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License Agreement or with respect to any other Guarantee Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Indenture Trustee for the purpose of collecting any and all such moneys due under any License Agreement or with respect to any other Guarantee Collateral whenever payable;
- (ii) in the case of any Guess? Contributed Trademarks, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Indenture Trustee may request to evidence the Indenture Trustee's and the Noteholders' security interest in such Guess? Contributed Trademarks and the goodwill and general intangibles of IP Holder relating thereto or represented thereby;
- (iii) pay or discharge taxes and Liens levied or placed on or threatened against the Guarantee Collateral;
- (iv) execute, in connection with any sale provided for in Section 6.4, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Guarantee Collateral; and
- (v) (A) direct any party liable for any payment under any of the Guarantee Collateral to make payment of any and all moneys due or to become due thereunder directly to the Indenture Trustee or as the Indenture Trustee shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due to IP Holder at any time in respect of or arising out of any Guarantee Collateral; (C) commence and prosecute any suits, actions or

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proceedings at law or in equity in any court of competent jurisdiction to collect the Guarantee Collateral or any portion thereof and to enforce any other right in respect of any Guarantee Collateral; (D) defend any suit, action or proceeding brought against IP Holder with respect to any Guarantee Collateral; (E) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Indenture Trustee may deem appropriate; (F) assign any Guess? Contributed Trademarks (along with the goodwill of the business to which any such Guess? Contributed Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Indenture Trustee shall in its sole discretion determine; and (G) generally, sell, transfer, pledge and make any agreement with respect to or otherwise

deal with any of the Guarantee Collateral as fully and completely as though the Indenture Trustee were the absolute owner thereof for all purposes, and do, at the Indenture Trustee's option and IP Holder's expense, at any time, or from time to time, all acts and things which the Indenture Trustee deems necessary to protect, preserve or realize upon the Guarantee Collateral and the Indenture Trustee's and the Noteholders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as IP Holder might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Indenture Trustee agrees that it will not and can not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Enforcement Event shall have occurred and be continuing and that nothing herein supercedes Section 6.6 of the Guarantee.

(b) If IP Holder fails to perform or comply with any of its agreements contained herein, the Indenture Trustee, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Indenture Trustee incurred in connection with actions undertaken as provided in this Section 7.1 shall be payable by IP Holder to the Indenture Trustee on demand.

(d) IP Holder hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Indenture Trustee. The Indenture Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Guarantee Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Indenture Trustee deals with similar property for its own account. Neither the Indenture Trustee, any Noteholder nor any of their respective officers, directors, employees or agents shall be liable to IP Holder or Guess? for failure to demand, collect or realize upon any of the Guarantee Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Guarantee Collateral upon the request of IP Holder or any other Person or to take any other action whatsoever with regard to the Guarantee Collateral or any part thereof. The powers conferred on the Indenture Trustee and the Noteholders hereunder are solely to protect the Indenture Trustee's and the Noteholders'

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interests in the Guarantee Collateral and shall not impose any duty upon the Indenture Trustee or any Noteholder to exercise any such powers. The Indenture Trustee and the Noteholders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to IP Holder or Guess? for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3 Execution of Financing Statements. Pursuant to any applicable law, IP Holder authorizes the Indenture Trustee to file or record financing statements and other filing or recording documents or instruments with respect to the Guarantee Collateral without the signature of IP Holder in such form and in such offices as the Indenture Trustee determines appropriate to perfect the security interests of the Indenture Trustee under this Agreement. IP Holder hereby ratifies and authorizes the filing by the Indenture Trustee of any financing statement with respect to the Guarantee Collateral made prior to the date hereof.

7.4 Authority of Indenture Trustee. IP Holder acknowledges that the rights and responsibilities of the Indenture Trustee under this Agreement with respect to any action taken by the Indenture Trustee or the exercise or non-exercise by the Indenture Trustee of any request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Indenture Trustee and the Noteholders, be governed by the Indenture and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Indenture Trustee and IP Holder, the Indenture Trustee shall be conclusively presumed to be acting as agent for the Noteholders with full and valid authority so to act or refrain from acting, and IP Holder shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by an instrument in writing signed by the Indenture Trustee (acting in accordance with the Indenture) and IP Holder.

8.2 Notices. All notices, requests and demands to or upon the Indenture Trustee hereunder shall be effected in the manner provided for in Section 11.4 of the Indenture. Any such notice, request or demand to or upon IP Holder shall be addressed to IP Holder at its notice address set forth on Schedule 1.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Indenture Trustee nor any Noteholder shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder. No failure to exercise, nor any delay in exercising, on the part of the Indenture Trustee or any Noteholder, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Indenture Trustee or any Noteholder of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the

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Indenture Trustee or such Noteholder would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) IP Holder agrees to pay or reimburse the Noteholders and the Indenture Trustee for all its costs and expenses incurred in collecting against IP Holder under the guarantee contained in Section 2 and agrees to pay or reimburse the Noteholders and the Indenture Trustee for otherwise enforcing or preserving any rights under this Agreement and the other Transaction Documents to which IP Holder is a party, including, without limitation, the fees and disbursements of counsel to each Noteholder, and of counsel to the Indenture Trustee.

(b) IP Holder agrees to pay, and to save the Indenture Trustee and the Noteholders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Guarantee Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) IP Holder agrees to pay, and to save the Indenture Trustee and the Noteholders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Issuer would be required to do so pursuant to Section 6.7 of the Indenture.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Indenture and the other Transaction Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of IP Holder and shall inure to the benefit of the Indenture Trustee and the Noteholders and their successors and assigns; provided that IP Holder may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Indenture Trustee.

8.6 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by teletype), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.8 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

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8.9 Integration. This Agreement and the other Transaction Documents represent the agreement of IP Holder, the Indenture Trustee and the Noteholders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Indenture Trustee or any Noteholder relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Transaction Documents.

8.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8.11 Submission To Jurisdiction; Waivers. IP Holder hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to IP Holder at its address referred to in Section 8.2 or at such other address of which the Indenture Trustee shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.12 Acknowledgements. IP Holder hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Transaction Documents to which it is a party;

(b) neither the Indenture Trustee nor any Noteholder has any fiduciary relationship with or duty to IP Holder arising out of or in connection with this Agreement or any of the other Transaction Documents, and the relationship between IP Holder, on the one hand, and the Indenture Trustee and Noteholders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

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(c) no joint venture is created hereby or by the other Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby among the Noteholders or among IP Holder and the Noteholders.

8.13 Releases. (a) On the Termination Date, the Guarantee Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Indenture Trustee and IP Holder hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Guarantee Collateral shall revert to IP Holder. At the request and sole expense of IP Holder following any such termination, the Indenture Trustee shall deliver to IP Holder any Guarantee Collateral held by the Indenture Trustee hereunder, and execute and deliver to IP Holder such documents as IP Holder shall reasonably request to evidence such termination.

(b) If any of the Guarantee Collateral shall be sold, transferred or otherwise disposed of by IP Holder in a transaction permitted by the Indenture or any Transaction Document, then the Indenture Trustee, at the request and sole expense of IP Holder, shall execute and deliver to IP Holder all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Guarantee Collateral.

8.14 WAIVER OF JURY TRIAL. IP HOLDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

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IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GUESS? IP HOLDER L.P.

By: _____
Name:
Title:

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GUESS? CONTRIBUTION AGREEMENT

between

GUESS?, INC.,

as Trademark Originator

and

GUESS? IP HOLDER L.P.,

as IP Holder

Dated as of April 28, 2003

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This GUESS? CONTRIBUTION AGREEMENT (this “Guess? Contribution Agreement”), is dated as of April 28, 2003, by and between Guess?, Inc., a corporation organized and existing under the laws of the State of Delaware, as the trademark originator (in such capacity, the “Trademark Originator”), and Guess? IP Holder L.P., a limited partnership organized under the laws of the State of Delaware, as IP Holder.

RECITALS

WHEREAS, Trademark Originator desires to absolutely contribute, sell, assign, convey, and transfer to IP Holder certain intellectual property and license agreements in exchange for limited partnership interests in IP Holder; and

WHEREAS, IP Holder desires to acquire from Trademark Originator (i) a portfolio of trademarks, including their underlying goodwill, and associated intellectual property, and (ii) certain license agreements pursuant to which certain of such trademarks and intellectual property are licensed to third parties, including the right to receive royalty payments due to the licensor thereunder, but not including the duties of Trademark Originator thereunder that are in the nature of payment obligations or obligations to purchase from the licensees thereunder any goods manufactured, sold, or distributed by such licensees;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, each party agrees as follows for the benefit of the other party and for the benefit of IP Holder, the Issuer and the Indenture Trustee:

ARTICLE I.

DEFINITIONS

SECTION 1.01 Definitions. Certain capitalized terms used in this Guess? Contribution Agreement that are not otherwise defined herein shall have the meanings ascribed to them in Annex X as attached hereto, and the following terms shall have the respective meanings set forth in this Section 1.01:

“Goodwill” means those tangible and intangible assets and information being transferred pursuant to this Guess? Contribution Agreement that are identified on Schedule B, which constitute all of the goodwill connected with the use of, symbolized by, and embodied in the Guess? Trademarks necessary for IP Holder to continue using the Guess? Trademarks in continuity with Trademark Originator’s past practice.

“Guess? Contributed IP” means the Guess? Trademarks and the Guess? Contributed License Agreements.

“Guess? Contributed License Agreements” means the specific trademark license agreements being transferred pursuant to this Guess? Contribution Agreement, and any amendment, modifications or extensions thereto, and all proceeds thereof and payments thereunder, that are identified on Schedule C.

“Guess? Contributed License Agreement File” means, with respect to each Guess? Contributed License Agreement:

- (a) the fully executed original of the Guess? Contributed License Agreement; and
- (b) any and all other documents that Trademark Originator or the Servicer, as the case may be, shall keep on file, in accordance with its customary procedures, relating to such Guess? Contributed License Agreement or the related Guess? Licensee, including any samples and other materials provided pursuant to the Guess? Contributed License Agreement terms.

“Guess? Licensee” means a Person who has licensed any of the Guess? Trademarks by the execution and delivery of a Guess? Contributed License Agreement, or any other Person who owes or may be liable for payments under such Guess? Contributed License Agreement.

“Guess? Trademarks” means Trademark Originator’s domestic and foreign trademarks and corresponding United States and foreign registrations and applications therefor described in Section 2.01 and identified on Schedule A, including all Goodwill.

“Licensees” means the Guess? Licensees and the Licensing Licensees.

“Schedule of Guess? Contributed License Agreements” means the schedule of Guess? Contributed License Agreements described in Section 2.02 and attached as Schedule C.

ARTICLE II.

CONVEYANCE OF GUESS? CONTRIBUTED IP

SECTION 2.01 Conveyance of Guess? Trademarks.

(a) Subject to the terms and conditions of this Guess? Contribution Agreement, Trademark Originator hereby agrees to contribute, sell, assign, convey, and transfer to IP Holder pursuant to this Guess? Contribution Agreement and the trademark assignment agreement attached hereto as Schedule D, and IP Holder agrees to acquire from Trademark Originator (subject to Trademark Originator’s obligations hereunder), all right, title, and interest in and to the Guess? Trademarks (including without limitation the right to bring suit and recover damages for past or future infringement of the Guess? Trademarks).

(b) In connection with the foregoing contribution, Trademark Originator agrees to record and file at the United States Patent and Trademark Office and any necessary foreign equivalents, at its own expense, the original executed trademark assignment set forth in Schedule D to provide third parties with notice of the conveyance hereunder and to perfect the assignment of the Guess? Trademarks to IP Holder within the applicable timeframes required in each jurisdiction.

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(c) In connection with the foregoing contribution, Trademark Originator shall also provide IP Holder, its successors, assigns, or other legal representatives, cooperation and assistance at IP Holder’s request and expense (including, but not limited to, the execution and delivery of any and all affidavits, declarations, oaths, assignments, powers of attorney, or other documentation as may be reasonably required) in:

- (i) the preparation and prosecution of any applications for registration or any applications for renewal of a registration covering the Guess? Trademarks;
- (ii) the prosecution or defense of any trademark office proceedings, infringement proceedings, or other proceedings that may arise in connection with any of the Guess? Trademarks, including, but not limited to, testifying as to any facts relating to the Guess? Trademarks or this Guess? Contribution Agreement;
- (iii) obtaining any additional trademark protection reasonably appropriate that may be secured under the laws now or hereafter in effect in the United States or any other jurisdiction for the Guess? Trademarks; and
- (iv) the implementation or perfection of this Guess? Contribution Agreement.

SECTION 2.02 Conveyance of Guess? Contributed License Agreements .

(a) Subject to the terms and conditions of this Guess? Contribution Agreement, Trademark Originator hereby contributes, sells, assigns, conveys, and transfers to IP Holder pursuant to this Guess? Contribution Agreement, and IP Holder hereby accepts from Trademark Originator (subject to Trademark Originator’s obligations hereunder):

- (i) all right, title, and interest of Trademark Originator in and to the Guess? Contributed License Agreements, and all monies due or to become due thereon or paid thereunder by the Guess? Licensees (other than any duties of Trademark Originator thereunder that are in the nature of payment obligations or obligations to purchase from licensees thereunder any goods manufactured, sold, or distributed by such licensees), including, without limitation, in the case of any Guess? Contributed License Agreement, the provisions which reserve to

Trademark Originator the right to consent to or withhold consent from any licensee with respect to retail sales of goods produced thereunder or sales of goods produced thereunder to specific stores or distribution channels, the right to give or withhold such consent and the right to delegate the giving or withholding of such consent to an agent of IP Holder; and

(ii) all proceeds of the foregoing.

(b) In connection with the foregoing contribution, Trademark Originator further agrees, at its own expense, (i) to annotate and indicate in its master computer records (including backup files) that the Guess? Contributed License Agreements have been transferred to IP Holder pursuant to this Guess? Contribution Agreement, (ii) to deliver to IP Holder a true and complete list of all the Guess? Contributed License Agreements, identified by the name of

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the Guess? Licensee, which list shall be marked as Schedule C to this Guess? Contribution Agreement and is hereby incorporated into and made a part of this Guess? Contribution Agreement, (iii) to deliver the Guess? Contributed License Agreement Files to or upon the order of IP Holder, (iv) to provide any notices and to execute any assignment agreements necessary under the UCC or the laws of any state or foreign jurisdiction to give the Guess? Licensees notice of the change in licensor or otherwise to effect properly the conveyance of the Guess? Contributed License Agreements, and (v) to deliver to each licensee with respect to a Guess? Contributed License an instruction to make all future payment of Royalty Receivables to the Lockbox Account in a form substantially the same as that set forth in Schedule E hereto.

(c) In connection with the foregoing contribution, IP Holder hereby expressly agrees to assume the obligations of Trademark Originator as licensor under each of the Guess? Contributed License Agreements (except for those obligations retained by Trademark Originator as described in clause (a)(i) of this Section 2.02).

SECTION 2.03 Filings. Trademark Originator agrees, at its own expense, to cause all financing statements and continuation statements (including, but not limited to, filings under the UCC and relevant foreign equivalents), this Guess? Contribution Agreement and all amendments hereto, and any other documents necessary to provide third parties with notice of IP Holder's right, title, and interest to the Guess? Contributed IP to be promptly recorded, registered, and filed, and at all times to be kept recorded, registered, and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title, and interest of IP Holder to the Guess? Contributed IP. Trademark Originator shall deliver to IP Holder file-stamped copies of, or filing receipts for, any document recorded, registered, or filed as provided above as soon as available following such recording, registration, or filing. IP Holder shall cooperate fully with Trademark Originator in connection with the obligations set forth in this section and shall execute any and all documents reasonably required to fulfill the intent of this section.

SECTION 2.04 Security Interests. It is the intention of the parties that each of the contributions of assets from Trademark Originator to IP Holder as contemplated by Sections 2.01 and 2.02 hereof will constitute an absolute transfer and assignment, and that the beneficial interest in and title to the Guess? Contributed IP shall not be property of Trademark Originator's estate in the event of the filing of a bankruptcy petition by or against Trademark Originator under any bankruptcy law, and that the Guess? Contributed License Agreements will not be deemed "executory contracts" that Trademark Originator (or the trustee in bankruptcy for Trademark Originator) can reject in a bankruptcy or insolvency proceeding. However, if the transfer of any of the Guess? Contributed IP is deemed to be other than an absolute assignment, the parties intend that all filings described in Section 2.03 shall give IP Holder a first priority perfected security interest in, to, and under the Guess? Contributed IP. This Guess? Contribution Agreement shall be deemed to be the grant of a security interest in the Guess? Contributed IP from Trademark Originator to IP Holder, and IP Holder shall have all the rights, powers, and privileges of a secured party under the UCC.

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ARTICLE III.

REPRESENTATIONS AND WARRANTIES

SECTION 3.01 Representations and Warranties of Trademark Originator.

(a) Trademark Originator hereby represents and warrants to IP Holder that:

(i) *Organization and Good Standing*. Trademark Originator is duly organized and validly existing as a corporation in good standing under the laws of the State of Delaware, and has power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has corporate power, authority, and legal right to acquire, own, and convey the Guess? Contributed IP.

(ii) *Due Qualification*. Trademark Originator is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.

(iii) *Power and Authority*. Trademark Originator has the corporate power and authority to execute and deliver this Guess? Contribution Agreement and to carry out its terms; and the execution, delivery and performance of this Guess? Contribution Agreement has

been duly authorized by Trademark Originator by all necessary corporate action.

(iv) *Financial Condition.* Trademark Originator's financial condition is fairly stated in its most recent public filings and, since the date of publication of its most recent financial statements, there has been no material adverse change in Trademark Originator's financial condition, operation, or prospects. Trademark Originator has no unfunded pension liabilities.

(v) *Binding Obligation.* This Guess? Contribution Agreement constitutes a legal, valid, and binding obligation of Trademark Originator, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, or by general principles of equity.

(vi) *No Violation.* The consummation of the transactions contemplated by this Guess? Contribution Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of Trademark Originator, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to

which Trademark Originator is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of Trademark Originator's knowledge, any order, rule, or regulation applicable to Trademark Originator of any court or of any federal, state, or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over Trademark Originator or its properties, which breach, default, conflict, lien, or violation would have a Material Adverse Effect.

(vii) *No Proceedings.* There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to Trademark Originator's knowledge, threatened, against or affecting Trademark Originator: (i) asserting the invalidity of this Guess? Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Guess? Contribution Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by Trademark Originator of its obligations under, or the validity or enforceability of, this Guess? Contribution Agreement.

(viii) *Solvency.* Trademark Originator is, and immediately after giving effect to the transactions contemplated by this Guess? Contribution Agreement and the other Transaction Documents will be, solvent.

(ix) *No Consents.* Subject to Section 3.03(a)(xiii), no consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by Trademark Originator for the consummation of the transactions in the manner contemplated by this Guess? Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.

(x) *Taxes.* Trademark Originator has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. Trademark Originator has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Trademark Originator and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.

(xi) *Non-Contravention.* The execution, delivery and performance of this Guess? Contribution Agreement in accordance with its terms and the consummation of the transactions contemplated hereby by Trademark Originator

do not and will not (i) require the consent or approval of any Person, except for such consents and approvals as have already been obtained and (ii) violate any applicable laws.

(xii) *Governmental Regulation.* Trademark Originator is not required to obtain any consent, approval, authorization, permit or license from, or effect any filing or registration with any Governmental Authority in connection with the execution, delivery and performance of this Guess? Contribution Agreement in accordance with its terms other than filings intended to perfect the security interest granted hereunder.

(xiii) *State of Organization.* As of the date hereof, Trademark Originator is incorporated under the laws of the State of Delaware.

(b) The representations and warranties set forth in this Section 3.01 will survive the conveyance of the Guess? Contributed IP by Trademark Originator to IP Holder pursuant to this Guess? Contribution Agreement. Upon discovery by Trademark Originator or IP Holder of a breach of any of the foregoing representations and warranties or the occurrence of a materially adverse event directly affecting the enforceability of this Guess?

Contribution Agreement, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

SECTION 3.02 Representations and Warranties of IP Holder.

(a) IP Holder hereby represents and warrants to Trademark Originator that:

- (i) *Organization and Good Standing.* IP Holder is duly organized and validly existing as a limited partnership in good standing under the laws of the State of Delaware, and has the power, authority, and legal right to acquire and own the Guess? Contributed IP.
- (ii) *Due Qualification.* IP Holder is duly qualified to do business as a foreign limited partnership in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership of the Guess? Contributed IP or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.
- (iii) *Power and Authority.* IP Holder has the power and authority to execute and deliver this Guess? Contribution Agreement and to carry out its terms; IP Holder has full power and authority to acquire and own the Guess? Contributed IP and has duly authorized such acquisition; and the execution, delivery, and performance of this Guess? Contribution Agreement has been duly authorized by IP Holder by all necessary action.
- (iv) *Binding Obligation.* This Guess? Contribution Agreement constitutes a legal, valid, and binding obligation of IP Holder, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency,

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reorganization, moratorium, and other similar laws affecting creditors' rights generally or by general principles of equity.

- (v) *No Violation.* The consummation of the transactions contemplated by this Guess? Contribution Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of limited partnership or limited partnership agreement of IP Holder, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which IP Holder is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of IP Holder's knowledge, any order, rule, or regulation applicable to IP Holder of any court or of any federal, state, or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over IP Holder or its properties, which breach, default, conflict, Lien, or violation would have a Material Adverse Effect.
- (vi) *No Proceedings.* There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to IP Holder's knowledge, threatened, against or affecting IP Holder: (i) asserting the invalidity of this Guess? Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Guess? Contribution Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by IP Holder of its obligations under, or the validity or enforceability of, this Guess? Contribution Agreement.
- (vii) *No Consents.* No consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by IP Holder for the consummation of the transactions in the manner contemplated by this Guess? Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.
- (viii) *Taxes.* IP Holder has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. IP Holder has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to IP Holder and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.

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(b) The representations and warranties set forth in this Section 3.02 shall survive the conveyance of the Guess? Contributed IP by Trademark Originator to IP Holder pursuant to this Guess? Contribution Agreement. Upon discovery by Trademark Originator or IP Holder of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of IP Holder (or any assignee thereof) in the Guess? Contributed IP, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

SECTION 3.03 Representations and Warranties of Trademark Originator as to the Guess? Contributed IP.

(a) Trademark Originator hereby represents and warrants that:

- (i) *Characteristics of Licenses.* Each Guess? Contributed License Agreement (A) is an Eligible License Agreement, (B) has been

fully and properly executed by the parties thereto, and (C) contains customary enforceable provisions such that the rights and remedies of the licensor shall be adequate for IP Holder or its agent to enforce the Guess? Contributed License Agreement and protect its ownership and control over the Guess? Trademarks.

(ii) *Schedule of Licenses*. The information set forth in the Schedule of Guess? Contributed License Agreements is true and correct in all material respects.

(iii) *Compliance with Law*. Each of the Guess? Contributed License Agreements, and the assignment and contribution thereof pursuant to this Guess? Contribution Agreement, complies in all material respects with all requirements of applicable federal, state, local, and foreign laws, and regulations thereunder.

(iv) *Binding Obligation*. Each of the Guess? Contributed License Agreements, and the assignment and contribution thereof pursuant to this Guess? Contribution Agreement, constitutes the legal, valid, and binding payment obligation of the related Guess? Licensee, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

(v) *No Consent*. No consent of any Guess? Licensee is required in connection with the execution, delivery, and performance of this Guess? Contribution Agreement, except as has been obtained.

(vi) *No Bankrupt Licensees*. To the knowledge of Trademark Originator, none of the Guess? Licensees is presently the subject of a bankruptcy proceeding or is insolvent.

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(vii) *No Government Licensees*. None of the Guess? Licensees is a local, state or federal domestic or foreign government, or an agency, department, or instrumentality thereof.

(viii) *Licenses in Force, No Amendments*. None of the Guess? Contributed License Agreements has been terminated, rescinded, amended or modified except as is indicated on the attached Schedule C.

(ix) *No Defenses*. No Guess? Licensee has any right of rescission, setoff, counterclaim, or defense under any Guess? Contributed License, nor has any been asserted or threatened.

(x) *Good Title; Liens*. The Guess? Contributed IP has not been sold, transferred, assigned, or pledged by Trademark Originator to any Person other than IP Holder, and Trademark Originator is the licensor under each of the Guess? Contributed License Agreements and has good and marketable title to the Guess? Trademarks free and clear of any Lien (other than Permitted Liens), claim or encumbrance of any Person. Immediately upon the transfer and assignment thereof to IP Holder, IP Holder will be the licensor under each of the Guess? Contributed License Agreements and will have good and marketable title to the Guess? Trademarks, free and clear of all Liens and rights of others (other than Permitted Liens).

(xi) *Perfected Liens*. This Guess? Contribution Agreement creates a valid and continuing security interest (as defined in the UCC) in the Guess? Contributed IP in favor of IP Holder, which security interest is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from Trademark Originator.

(xii) *General Intangibles*. The Guess? Contributed IP constitutes "general intangibles" within the meaning of the UCC.

(xiii) *All Filings Made*. Trademark Originator has caused or will have caused the filing of all appropriate financing statements and other filings (including, but not limited to, UCC filings (and relevant foreign equivalents) and trademark filings (with the United States Patent and Trademark Office and relevant foreign equivalents)) in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Guess? Contributed IP granted to IP Holder hereunder, or as otherwise necessary in any jurisdiction to provide third parties with notice of the transfers and assignments herein contemplated and to perfect the absolute conveyance of the Guess? Contributed IP from Trademark Originator to IP Holder on the Closing Date, and no other consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by Trademark Originator for the consummation of the transactions in the manner contemplated by this Guess? Contribution Agreement, except such as have been obtained as of the Closing Date or such as

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may be required under state securities laws; provided, however, that if (A) any filing or trademark filing is not accepted by the relevant governmental authority or is not effective to provide such notice or to perfect such conveyance, and (B) such nonacceptance or ineffectiveness would not have a Material Adverse Effect, then such event will not constitute a breach of this covenant.

(xiv) *Priority*. Other than the security interest granted to IP Holder pursuant to this Guess? Contribution Agreement, Trademark

Originator has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Guess? Contributed IP. Trademark Originator has not authorized the filing of and is not aware of any financing statements against Trademark Originator that include a description of collateral covering the Guess? Contributed IP other than any financing statement relating to the security interest granted to IP Holder hereunder or that has been terminated. Trademark Originator is not aware of any judgment or tax lien filings against Trademark Originator.

(xv) *Lawful Assignment.* The contribution, transfer, and assignment of the Guess? Contributed IP under this Guess? Contribution Agreement and the related assignments are not unlawful, void, or voidable pursuant to the laws or statutes of any jurisdiction, nor will they result in a breach, default, conflict, lien, violation of, or material adverse effect upon, any of the Guess? Contributed IP.

(xvi) *Validity.* The Guess? Trademarks are valid, subsisting, enforceable, and have not been abandoned in any applicable jurisdiction.

(xvii) *No Infringement.* The Guess? Trademarks do not violate the trademark rights of any third party and there is no action or proceeding pending or threatened alleging that the Guess? Trademarks infringe upon the rights of any third party.

(xviii) *No Adverse Judgments.* No domestic or foreign court, tribunal, or other official governmental authority, including the United States Patent and Trademark Office or any foreign equivalent, has entered a holding, judgment, or decision canceling or otherwise limiting Trademark Originator's interest in the Guess? Contributed IP.

(xix) *No Pending Actions.* No action or proceeding is pending or, to Trademark Originator's knowledge, threatened, seeking to limit, cancel, or question the validity of any material portion of the Guess? Contributed IP or of Trademark Originator's ownership interest therein, that if adversely determined would have a Material Adverse Effect.

(xx) *No Waivers.* No material provision of a Guess? Contributed License Agreement has been waived in such a manner that such Guess? Contributed License Agreement fails to meet all of the other representations and warranties made by Trademark Originator herein with respect thereto.

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(xxi) *No Delinquency.* None of the Royalty Receivables payable under any of the Guess? Contributed Licenses is thirty (30) or more days past due as of the date hereof.

(xxii) *Past Defaults.* No material default has occurred with respect to any of the Guess? Contributed Licenses which has not been cured by the related licensee as of the date hereof.

(xxiii) *Other Defaults.* The execution and implementation of this Guess? Contribution Agreement will not result in the breach of any conditions or constitute a default (with or without notice or lapse of time or both) under any license or agreement constituting any portion of the Guess? Contributed IP or to which any of the Guess? Contributed IP is subject. Neither Trademark Originator nor any person, firm or corporation associated with or deriving rights in any Guess? Contributed IP through or from Trademark Originator is in default of any applicable agreement constituting a portion of the Guess? Contributed IP.

(xxiv) *Advances.* No advances or other charges heretofore received by Trademark Originator in connection with the Guess? Contributed IP remain recoupable from any Royalty Receivables by Guess? on or after the Closing Date, regardless of when advanced or earned.

(xxv) *Bulk Transfers.* Trademark Originator's transfer and assignment of the Guess? Contributed IP hereunder is not subject to the provisions of the UCC relating to bulk transfers.

(xxvi) *Quality Control.* Through the Closing Date, Trademark Originator has examined, monitored and otherwise policed the activities of the Guess? Licensees in a manner and to an extent necessary and sufficient to prevent the abandonment of any Subject Trademark.

(b) The representations and warranties set forth in this Section 3.03 shall speak as of the execution and delivery of this Guess? Contribution Agreement, but shall survive the transfer, conveyance, and assignment of the Guess? Contributed IP to IP Holder. So long as any Notes are outstanding, Trademark Originator agrees that (i) each representation and warranty made by Trademark Originator pursuant to Sections 3.03(a)(xi), (xii), (xiii) and (xiv) shall survive, and (ii) Trademark Originator shall not waive, by course of conduct or in writing, any of such representations and warranties. Upon discovery by Trademark Originator or IP Holder (including by receipt of notice thereby from any other Person with respect thereto) of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of IP Holder (or any assignee thereof) in the Guess? Contributed IP, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

(c) Trademark Originator hereby indemnifies and holds harmless IP Holder for any and all actual costs, expenses, losses, claims, damages, injury, and liabilities suffered by

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IP Holder to the extent such actual cost, expense, loss, claim, damage, injury, or liability results from any breach by Trademark Originator of the representations and warranties set forth in this Section 3.03, or results from any infringement contemplated by Section 3.03(a)(xvii) or a licensee being bankrupt as of the Closing Date, with or without the knowledge of Trademark Originator.

ARTICLE IV.

COVENANTS OF TRADEMARK ORIGINATOR.

SECTION 4.01 Covenants of Trademark Originator. Trademark Originator hereby covenants that:

(a) *Transaction Documents; Guess? Contributed License Agreements.* Trademark Originator will perform all of its obligations under, and otherwise comply with the terms of the Transaction Documents (including, without limitation, the Servicing Agreement), and will notify IP Holder, the Issuer and the Indenture Trustee if it becomes aware of (i) any breach under the Transaction Documents by any party thereto, or (ii) any claimed breach, right of offset, or other material claim made or brought by any Guess? Licensee.

(b) *Material Agreements.* The Trademark Originator will not extend, amend, or modify any Guess? Contributed License Agreement or, as licensee of the Guess? Trademarks under the Guess? License Agreement, enter into a license of any Guess? Trademarks, in any manner that would (i) impair the enforceability of the Subject License Agreements or materially adversely affect the ability or right of IP Holder to collect the Royalty Receivables, or (ii) if after taking such action, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than or equal to 110% or, if the Prospective Coverage Ratio is already equal to or lesser than 110%, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than the Prospective Coverage Ratio before taking such action, decrease the amount of the Royalty Receivables, or decrease the value of the Guarantee Collateral.

(c) *Security Interests.* Except for the conveyances hereunder, Trademark Originator will not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien (other than Permitted Liens) on any piece of the Guess? Contributed IP, whether now existing or hereafter created, or any interest therein. Trademark Originator will immediately notify IP Holder and the Indenture Trustee of the existence of any Lien (other than Permitted Liens) on any piece of the Guess? Contributed IP, and Trademark Originator shall defend the right, title, and interest of IP Holder in, to, and under the Guess? Contributed IP, whether now existing or hereafter created, against all claims of third parties claiming through or under Trademark Originator.

(d) *Delivery of Payments.* Trademark Originator agrees to deliver in kind upon receipt to the Servicer (if other than Trademark Originator) any and all payments received by Trademark Originator of royalties under the Guess? Contributed License Agreements as soon as practicable (but in any event within two Business Days) after receipt thereof by Trademark Originator from and after the Closing Date.

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(e) *No Impairment.* Trademark Originator shall take no action, nor omit to take any action, that would impair the rights of IP Holder in the Guess? Contributed IP, nor shall it reschedule, revise, offset, or defer payments due on any Guess? Contributed License Agreement if any such action would have a Material Adverse Effect. In the event that any state trademarks containing the "Guess?" name are not effectively transferred to IP Holder in connection with the contribution contemplated by Section 2.01, Trademark Originator shall promptly cause any such state trademarks to be transferred or cancelled. Nothing contained in this Section 4.01(e) shall limit the rights and duties of the Trademark Originator in its capacity as Servicer or of any party with respect to Downstreaming that is permitted under the Transaction Documents.

(f) *Indemnity; Continued Performance.* Trademark Originator hereby indemnifies and holds harmless IP Holder for any and all actual costs, expenses, losses, claims, damages, injury, and liabilities relating to any payments due by the licensor, or offsets against payments due by any Licensee, under any of the Guess? Contributed License Agreements or the Licensing Contributed License Agreements. For the avoidance of doubt, the parties hereto intend that if IP Holder repurchases any Royalty Receivables from the Issuer in connection with a breach of a representation or warranty by IP Holder in the Receivables Contribution Agreement that is the same as or substantially similar to any representation or warranty of the Trademark Originator herein contained or of Licensing contained in the Licensing Contribution Agreement, the foregoing indemnity includes an undertaking by Trademark Originator promptly to pay over to IP Holder an amount equal to the related Repurchase Price; provided that the parties hereto agree that any portion of such amount paid by Trademark Originator equal to the then-fair market value of the Royalty Receivables so repurchased by IP Holder will constitute a non-recourse loan (which shall bear interest at the rate of interest applicable to the Notes) made to IP Holder that is fully subordinated to IP Holder's obligations under the Guarantee and under the Receivables Contribution Agreement, that is repayable only from amounts that are freely distributable by IP Holder to Trademark Originator pursuant to the Transaction Documents and that represent amounts distributed to IP Holder by Issuer in accordance with the Indenture and the operating agreement of the Issuer or from amounts paid to IP Holder pursuant the Guess? License Agreement or any license that is not a Subject License Agreement.

ARTICLE V.

DELIVERY OF LIMITED PARTNERSHIP INTERESTS

SECTION 5.01 *Delivery of Limited Partnership Interests.* The execution of this Guess? Contribution Agreement and all other Transaction Documents, the completion of all filings contemplated hereunder and thereunder, and the performance of the parties' obligations hereunder and thereunder, shall be concurrent with and shall be against delivery of the increased capital account balance representing the partnership interests of IP Holder that are designated as limited partnership interests (as opposed to general partnership interests) to Trademark Originator.

SECTION 5.02 Tax-Free Capital Contribution. It is the express intent of the parties hereto that the contributions set forth herein be characterized as tax-free capital contributions

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within the meaning of Section 721 of the Internal Revenue Code of 1986, as amended, and that the related cash distributions on account of the Notes not be treated as part of a “disguised sale” of the assets contributed to IP Holder, but rather be characterized, for tax purposes, as a borrowing against such assets within the meaning of Sections 1.707-5(b) and 1.707-5(f) (Ex. 11) of the Treasury Regulations.

ARTICLE VI.

MISCELLANEOUS PROVISIONS

SECTION 6.01 Indemnification. Trademark Originator shall indemnify and hold harmless IP Holder, the Issuer, the Indenture Trustee, and the Noteholders (the “Indemnified Parties”) from and against any and all costs, expenses, losses, claims, damages, injury, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, and was imposed upon such Person as a result of the transactions contemplated by this Guess? Contribution Agreement through the willful misconduct or gross negligence of Trademark Originator in the performance of its duties under this Guess? Contribution Agreement, by reason of reckless disregard of its obligations and duties under this Guess? Contribution Agreement, or by breach of its representations and warranties under this Guess? Contribution Agreement, including, but not limited to, any judgment, award, settlement, reasonable attorneys’ fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim; *provided, however,* that Trademark Originator shall not indemnify any such Person if such acts, omissions or alleged acts or omissions constitute gross negligence or willful misconduct by IP Holder, the Issuer, the Indenture Trustee, or any Noteholders. In case any such action is brought against a party indemnified under this Section 6.01 and it notifies Trademark Originator of the commencement thereof, Trademark Originator will assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who may be counsel to Trademark Originator unless there is an unwaivable conflict of interest as evidenced by an Opinion of Counsel stating such), and Trademark Originator will not be liable to such indemnified party under this section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation. This indemnity is in addition to any other indemnity from the Trademark Originator set forth herein.

The Trademark Originator will be liable for settlement of any claim made against any Indemnified Party that is made with the Trademark Originator’s written consent, which consent will not be unreasonably withheld. The Trademark Originator will not, with out the prior written consent of the Indemnified Parties, which consent will not be unreasonably withheld, settle or compromise any claim, or permit a default under or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent includes, as an unconditional term thereof, the giving by the claimant to the applicable Indemnified Party of an unconditional release from all liability in respect thereof.

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SECTION 6.02 Amendment. This Guess? Contribution Agreement may be amended from time to time by IP Holder and Trademark Originator only in accordance with Section 3.13 of the Indenture.

SECTION 6.03 Protection of Right, Title and Interest to Guess? Contributed IP.

(a) Trademark Originator at its expense shall cause this Guess? Contribution Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering IP Holder’s right, title, and interest to the Guess? Contributed IP to be promptly recorded, registered, and filed, and at all times to be kept recorded, registered, and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of IP Holder hereunder to all of the Guess? Contributed IP. Trademark Originator shall deliver to IP Holder file-stamped copies of, or filing receipts for, any document recorded, registered, or filed as provided above as soon as available following such recording, registration, or filing. IP Holder shall cooperate fully with Trademark Originator in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this subsection.

(b) Within 30 days after Trademark Originator makes any change in (i) its location of organization under Section 9-307(e) of the UCC, or (ii) its name, identity, or corporate structure that would make any financing statement or continuation statement filed in accordance with Section 6.03(a) or in Section 2.03 seriously misleading within the meaning of Section 9-507 or 9-508 of the UCC as in effect in the applicable state, Trademark Originator shall give IP Holder notice of any such change and shall execute and file such financing statements or amendments as may be necessary to continue the perfection of IP Holder’s security interest in the Guess? Contributed IP and the proceeds thereof.

SECTION 6.04 Assignment. Neither party to this Guess? Contribution Agreement may assign any of its rights, duties, or obligations hereunder except as contemplated by this section, the Indenture, the Receivables Contribution Agreement, the Servicing Agreement, the Guess? License Agreement, the Guess? Contributed License Agreements, and the Guarantee; *provided, however,* that simultaneously with the execution and delivery of this Guess? Contribution Agreement, IP Holder shall assign all of its right, title, and interest herein to the proceeds from the Subject License Agreements to the Issuer and shall pledge the Subject IP pursuant to the Receivables Contribution Agreement, and the parties hereto acknowledge that the Issuer will pledge all of the foregoing and certain other property to the Indenture Trustee for the benefit of any Noteholders as provided in the granting clause of the Indenture, to which transfer, assignment, and pledge Trademark Originator hereby expressly consents. Trademark Originator agrees to perform its obligations hereunder for the benefit of the Issuer, and agrees that the Indenture Trustee may enforce the provisions of this Guess? Contribution Agreement, exercise the rights of IP Holder and enforce the obligations of Trademark Originator hereunder as they relate to the Subject IP and the Royalty Receivables without the consent of IP Holder;

provided, however, that the parties hereto, and all assignees hereof acknowledge and agree or, by taking assignment of any of the benefits hereof, are deemed to acknowledge and agree, that all remedial actions permitted to be taken under this Guess? Contribution Agreement and the other Transaction Documents are subject to the provisions of Sections 4.02(c) of the Guess? License

Agreement, Sections 2.02(d) and 6.03(f) of the Servicing Agreement, Section 5.6 of the Indenture, Section 5.2(d) of the Receivables Contribution Agreement, and Section 6.6 of the Guarantee.

SECTION 6.05 Merger or Consolidation of, or Assumption of the Obligations of, Trademark Originator.

(a) Trademark Originator shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the corporation formed by such consolidation or into which Trademark Originator is merged or the Person which acquires by conveyance or transfer the properties and assets of Trademark Originator substantially as an entirety shall be organized and existing under the laws of the United States or any State or the District of Columbia, and, if Trademark Originator is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to IP Holder and the Issuer, in form reasonably satisfactory to IP Holder and the Issuer, the performance of every covenant and obligation of Trademark Originator hereunder and, prior to the Termination Date, shall benefit from all the rights granted to Trademark Originator hereunder in all material respects; and

(ii) Trademark Originator shall have delivered to IP Holder and the Issuer an Officer's Certificate of Trademark Originator and an Opinion of Counsel each stating that such consolidation, merger, conveyance, or transfer and such supplemental agreement comply with this Section 6.05, that such assumption agreement is enforceable against the assuming party (subject to customary caveats and assumptions) and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) The obligations of Trademark Originator hereunder shall not be assignable nor shall any Person succeed to the obligations of Trademark Originator hereunder except in each case in accordance with the provisions of the foregoing paragraph and of Section 6.04.

SECTION 6.06 Governing Law. This Guess? Contribution Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 6.07 Submission To Jurisdiction; Waivers. Each of Trademark Originator and IP Holder hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 6.08 or at such other address as shall be designated by such Person in a written notice to the other such Persons;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive, or consequential damages.

SECTION 6.08 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, to:

(a) in the case of Trademark Originator, Guess?, Inc., 1444 South Alameda Street, Los Angeles, CA 90021;

(b) in the case of IP Holder, Guess? IP Holder, L.P., 1444 South Alameda Street, Los Angeles, CA 90021;

(c) in the case of the Issuer, Guess? Royalty Finance LLC, 2222 Glendale Galleria 2, Glendale, CA 91324; and

(d) in the case of the Indenture Trustee, BNY Midwest Trust Company, 2 North LaSalle Street, Suite 1020, Chicago, IL 60602;

or, as to any of such Persons, at such other address as shall be designated by such Person in a written notice to the other Persons.

SECTION 6.09 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Guess? Contribution Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Guess? Contribution Agreement and shall in no way affect the validity or enforceability of the other provisions of this Guess? Contribution Agreement.

SECTION 6.10 Further Assurances. Trademark Originator and IP Holder agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party hereto or by the Issuer more fully to effect the purposes of this Guess? Contribution Agreement.

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SECTION 6.11 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of IP Holder, the Issuer, the Indenture Trustee, or Trademark Originator, of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 6.12 Counterparts. This Guess? Contribution Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 6.13 Third-Party Beneficiaries. This Guess? Contribution Agreement will inure to the benefit of and be binding upon the parties signatory hereto and, with regard to the Subject IP and the Royalty Receivables, the Issuer and the Indenture Trustee for the benefit of any Noteholders, each of which shall be considered to be a third-party beneficiary hereof. Except as otherwise provided in this Guess? Contribution Agreement, no other Person will have any right or obligation hereunder.

SECTION 6.14 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 6.15 Merger and Integration. Except as specifically stated otherwise herein, this Guess? Contribution Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Guess? Contribution Agreement. This Guess? Contribution Agreement may not be modified, amended, waived or supplemented except as provided herein.

SECTION 6.16 Force Majeure. Neither IP Holder nor Trademark Originator shall be held responsible for any loss, damage, or delay suffered by the other party owing to any cause that is beyond the reasonable control of the defaulting party and cannot be attributed to negligence or willful nonperformance of its obligation. Such causes include, but are not limited to, wars, embargoes, riots, civil disturbances, terrorism, fires, storms, floods, typhoons, earthquakes and other natural calamities, strikes and labor disputes, government acts and restrictions, and other causes that cannot be overcome or prevented by due diligence. Either party wishing to invoke this section shall give notice to the other party stating the relevant cause. The defaulting party shall promptly resume performance of its obligations the moment such cause or causes cease to operate.

SECTION 6.17 Nonpetition Covenants. Notwithstanding any prior termination of this Guess? Contribution Agreement, Trademark Originator shall not, prior to the date which is one year and one day after the Termination Date, with respect to IP Holder or the Issuer, acquiesce, petition, or otherwise invoke or cause IP Holder or the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against IP Holder or the Issuer under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of IP

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Holder or the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of IP Holder or the Issuer.

SECTION 6.18 Interpretation. As applied to this Guess? Contribution Agreement, unless the context otherwise requires: (a) words in the singular include the plural, and words in the plural include the singular; (b) reference to a law, statute, rule, regulation, charter, or bylaws, is deemed to be followed by "as amended from time to time"; (c) "herein," "hereof," and other similar words refer to this Guess? Contribution Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) unless otherwise indicated or obvious, all references to "Section," "Exhibit," "Schedule," "Appendix," or similar words refer to the particular Section in or Exhibit, Schedule, Appendix, or similar item attached to this Guess? Contribution Agreement; (e) "include," "includes," or "including" will be deemed to be followed, as appropriate, by "but not limited to,"; (f) the masculine feminine and neuter genders shall each be deemed to include the others; (g) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (h) references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; (i) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Guess? Contribution Agreement or any other Transaction Document; and (j) references to Persons include their permitted successors and assigns.

SECTION 6.19 Waiver of Jury Trial. EACH OF TRADEMARK ORIGINATOR AND IP HOLDER HEREBY IRREVOCABLY AND

UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUESS CONTRIBUTION AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

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IN WITNESS WHEREOF, the parties hereto have caused this Guess? Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

GUESS? IP HOLDER L.P.
as IP Holder

GUESS?, INC.
as Trademark Originator

By: _____
Name:
Title:

By: _____
Name:
Title:

ACCEPTED:

GUESS? ROYALTY FINANCELLC,
not in its individual capacity
but solely as Issuer

By: _____
Name:
Title:

BNY MIDWEST TRUST COMPANY,
not in its individual capacity
but solely as Indenture Trustee

By: _____
Name:
Title:

LICENSING CONTRIBUTION AGREEMENT

between

GUESS? LICENSING, INC.,

as Licensing

and

GUESS? IP HOLDER L.P.,

as IP Holder

Dated as of April 28, 2003

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Schedule A – Licensing Contributed License Agreements
Schedule B – Form of Instruction to Pay into Lockbox Account

This LICENSING CONTRIBUTION AGREEMENT (this “Licensing Contribution Agreement”), is dated as of April 28, 2003, by and between Guess? Licensing, Inc., a corporation organized and existing under the laws of the State of Delaware (“Licensing”), and Guess? IP Holder L.P., a limited partnership organized under the laws of the State of Delaware, as IP Holder.

RECITALS

WHEREAS, Licensing desires to absolutely contribute, sell, assign, convey, and transfer to IP Holder certain license agreements in exchange for general partnership interests in IP Holder; and

WHEREAS, IP Holder desires to acquire from Licensing certain license agreements pursuant to which certain trademarks and intellectual property are licensed to third parties, including the right to receive royalty payments due to the licensor thereunder, but not including the duties of Licensing thereunder that are in the nature of payment obligations or obligations to purchase from the licensees thereunder any goods manufactured, sold, or distributed by such licensees;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, each party agrees as follows for the benefit of the other party and for the benefit of IP Holder, the Issuer and the Indenture Trustee:

ARTICLE I.

DEFINITIONS

SECTION 1.01 Definitions. Certain capitalized terms used in this Licensing Contribution Agreement that are not otherwise defined herein shall have the meanings ascribed to them in Annex X as attached hereto, and the following terms shall have the respective meanings set forth in this Section 1.01:

“Licensing Contributed License Agreements” means the specific trademark license agreements being transferred pursuant to this Licensing Contribution Agreement, , as the same may be amended, modified or extended from time to time, and all proceeds thereof and payments thereunder, that are identified on Schedule A.

“Licensing Contributed License Agreement File” means, with respect to each Licensing Contributed License Agreement:

- (a) the fully executed original of the Licensing Contributed License Agreement; and
- (b) any and all other documents that Licensing or the Servicer, as the case may be, shall keep on file, in accordance with its customary procedures, relating to such Licensing Contributed License Agreement or the related Licensing Licensee, including

any samples and other materials provided pursuant to the Licensing Contributed License Agreement terms.

“Licensing Licensee” means a Person who has licensed any of the Guess? Trademarks by the execution and delivery of a Licensing Contributed License Agreement, or any other Person who owes or may be liable for payments under such Licensing Contributed License Agreement.

“Schedule of Licensing Contributed License Agreements” means the schedule of Licensing Contributed License Agreements described in Section 2.01 and attached as Schedule A.

ARTICLE II.

CONVEYANCE OF LICENSES

SECTION 2.01 Conveyance of Licensing Contributed License Agreements.

(a) Subject to the terms and conditions of this Licensing Contribution Agreement, Licensing hereby contributes, sells, assigns, conveys, and transfers to IP Holder pursuant to this Licensing Contribution Agreement, and IP Holder hereby accepts from Licensing (subject to Licensing’s obligations hereunder):

(i) all right, title, and interest of Licensing in and to the Licensing Contributed License Agreements, and all monies due or to become due thereon or paid thereunder by the Licensing Licensees (other than any duties of Licensing thereunder that are in the nature of payment obligations or obligations to purchase from licensees thereunder any goods manufactured, sold, or distributed by such licensees), including, without limitation, in the case of any Licensing Contributed License Agreement the provisions of which reserve to Licensing the right to consent to or withhold consent from any licensee with respect to retail sales of goods produced thereunder or sales of goods produced thereunder to specific stores or distribution channels, the right to give or withhold such consent and the right to delegate the giving or withholding of such consent to an agent of IP Holder; and

(ii) all proceeds of the foregoing.

(b) In connection with the foregoing contribution, Licensing further agrees, at its own expense, (i) to annotate and indicate in its master computer records (including backup files) that the Licensing Contributed License Agreements have been transferred to IP Holder pursuant to this Licensing Contribution Agreement, (ii) to deliver to IP Holder a true and complete list of all the Licensing Contributed License Agreements, identified by the name of the Licensing Licensee, which list shall be marked as Schedule A to this Licensing Contribution Agreement and is hereby incorporated into and made a part of this Licensing Contribution Agreement, (iii) to deliver the Licensing Contributed License Agreement Files to or upon the order of IP Holder, (iv) to provide any notices and to execute any assignment agreements necessary under the UCC or the laws of any state or foreign jurisdiction to give the Licensing

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Licensees notice of the change in licensor or otherwise to effect properly the conveyance of the Licensing Contributed License Agreements, and (v) to deliver to each licensee with respect to a Licensing Contributed License Agreement an instruction to make all future payment of Royalty Receivables to the Lockbox Account in a form substantially the same as that set forth in Schedule B hereto.

(c) In connection with the foregoing contribution, IP Holder hereby expressly agrees to assume the obligations of Licensing as licensor under each of the Licensing Contributed License Agreements (except for those obligations retained by Licensing as described in clause (a)(i) of this Section 2.01).

SECTION 2.02 Filings. Licensing agrees, at its own expense, to cause all financing statements and continuation statements (including, but not limited to, filings under the UCC and relevant foreign equivalents), this Licensing Contribution Agreement and all amendments hereto, and any other documents necessary to provide third parties with notice of IP Holder’s right, title, and interest to the Licensing Contributed License Agreements to be promptly recorded, registered, and filed, and at all times to be kept recorded, registered, and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title, and interest of IP Holder to the Licensing Contributed License Agreements. Licensing shall deliver to IP Holder file-stamped copies of, or filing receipts for, any document recorded, registered, or filed as provided above as soon as available following such recording, registration, or filing. IP Holder shall cooperate fully with Licensing in connection with the obligations set forth in this section and shall execute any and all documents reasonably required to fulfill the intent of this section.

SECTION 2.03 Security Interests. It is the intention of the parties that the contribution of assets from Licensing to IP Holder as contemplated by Section 2.01 hereof will constitute an absolute transfer and assignment, and that the beneficial interest in and title to the Licensing Contributed License Agreements shall not be property of Licensing’s estate in the event of the filing of a bankruptcy petition by or against Licensing under any bankruptcy law, and that the Licensing Contributed License Agreements will not be deemed “executory contracts” that Licensing (or the trustee in bankruptcy for Licensing) can reject in a bankruptcy or insolvency proceeding. However, if the transfer of any of the Licensing Contributed License Agreements is deemed to be other than an absolute assignment, the parties intend that all filings described in Section 2.02 shall give IP Holder a first priority perfected security interest in, to, and under the Licensing Contributed License Agreements. This Licensing Contribution Agreement shall be deemed to be the grant of a security interest in the Licensing Contributed License Agreements from Licensing to IP Holder, and IP Holder shall have all the rights, powers, and privileges of a secured party under the UCC.

ARTICLE III.

REPRESENTATIONS AND WARRANTIESSECTION 3.01 Representations and Warranties of Licensing

- (a) Licensing hereby represents and warrants to IP Holder that:
- (i) *Organization and Good Standing.* Licensing is duly organized and validly existing as a corporation in good standing under the laws of the State of Delaware, and has power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has corporate power, authority, and legal right to convey the Licensing Contributed License Agreements.
- (ii) *Due Qualification.* Licensing is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.
- (iii) *Power and Authority.* Licensing has the corporate power and authority to execute and deliver this Licensing Contribution Agreement and to carry out its terms; and the execution, delivery and performance of this Licensing Contribution Agreement has been duly authorized by Licensing by all necessary corporate action.
- (iv) *Binding Obligation.* This Licensing Contribution Agreement constitutes a legal, valid, and binding obligation of Licensing, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, or by general principles of equity.
- (v) *No Violation.* The consummation of the transactions contemplated by this Licensing Contribution Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of Licensing, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which Licensing is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of Licensing's knowledge, any order, rule, or regulation applicable to Licensing of any court or of any federal, state, or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over Licensing or its properties, which breach, default, conflict, lien, or violation would have a Material Adverse Effect.
- (vi) *No Proceedings.* There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to Licensing's knowledge, threatened, against or affecting Licensing: (i) asserting the invalidity of this Licensing Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Licensing Contribution Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by Licensing of its obligations under, or the validity or enforceability of, this Licensing Contribution Agreement.
- (vii) *Solvency.* Licensing is, and immediately after giving effect to the transactions contemplated by this Licensing Contribution Agreement and the other Transaction Documents will be, solvent.
- (viii) *Taxes.* Licensing has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. Licensing has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Licensing and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.
- (ix) *Non-Contravention.* The execution, delivery and performance of this Licensing Contribution Agreement in accordance with its terms and the consummation of the transactions contemplated hereby by Licensing do not and will not require the consent or approval of any Person, except for such consents and approvals as have already been obtained and (ii) violate any applicable laws.
- (x) *Governmental Regulation.* Licensing is not required to obtain any consent, approval, authorization, permit or license from, or effect any filing or registration with any Governmental Authority in connection with the execution, delivery and performance of this Licensing Contribution Agreement in accordance with its terms other than filings intended to perfect the security interest granted hereunder.
- (xi) *State of Organization.* As of the date hereof, Licensing is incorporated under the laws of the State of Delaware.

(b) The representations and warranties set forth in this Section 3.01 will survive the conveyance of the Licensing Contributed License Agreements by Licensing to IP Holder pursuant to this Licensing Contribution Agreement. Upon discovery by Licensing or IP Holder of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of IP Holder (or any assignee thereof) in

this Licensing Contribution Agreement, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

SECTION 3.02 Representations and Warranties of IP Holder.

(a) IP Holder hereby represents and warrants to Licensing that:

(i) *Organization and Good Standing.* IP Holder is duly organized and validly existing as a limited partnership in good standing under the laws of the State of Delaware, and has the power, authority, and legal right to acquire and become licensor under the Licensing Contributed License Agreements.

(ii) *Due Qualification.* IP Holder is duly qualified to do business as a foreign limited partnership in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which assignment of the Licensing Contributed License Agreements or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.

(iii) *Power and Authority.* IP Holder has the power and authority to execute and deliver this Licensing Contribution Agreement and to carry out its terms; IP Holder has full power and authority to acquire the Licensing Contributed License Agreements and has duly authorized such acquisition; and the execution, delivery, and performance of this Licensing Contribution Agreement has been duly authorized by IP Holder by all necessary action.

(iv) *Binding Obligation.* This Licensing Contribution Agreement constitutes a legal, valid, and binding obligation of IP Holder, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally or by general principles of equity.

(v) *No Violation.* The consummation of the transactions contemplated by this Licensing Contribution Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of limited partnership or limited partnership agreement of IP Holder, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which IP Holder is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of IP Holder's knowledge, any order, rule, or regulation applicable to IP Holder of any court or of any federal, state, or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over IP Holder or its properties, which breach, default, conflict, Lien, or violation would have a Material Adverse Effect.

(vi) *No Proceedings.* There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to IP Holder's knowledge, threatened, against or affecting IP Holder: (i) asserting the invalidity of this Licensing Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Licensing Contribution Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by IP Holder of its obligations under, or the validity or enforceability of, this Licensing Contribution Agreement.

(vii) *No Consents.* No consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by IP Holder for the consummation of the transactions in the manner contemplated by this Licensing Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.

(viii) *Taxes.* IP Holder has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. IP Holder has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to IP Holder and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.

(b) The representations and warranties set forth in this Section 3.02 shall survive the conveyance of the Licensing Contributed License Agreements by Licensing to IP Holder pursuant to this Licensing Contribution Agreement. Upon discovery by Licensing or IP Holder of a breach of any of the foregoing representations and warranties or the occurrence of event that materially and adversely affects the interests of IP Holder (or any assignee thereof) in the Licensing Contributed License Agreements, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

(a) Licensing hereby represents and warrants that:

(i) *Characteristics of Licenses.* Each Licensing Contributed License Agreement (A) is an Eligible License Agreement, (B) has been fully and properly executed by the parties thereto, and (C) contains customary enforceable provisions such that the rights and remedies of the licensor shall be adequate for IP Holder or its agent to enforce the Licensing Contributed License Agreement.

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(ii) *Schedule of Licenses.* The information set forth in the Schedule of Licensing Contributed License Agreements is true and correct in all material respects.

(iii) *Compliance with Law.* Each of the Licensing Contributed License Agreements, and the assignment and contribution thereof pursuant to this Licensing Contribution Agreement, complies in all material respects with all requirements of applicable federal, state, local, and foreign laws, and regulations thereunder.

(iv) *Binding Obligation.* Each of the Licensing Contributed License Agreements, and the assignment and contribution thereof pursuant to this Licensing Contribution Agreement, constitutes the legal, valid, and binding payment obligation of the related Licensing Licensee, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

(v) *No Consent.* No consent of any Licensing Licensee is required in connection with the execution, delivery, and performance of this Licensing Contribution Agreement, except as has been obtained.

(vi) *No Bankrupt Licensees.* To the knowledge of Licensing, none of the Licensing Licensees is presently the subject of a bankruptcy proceeding or is insolvent.

(vii) *No Government Licensees.* None of the Licensing Licensees is a local, state or federal domestic or foreign government, or an agency, department, or instrumentality thereof.

(viii) *Licenses in Force, No Amendments.* None of the Licensing Contributed License Agreements has been terminated, rescinded, amended or modified except as is indicated on the attached Schedule A.

(ix) *No Defenses.* No Licensing Licensee has any right of rescission, setoff, counterclaim, or defense any Licensing Contributed License, nor has any been asserted or threatened.

(x) *Good Title; Liens.* The Licensing Contributed License Agreements have not been sold, transferred, assigned, or pledged by Licensing to any Person other than IP Holder, and Licensing is the licensor under each of the Licensing Contributed License Agreements, which are free and clear any Liens (other than Permitted Liens), claim or encumbrance of any Person. Immediately upon the transfer and assignment thereof to IP Holder, IP Holder will be the licensor under

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each of the Licensing Contributed License Agreements, free and clear of all Liens and rights of others (other than Permitted Liens).

(xi) *Perfected Liens.* This Licensing Contribution Agreement creates a valid and continuing security interest (as defined in the UCC) in the Licensing Contributed License Agreements in favor of IP Holder, which security interest is prior to all other Liens (other than Permitted Liens), and is enforceable as such against creditors of and purchasers from Licensing.

(xii) *General Intangibles.* The Licensing Contributed License Agreements constitute "general intangibles" within the meaning of the UCC.

(xiii) *All Filings Made.* Licensing has caused or will have caused the filing of all appropriate financing statements and other filings (including, but not limited to, UCC filings (and relevant foreign equivalents) and trademark filings (with the United States Patent and Trademark Office and relevant foreign equivalents)) in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Licensing Contributed License Agreements granted to IP Holder hereunder, or as otherwise necessary in any jurisdiction to provide third parties with notice of the transfers and assignments herein contemplated and to perfect the absolute conveyance of the Licensing Contributed License Agreements from Licensing to IP Holder on the Closing Date, and no other consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by Trademark Originator for the consummation of the transactions in the manner contemplated by this Licensing Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws; provided, however, that if (A) any filing or

trademark filing is not accepted by the relevant governmental authority or is not effective to provide such notice or to perfect such conveyance, and (B) such nonacceptance or ineffectiveness would not have a Material Adverse Effect, then such event will not constitute a breach of this covenant.

(xiv) *Priority.* Other than the security interest granted to IP Holder pursuant to this Licensing Contribution Agreement, Licensing has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Licensing Contributed License Agreements. Licensing has not authorized the filing of and is not aware of any financing statements against Licensing that include a description of collateral covering the Licensing Contributed License Agreements other than any financing statement relating to the security interest granted to IP Holder hereunder or that has been terminated. Licensing is not aware of any judgment or tax lien filings against Licensing.

(xv) *Lawful Assignment.* The contribution, transfer, and assignment of the Licensing Contributed License Agreements under this Licensing Contribution Agreement and the related assignments are not unlawful, void, or voidable

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pursuant to the laws or statutes of any jurisdiction, nor will they result in a breach, default, conflict, lien, violation of, or material adverse effect upon, any of the Licensing Contributed License Agreements.

(xvi) *No Adverse Judgments.* No domestic or foreign court, tribunal, or other official governmental authority, including the United States Patent and Trademark Office or any foreign equivalent, has entered a holding, judgment, or decision canceling or otherwise limiting Licensing's interest in the Licensing Contributed License Agreements.

(xvii) *No Pending Actions.* No action or proceeding is pending or, to Licensing's knowledge, threatened, seeking to limit, cancel, or question the validity of any material portion of the Licensing Contributed License Agreements or of Licensing's rights thereunder, that if adversely determined would have a Material Adverse Effect.

(xviii) *No Waivers.* No material provision of a Licensing Contributed License Agreement has been waived in such a manner that such Licensing Contributed License Agreement fails to meet all of the other representations and warranties made by Licensing herein with respect thereto.

(xix) *No Delinquency.* None of the Royalty Receivables payable under any of the Licensing Contributed Licenses is 30 or more days past due as of the date hereof.

(xx) *Past Defaults.* No material default has occurred with respect to any of the Licensing Contributed Licenses which has not been cured by the related licensee as of the date hereof.

(xxi) *Other Defaults.* The execution and implementation of this Licensing Contribution Agreement will not result in the breach of any conditions or constitute a default (with or without notice or lapse of time or both) under any license or agreement constituting any portion of the Licensing Contributed License Agreements or to which any of the Licensing Contributed License Agreements is subject. Neither Licensing nor any person, firm or corporation associated with or deriving rights in any Licensing Contributed Licensing Agreement through or from Licensing is in default of any applicable agreement constituting a portion of the Licensing Contributed License Agreements.

(xxii) *Advances.* No advances or other charges heretofore received by Licensing in connection with the Licensing Contributed License Agreements remain recoupable from any Royalty Receivables by Licensing on or after the Closing Date, regardless of when advanced or earned.

(xxiii) *Bulk Transfers.* Licensing's transfer and assignment of the Licensing Contributed License Agreements hereunder is not subject to the provisions of the UCC relating to bulk transfers.

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(xxiv) *Quality Control.* Through the Closing Date, Licensing has examined, monitored (or caused to be examined or monitored) and otherwise policed (or caused to be policed) the activities of the Licensing Licensees in a manner and to an extent necessary and sufficient to prevent the abandonment of any Subject Trademark.

(b) The representations and warranties set forth in this Section 3.03 shall speak as of the execution and delivery of this Licensing Contribution Agreement, but shall survive the transfer, conveyance, and assignment of the Licensing Contributed License Agreements to IP Holder. So long as any Notes are outstanding, Licensing agrees that (i) each representation and warranty made by Licensing pursuant to Sections 3.03(a)(xi), (xii), (xiii) and (xiv) shall survive, and (ii) Licensing shall not waive, by course of conduct or in writing, any of such representations and warranties. Upon discovery by Licensing or IP Holder (including by receipt of notice thereby from any other Person with respect thereto) of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of IP Holder (or any assignee thereof) in the Licensing Contributed License Agreements, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

(c) Licensing hereby indemnifies and holds harmless IP Holder for any and all actual costs, expenses, losses, claims, damages,

injury, and liabilities suffered by IP Holder to the extent such actual cost, expense, loss, claim, damage, injury, or liability results from any breach by Licensing of the representations and warranties set forth in this Section 3.03, or a licensee being bankrupt as of the Closing Date, with or without the knowledge of Licensing.

ARTICLE IV. COVENANTS OF LICENSING.

SECTION 4.01 Covenants of Licensing. Licensing hereby covenants that:

(a) *Transaction Documents; Licensing Contributed License Agreements.* Licensing will perform all of its obligations under, and otherwise comply with the terms of the Transaction Documents, and will notify IP Holder, the Issuer and the Indenture Trustee if it becomes aware of (i) any breach under the Transaction Documents by any party thereto, or (ii) any claimed material breach, right of offset, or other material claim made or brought by any Licensing Licensee.

(b) *Material Agreements.* Licensing will not extend, amend, or modify any Licensing Contributed License Agreement in any manner that would (i) impair the enforceability of the Subject License Agreements or materially adversely affect the ability or right of IP Holder to collect the Royalty Receivables, or (ii) if after taking such action, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than or equal to 110% or, if the Prospective Coverage Ratio is already equal to or lesser than 110%, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than the Prospective Coverage Ratio before taking such action, decrease the amount of the Royalty Receivables, or decrease the value of the Guarantee Collateral.

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(c) *Security Interests.* Except for the conveyances hereunder, Licensing will not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien (other than Permitted Liens) on any Licensing Contributed License Agreement, or any interest therein. Licensing will immediately notify IP Holder and the Indenture Trustee of the existence of any Lien (other than Permitted Liens) on any Licensing Contributed License Agreement, and Licensing shall defend the right, title, and interest of IP Holder in, to, and under the Licensing Contributed License Agreements against all claims of third parties claiming through or under Licensing.

(d) *Delivery of Payments.* Licensing agrees to deliver in kind upon receipt to the Servicer any and all payments received by Licensing of royalties under the Licensing Contributed License Agreements as soon as practicable (but in any event within two Business Days) after receipt thereof by Licensing from and after the Closing Date.

(e) *No Impairment.* Licensing shall take no action, nor omit to take any action, that would impair the rights of IP Holder in the Licensing Contributed License Agreements, nor shall it reschedule, revise, offset, or defer payments due on any Licensing Contributed License Agreement if any such action would have a Material Adverse Effect.

(f) *Indemnity; Continued Performance.* Licensing hereby indemnifies and holds harmless IP Holder for any and all actual costs, expenses, losses, claims, damages, injury, and liabilities relating to any payments due by the licensor, or offsets against payments due by any Licensing Licensee, under any of the Licensing Contributed License Agreements.

ARTICLE V.

DELIVERY OF GENERAL PARTNERSHIP INTERESTS

SECTION 5.01 *Delivery of General Partnership Interests.* The execution of this Licensing Contribution Agreement and all other Transaction Documents, the completion of all filings contemplated hereunder and thereunder, and the performance of the parties' obligations hereunder and thereunder, shall be concurrent with and shall be against delivery of the increased capital account balance representing the partnership interests of IP Holder that are designated as general partnership interests (as opposed to limited partnership interests) to Licensing.

SECTION 5.02 *Tax-Free Capital Contribution.* It is the express intent of the parties hereto that the contributions set forth herein be characterized as tax-free capital contributions within the meaning of Section 721 of the Internal Revenue Code of 1986, as amended, and that the related cash distributions on account of the Notes not be treated as part of a "disguised sale" of the assets contributed to IP Holder, but rather be characterized, for tax purposes, as a borrowing against such assets within the meaning of Sections 1.707-5(b) and 1.707-5(f) (Ex. 11) of the Treasury Regulations.

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ARTICLE VI.

MISCELLANEOUS PROVISIONS

SECTION 6.01 *Indemnification.* Licensing shall indemnify and hold harmless IP Holder, the Issuer, the Indenture Trustee, and the Noteholders (the "Indemnified Parties") from and against any and all costs, expenses, losses, claims, damages, injury, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, and was imposed upon such Person as a result of the transactions contemplated by this Licensing Contribution Agreement through the willful misconduct or gross negligence of Licensing in the performance of its duties under this Licensing Contribution

Agreement, by reason of reckless disregard of its obligations and duties under this Licensing Contribution Agreement, or by breach of its representations and warranties under this Licensing Contribution Agreement, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim; *provided, however*, that Licensing shall not indemnify any such Person if such acts, omissions or alleged acts or omissions constitute gross negligence or willful misconduct by IP Holder, the Issuer, the Indenture Trustee, or any Noteholders. In case any such action is brought against a party indemnified under this Section 6.01 and it notifies Licensing of the commencement thereof, Licensing will assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who may be counsel to Licensing unless there is an unwaivable conflict of interest as evidenced by an Opinion of Counsel stating such), and Licensing will not be liable to such indemnified party under this section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation. This indemnity is in addition to any other indemnity from Licensing herein.

Licensing will be liable for settlement of any claim made against any Indemnified Party that is made with Licensing's written consent, which consent will not be unreasonably withheld. Licensing will not, with out the prior written consent of the Indemnified Parties, which consent will not be unreasonably withheld, settle or compromise any claim, or permit a default under or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent includes, as an unconditional term thereof, the giving by the claimant to the applicable Indemnified Party of an unconditional release from all liability in respect thereof.

SECTION 6.02 Amendment. This Licensing Contribution Agreement may be amended from time to time by IP Holder and Licensing only in accordance with Section 3.13 of the Indenture.

SECTION 6.03 Protection of Right, Title and Interest to Guess? IP.

(a) Licensing at its expense shall cause this Licensing Contribution Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering IP Holder's right, title, and interest to the Licensing Contributed License Agreements to be promptly recorded, registered, and filed, and at all times to be kept recorded, registered, and filed, all in such manner and in such places as may be

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required by law fully to preserve and protect the right, title and interest of IP Holder hereunder to all of the Licensing Contributed License Agreements. Licensing shall deliver to IP Holder file-stamped copies of, or filing receipts for, any document recorded, registered, or filed as provided above as soon as available following such recording, registration, or filing. IP Holder shall cooperate fully with Licensing in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this subsection.

(b) Within 30 days after Licensing makes any change in (i) its location of organization under the UCC, or (ii) its name, identity, or corporate structure that would make any financing statement or continuation statement filed in accordance with Section 6.03(a) or in Section 2.02 seriously misleading within the meaning of Section 9-507 or 9-508 of the UCC as in effect in the applicable state, Licensing shall give IP Holder notice of any such change and shall execute and file such financing statements or amendments as may be necessary to continue the perfection of IP Holder's security interest in the Licensing Contributed License Agreements and the proceeds thereof.

SECTION 6.04 Assignment. Neither party to this Licensing Contribution Agreement may assign any of its rights, duties, or obligations hereunder except as contemplated by this section, the Indenture, the Receivables Contribution Agreement, the Servicing Agreement, the Guess? License Agreement, the Licensing Contributed License Agreements, and the Guarantee; *provided, however*, that simultaneously with the execution and delivery of this Licensing Contribution Agreement, IP Holder shall assign all of its right, title, and interest herein to the royalty proceeds from the Subject License Agreements to the Issuer, and the parties hereto acknowledge that the Issuer will pledge all of the foregoing and certain other property to the Indenture Trustee for the benefit of any Noteholders as provided in the granting clause of the Indenture, to which transfer, assignment, and pledge Licensing hereby expressly consents. Licensing agrees to perform its obligations hereunder for the benefit of the Issuer, and agrees that the Indenture Trustee may enforce the provisions of this Licensing Contribution Agreement, exercise the rights of IP Holder and enforce the obligations of Licensing hereunder as they relate to the Subject IP and the Royalty Receivables without the consent of IP Holder, *provided, however*, that the parties hereto, and all assignees hereof acknowledge and agree or, by taking assignment of any of the benefits hereof, are deemed to acknowledge and agree, that all remedial actions permitted to be taken under this Licensing Contribution Agreement are subject to the provisions of Sections 4.02(b) and 6.03(f) of the Guess? License Agreement, Section 5.6 of the Indenture, Section 5.2(d) of the Receivables Contribution Agreement, and Section 6.6 of the Guarantee.

SECTION 6.05 Merger or Consolidation of, or Assumption of the Obligations of, Licensing.

(a) Licensing shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the corporation formed by such consolidation or into which Licensing is merged or the Person which acquires by conveyance or transfer the properties and assets of Licensing substantially as an entirety shall be organized and existing

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under the laws of the United States or any State or the District of Columbia, and, if Licensing is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to IP Holder and the Issuer, in form reasonably satisfactory to IP Holder and the Issuer, the performance of every covenant and obligation of Licensing hereunder and, prior to the Termination Date, shall

benefit from all the rights granted to Licensing hereunder in all material respects; and

(ii) Licensing shall have delivered to IP Holder and the Issuer an Officer's Certificate of Licensing and an Opinion of Counsel each stating that such consolidation, merger, conveyance, or transfer and such supplemental agreement comply with this Section 6.05, that such assumption agreement is enforceable against the assuming party (subject to customary caveats and assumptions) and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) The obligations of Licensing hereunder shall not be assignable nor shall any Person succeed to the obligations of Licensing hereunder except in each case in accordance with the provisions of the foregoing paragraph and of Section 6.04.

SECTION 6.06 Governing Law. This Licensing Contribution Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 6.07 Submission To Jurisdiction; Waivers. Each of Licensing and IP Holder hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 6.08 or at such other address as shall be designated by such Person in a written notice to the other such Persons;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

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(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive, or consequential damages.

SECTION 6.08 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, to:

(a) in the case of Licensing, Guess? Licensing, Inc. 1444 South Alameda Street, Los Angeles, CA 90021;

(b) in the case of IP Holder, Guess? IP Holder, L.P., 1444 South Alameda Street, Los Angeles, CA 90021;

(c) in the case of the Issuer, Guess? Royalty Finance LLC, 2222 Glendale Galleria 2, Glendale, CA 91324; and

(d) in the case of the Indenture Trustee, BNY Midwest Trust Company, 2 North LaSalle Street, Suite 1020, Chicago, IL 60602;

or, as to any of such Persons, at such other address as shall be designated by such Person in a written notice to the other Persons.

SECTION 6.09 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Licensing Contribution Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Licensing Contribution Agreement and shall in no way affect the validity or enforceability of the other provisions of this Licensing Contribution Agreement.

SECTION 6.10 Further Assurances. Licensing and IP Holder agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party hereto or by the Issuer more fully to effect the purposes of this Licensing Contribution Agreement.

SECTION 6.11 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of IP Holder, the Issuer, the Indenture Trustee, or Licensing, of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 6.12 Counterparts. This Licensing Contribution Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 6.13 Third-Party Beneficiaries. This Licensing Contribution Agreement will inure to the benefit of and be binding upon the parties signatory hereto and, with regard to the Subject License Agreements and the Royalty Receivables, the Issuer and the Indenture Trustee for the benefit of any Noteholders, each of which shall be considered to be a third-party beneficiary hereof. Except as otherwise provided in this Licensing Contribution Agreement, no other Person will have any right or obligation hereunder.

SECTION 6.14 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 6.15 Merger and Integration. Except as specifically stated otherwise herein, this Licensing Contribution Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Licensing Contribution Agreement. This Licensing Contribution Agreement may not be modified, amended, waived or supplemented except as provided herein.

SECTION 6.16 Force Majeure. Neither IP Holder nor Licensing shall be held responsible for any loss, damage, or delay suffered by the other party owing to any cause that is beyond the reasonable control of the defaulting party and cannot be attributed to negligence or willful nonperformance of its obligation. Such causes include, but are not limited to, wars, embargoes, riots, civil disturbances, terrorism, fires, storms, floods, typhoons, earthquakes and other natural calamities, strikes and labor disputes, government acts and restrictions, and other causes that cannot be overcome or prevented by due diligence. Either party wishing to invoke this section shall give notice to the other party stating the relevant cause. The defaulting party shall promptly resume performance of its obligations the moment such cause or causes cease to operate.

SECTION 6.17 Nonpetition Covenants. Notwithstanding any prior termination of this Licensing Contribution Agreement, Licensing shall not, prior to the date which is one year and one day after the Termination Date, with respect to IP Holder or the Issuer, acquiesce, petition, or otherwise invoke or cause IP Holder or the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against IP Holder or the Issuer under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of IP Holder or the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of IP Holder or the Issuer.

SECTION 6.18 Interpretation. As applied to this Licensing Contribution Agreement, unless the context otherwise requires: (a) words in the singular include the plural, and words in the plural include the singular; (b) reference to a law, statute, rule, regulation, charter, or bylaws, is deemed to be followed by "as amended from time to time"; (c) "herein," "hereof," and other similar words refer to this Licensing Contribution Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) unless otherwise indicated or obvious, all references to "Section," "Exhibit," "Schedule," "Appendix," or similar words refer to the particular Section in or Exhibit, Schedule, Appendix, or similar item attached to this Licensing Contribution Agreement; (e) "include," "includes," or "including" will be

deemed to be followed, as appropriate, by "but not limited to,"; (f) the masculine feminine and neuter genders shall each be deemed to include the others; (g) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (h) references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; (i) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Licensing Contribution Agreement or any other Transaction Document; and (j) references to Persons include their permitted successors and assigns.

SECTION 6.19 Waiver of Jury Trial. EACH OF LICENSING AND IP HOLDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS LICENSING CONTRIBUTION AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Licensing Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

GUESS? IP HOLDER L.P.
as IP Holder

GUESS? LICENSING, INC.
as Licensing

By: _____
Name:
Title:

By: _____
Name:
Title:

ACCEPTED:

GUESS? ROYALTY FINANCE LLC,
not in its individual capacity
but solely as Issuer

By: _____
Name:
Title:

BNY MIDWEST TRUST COMPANY,
not in its individual capacity
but solely as Indenture Trustee

By: _____
Name:
Title:

RECEIVABLES CONTRIBUTION AGREEMENT

among

GUESS? IP HOLDER L.P.

as IP Holder

and

GUESS? ROYALTY FINANCE LLC

as the Issuer

Dated as of April 28, 2003

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This RECEIVABLES CONTRIBUTION AGREEMENT (this "Receivables Contribution Agreement") is dated as of April 28, 2003 by and between Guess? IP Holder L.P., a Delaware limited partnership ("IP Holder"), and Guess? Royalty Finance LLC, a Delaware limited liability company (the "Issuer").

RECITALS

WHEREAS, the Issuer desires to purchase all right, title, and interest in the Royalty Receivables associated with certain Subject License Agreements owned by IP Holder; and

WHEREAS, IP Holder is willing to sell the Royalty Receivables and pledge the Subject IP to the Issuer;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, each party agrees as follows:

**ARTICLE I.
DEFINITIONS**

SECTION 1.1 Definitions. Certain capitalized terms used in this Receivables Contribution Agreement that are not otherwise defined herein shall have the meanings ascribed to them in Annex X as attached hereto, and the following terms shall have the respective meanings set forth in this Section 1.1.

“Additional Royalty Receivables” means any additional royalty receivables conveyed by IP Holder to the Issuer pursuant to Section 6.1(a) or 6.1(b).

“Additional Subject License Agreement” has the meaning set forth in Section 6.1(b).

“Additional Subject Trademarks” means any trademarks licensed under any Additional Subject License Agreement that are not Subject Trademarks before such Additional Subject License Agreement is entered, including all Goodwill connected with the use of, symbolized by, and embodied in such trademarks.

“Core Product” means, in relation to any Subject License Agreement (or successor Additional Subject License Agreement conveyed to the Issuer pursuant to Section 6.1(c)), that product category identified on Schedule E.

“Receivables Obligor” means a Person who has licensed any of the Subject Trademarks by the execution and delivery of a Subject License Agreement, or any other Person who owes or may be liable for payments under such Subject License Agreement other than the licensor thereunder.

“Royalty Receivables” means the proceeds of and payments due or to become due by any Receivables Obligor under each of the Subject License Agreements, including any Additional Royalty Receivables but not amounts attributable to payments by Receivables Obligors in respect of items reimbursable to the licensor under the license agreements in respect of such

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items as shared advertising costs, fixturing, signage and oversight and monitoring of quality of goods produced and trademark usage.

“Schedule of Subject License Agreements” means the schedule of Subject License Agreements attached as Schedule B hereto.

“Schedule of Subject Trademarks” means the schedule of Subject Trademarks attached as Schedule A hereto.

“Subject IP” means collectively the Subject License Agreements and the Subject Trademarks.

“Subject License Agreements” means the specific trademark license agreements, and all proceeds thereof and payments thereunder, that are identified on Schedule B, including any modifications or extensions thereof, and any Additional Subject License Agreements, but excluding any license agreement with respect to which the related Royalty Receivables have been repurchased by IP Holder from Issuer pursuant to Section 4.3(c) hereof.

“Subject License Agreement File” means, with respect to each Subject License Agreement:

- (a) the fully executed original of the Subject License Agreement; and
- (b) any and all other documents that IP Holder or the Servicer, as the case may be, shall keep on file, in accordance with its customary procedures, relating to such Subject License Agreement or the related Receivables Obligor, including any samples and other materials provided pursuant to the Subject License Agreement terms.

“Subject Trademarks” shall mean the specific trademarks and corresponding applications and registrations therefor that are identified on Schedule A, including any Additional Subject Trademarks, in either case including all Goodwill connected with the use of, symbolized by, and embodied in such trademarks.

ARTICLE II. CONVEYANCE OF ROYALTY RECEIVABLES

SECTION 2.1 Conveyance of Royalty Receivables. Subject to the terms and conditions of this Receivables Contribution Agreement, IP Holder hereby contributes, sells, assigns, conveys, and transfers to the Issuer, and the Issuer hereby acquires from IP Holder (subject to IP Holder’s obligations hereunder) all right, title, and interest of IP Holder in and to the Royalty Receivables, and all proceeds with respect to the foregoing.

SECTION 2.2 Absolute Conveyance. It is the intention of the parties that the contribution contemplated by this Receivables Contribution Agreement shall constitute an absolute conveyance of the Royalty Receivables from IP Holder to the Issuer, and the beneficial interest in and title to the Royalty Receivables shall not be property of IP Holder’s estate in the event of the filing of a bankruptcy petition by or against IP Holder under any bankruptcy law.

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SECTION 2.3 Records. In connection with the foregoing conveyance, IP Holder further agrees, at its own expense, (i) to annotate and indicate in its paper records and/or computer files that the Royalty Receivables have been transferred to the Issuer pursuant to this Receivables Contribution Agreement, and (ii) to deliver a schedule containing a true and complete list of all such Royalty Receivables, which schedule shall be marked as Schedule C to this Receivables Contribution Agreement and is hereby incorporated into and made a part of this Receivables Contribution Agreement.

ARTICLE III.
SECURITY INTERESTS IN SUBJECT IP AND ROYALTY RECEIVABLES

SECTION 3.1 Subject IP. Subject to the terms and conditions of this Receivables Contribution Agreement, IP Holder hereby grants to the Issuer a security interest in the Subject IP to secure the Issuer's rights to the Royalty Receivables and IP Holder's obligations hereunder, and the Issuer shall have all the rights, powers, and privileges of a secured party under the UCC; provided that such security interest is expressly subordinated to the Grant and security interest created by the Guarantee with respect to the Guarantee Collateral. This Receivables Contribution Agreement is and shall be deemed the grant of a security interest in the Subject IP.

SECTION 3.2 Filings. IP Holder agrees, at its own expense, to cause all financing statements and continuation statements, this Receivables Contribution Agreement, all amendments hereto, and any other documents necessary to provide third parties with notice of the Issuer's right, title, and interest to the Subject IP to be promptly recorded, registered, and filed, and at all times to be kept recorded, registered, and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title, and interest of the Issuer to the Subject IP; provided that the foregoing shall be completed and accomplished in a manner consistent with and intended to preserve the priority of the security interest created by the Guarantee as being of higher priority than the security interest created hereby and so perfected. IP Holder shall deliver to the Issuer and the Indenture Trustee file-stamped copies of, or filing receipts for, any document recorded, registered, or filed as provided above, as soon as available following such recording, registration, or filing. The Issuer shall cooperate fully with IP Holder in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this section.

SECTION 3.3 Royalty Receivables. Although the parties hereto intend that the transfer and assignment of the Royalty Receivables as contemplated by Section 2.1 be an absolute conveyance, in the event such transfer and assignment is deemed to be other than an absolute conveyance, the parties intend that all filings described in Section 3.2 shall give the Issuer a perfected security interest in, to, and under the Royalty Receivables and all proceeds of the foregoing that is prior to any other security interest of any other party therein other than the security interest created by the Guarantee and perfected as contemplated in Section 3.2. This Receivables Contribution Agreement shall be deemed to be the grant of a security interest in the Royalty Receivables from IP Holder to the Issuer, and the Issuer shall have all the rights, powers, and privileges of a secured party under the UCC.

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ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

SECTION 4.1 IP Holder's Representations and Warranties. IP Holder hereby represents and warrants to the Issuer that:

(a) *Organization and Good Standing*. IP Holder is duly organized and validly existing as a limited partnership in good standing under the laws of the State of Delaware, and has power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has power, authority, and legal right to acquire, own, and convey the Royalty Receivables.

(b) *Due Qualification*. IP Holder is duly qualified to do business as a foreign limited partnership in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.

(c) *Power and Authority*. IP Holder has the power and authority to execute and deliver this Receivables Contribution Agreement and to carry out its terms; and the execution, delivery, and performance of this Receivables Contribution Agreement has been duly authorized by IP Holder by all necessary action.

(d) *Binding Obligation*. This Receivables Contribution Agreement constitutes a legal, valid, and binding obligation of IP Holder, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, or by general principles of equity.

(e) *No Violation*. The consummation of the transactions contemplated by this Receivables Contribution Agreement and the fulfillment of the terms hereof does not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of limited partnership or limited partnership agreement of IP Holder, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which IP Holder is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument; nor violate any law or, to the best of IP Holder's knowledge, any order, rule, or regulation applicable to IP Holder of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over IP Holder or its properties; which breach, default, conflict, Lien, or violation would have a Material Adverse Effect.

(f) *No Proceedings*. There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to IP Holder's knowledge, threatened, against or affecting IP Holder: (i) asserting the invalidity of this Receivables Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Receivables Contribution Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by IP Holder

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of its obligations under, or the validity or enforceability of, this Receivables Contribution Agreement.

(g) *No Consents.* No consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by IP Holder for the consummation of the transactions in the manner contemplated by this Receivables Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.

(h) *Solvency.* IP Holder is, and immediately after giving effect to the transactions contemplated by this Receivables Contribution Agreement and the other Transaction Documents will be, solvent.

(i) *Taxes.* IP Holder has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. IP Holder has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to IP Holder and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.

(j) *Non-Contravention.* The execution, delivery and performance of this Receivables Contribution Agreement in accordance with its terms and the consummation of the transactions contemplated hereby by IP Holder do not and will not (A) require the consent or approval of any Person, except for such consents and approvals as have already been obtained and (B) violate any applicable laws.

(k) *Governmental Regulation.* IP Holder is not required to obtain any consent, approval, authorization, permit or license from, or effect any filing or registration with any Governmental Authority in connection with the execution, delivery and performance of this Receivables Contribution Agreement in accordance with its terms other than filings intended to perfect the security interest granted hereunder.

(l) *State of Organization.* As of the date hereof, IP Holder is organized under the laws of the State of Delaware.

The representations and warranties set forth in this Section 4.1 shall speak as of the execution and delivery of this Receivables Contribution Agreement but shall survive the conveyance of the Royalty Receivables by IP Holder to the Issuer pursuant to this Receivables Contribution Agreement. Upon discovery by IP Holder or the Issuer (including by receipt of notice thereby from any other Person with respect thereto) of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of the Issuer (or any assignee thereof), the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

SECTION 4.2 Issuer's Representations and Warranties. The Issuer hereby represents and warrants to IP Holder that:

(a) *Organization and Good Standing.* The Issuer is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Delaware, and has power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has power, authority, and legal right to acquire and own the Royalty Receivables.

(b) *Due Qualification.* The Issuer is duly qualified to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.

(c) *Power and Authority.* The Issuer has the power and authority to execute and deliver this Receivables Contribution Agreement and to carry out its terms; and the execution, delivery, and performance of this Receivables Contribution Agreement has been duly authorized by the Issuer by all necessary action.

(d) *Binding Obligation.* This Receivables Contribution Agreement constitutes a legal, valid, and binding obligation of the Issuer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, or by general principles of equity.

(e) *No Violation.* The consummation of the transactions contemplated by this Receivables Contribution Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the limited liability company agreement of the Issuer, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which the Issuer is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of the Issuer's knowledge, any order, rule, or regulation applicable to the Issuer of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Issuer or its properties; which breach, default, conflict, lien, or violation would have a Material Adverse Effect.

(f) *No Proceedings.* There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or to the Issuer's knowledge, threatened, against or affecting the Issuer: (i) asserting the invalidity of this Receivables Contribution Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Receivables Contribution Agreement, or (iii) seeking any

determination or ruling that might materially and adversely effect the performance by the Issuer of its obligations under, or the validity or enforceability of, this Receivables Contribution Agreement.

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(g) *No Consents.* No consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by the Issuer for the consummation of the transactions in the manner contemplated by this Receivables Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.

(h) *Taxes.* The Issuer has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations that are required to be filed by them or any of them. All information in such tax returns, reports, and declarations is complete and accurate in all material respects. The Issuer has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to the Issuer and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, state, county, local, foreign, and other taxes whether or not due and payable and whether or not disputed.

The representations and warranties set forth in this Section 4.2 shall speak as of the execution and delivery of this Receivables Contribution Agreement but shall survive the conveyance of the Royalty Receivables by IP Holder to the Issuer pursuant to this Receivables Contribution Agreement. Upon discovery by IP Holder or the Issuer (including by receipt of notice thereby from any other Person with respect thereto) of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of the Issuer (or any assignee thereof), the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

SECTION 4.3 IP Holder's Representations and Warranties as to the Subject License Agreements and the Royalty Receivables.

(a) Representations and Warranties. IP Holder hereby represents and warrants to the Issuer that:

(i) *Characteristics of Licenses.* Each Subject License Agreement (A) is an Eligible License Agreement, (B) has been fully and properly executed by the parties thereto, and (C) contains customary enforceable provisions such that the rights and remedies of the licensor shall be adequate for IP Holder or its agent to enforce the Subject License Agreement and protect its ownership and control over the Subject Trademarks.

(ii) *Schedule of Licenses.* The information set forth in the Schedule of Subject License Agreements is true and correct in all material respects.

(iii) *Compliance with Law.* Each of the Subject License Agreements complies in all material respects with all requirements of applicable federal, state, and local laws, and regulations thereunder.

(iv) *Binding Obligation.* Each of the Royalty Receivables constitutes the legal, valid, and binding payment obligation in writing of the related Receivables Obligor, enforceable by the holder thereof in accordance with its terms, except as

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enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

(v) *No Bankrupt Receivables Obligors.* None of the Royalty Receivables is due, to the best knowledge of IP Holder, from any Receivables Obligor who is presently the subject of a bankruptcy proceeding or is insolvent.

(vi) *No Government Receivables Obligors.* None of the Royalty Receivables is due from the United States or any state, or any foreign government, or from any agency, department or instrumentality of the United States or any state, local or foreign government.

(vii) *Subject License Agreements in Force, No Amendments.* None of the Subject License Agreements has been terminated, rescinded, amended or modified except as is indicated on the attached Schedule B.

(viii) *No Defenses.* No Licensee under a Subject License Agreement has any right of rescission, setoff, counterclaim, or defense thereunder, nor has any been asserted or threatened..

(ix) *Good Title; Liens.* Immediately before the transfer and assignment of the Royalty Receivables as contemplated by this Receivables Contribution Agreement, IP Holder will have good and marketable title to each of the Royalty Receivables free and clear of all Liens (other than Permitted Liens) and rights of others, and immediately after the transfer and assignment thereof, the Issuer will have good and marketable title to each of the Royalty Receivables, free and clear of all Liens (other than Permitted Liens) and rights of others. None of the Royalty Receivables has been sold, transferred, assigned, or pledged by IP Holder to any Person other than the Issuer. To the knowledge of IP Holder, no Liens (other than Permitted Liens) have been filed by any Persons on the Subject IP or the Royalty Receivables.

(x) *Perfected Liens.* This Receivables Contribution Agreement creates a valid and continuing security interest (as defined in the UCC) in the Subject IP in favor of the Issuer, which security interest is prior to all other Liens (other than Permitted Liens), and is enforceable as such against creditors of and purchasers from IP Holder.

(xi) *General Intangibles.* The Subject IP constitutes “general intangibles” or “payment intangibles” within the meaning of the UCC and/or marks registered with the United States Patent and Trademark Office in accordance with 15 U.S.C. *et seq.*

(xii) *Consents and Approvals.* IP Holder has received all consents to and approvals of, if any, required by the terms of the Subject License Agreements to the sale of the Royalty Receivables hereunder to the Issuer.

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(xiii) *All Filings Made.* IP Holder has caused or will have caused the filing of all appropriate financing statements and other filings (including, but not limited to, UCC filings (and relevant foreign equivalents) and trademark filings (with the United States Patent and Trademark Office and relevant foreign equivalents)) in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Subject IP granted to the Issuer hereunder, or as otherwise necessary in any jurisdiction to provide third parties with notice of the transfer and assignment herein contemplated, and to perfect the sale of the Royalty Receivables from IP Holder to the Issuer and to give the Issuer a perfected security interest in the Subject IP (including the Royalty Receivables) on the Closing Date that is prior to all other Liens (other than Permitted Liens), and no other consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by IP Holder for the consummation of the transactions in the manner contemplated by this Receivables Contribution Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws; provided, however, that if (A) any filing or trademark filing is not accepted by the relevant governmental authority or is not effective to provide such notice or to perfect such conveyance, and (B) such nonacceptance or ineffectiveness would not have a Material Adverse Effect, then such event will not constitute a breach of this covenant.

(xiv) *Priority.* Other than the security interest granted to the Issuer pursuant to this Receivables Contribution Agreement or the other Transaction Documents, IP Holder has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Subject IP. IP Holder has not authorized the filing of and is not aware of any financing statements against IP Holder that include a description of collateral covering the Subject IP other than any financing statement relating to the security interest granted to the Issuer hereunder or under the other Transaction Documents or that has been terminated. IP Holder is not aware of any judgment or tax lien filings against IP Holder.

(xv) *Lawful Assignment.* None of the Royalty Receivables has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of each of such Royalty Receivables under this Receivables Contribution Agreement is unlawful, void, or voidable.

(xvi) *Validity.* The Subject Trademarks are valid, subsisting, enforceable, and have not been abandoned in any applicable jurisdiction.

(xvii) *No Infringement.* The Subject Trademarks do not violate the trademark rights of any third party and there is no action or proceeding pending or threatened alleging that the Subject Trademarks infringe upon the rights of any third party.

(xviii) *No Adverse Judgments.* No domestic or foreign court, tribunal, or other official governmental authority, including the United States Patent Trademark

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Office and any foreign equivalent, has entered a holding, judgment, or decision canceling or otherwise limiting IP Holder’s interest in the Subject IP.

(xix) *No Pending Actions.* No action or proceeding is pending or, to IP Holder’s knowledge, threatened seeking to limit, cancel, or question the validity of any material portion of the Subject IP or IP Holder’s ownership interest therein, or that if adversely determined would have a material adverse impact on the Subject IP taken as a whole.

(xx) *No Waivers.* None of the Subject License Agreements has been amended or modified, nor has any provision been waived, in such a manner that any of IP Holder’s representations and warranties with respect thereto made by IP Holder herein fails to be true.

(xxi) *No Delinquency.* None of the Royalty Receivables payable under any of the Subject License Agreements is 30 or more days past due as of the date hereof.

(xxii) *Past Defaults.* No material default has occurred with respect to any of the Subject License Agreements which has not been cured by the related licensee as of the date hereof.

(xxiii) *Other Defaults.* The execution and implementation of this Receivables Contribution Agreement will not result in the breach of

any conditions or constitute a default (with or without notice or lapse of time or both) under any license or agreement constituting any portion of the Subject IP or to which any of the Subject IP is subject. Neither IP Holder nor any person, firm or corporation associated with or deriving rights in any Subject IP through or from IP Holder is in default of any applicable agreement constituting a portion of the Subject IP.

(xxiv) *Advances.* No advances or other charges heretofore received by IP Holder in connection with the Subject IP remain recoupable from any Royalty Receivables by IP Holder on or after the Closing Date, regardless of when advanced or earned.

(xxv) *Bulk Transfers.* IP Holder's transfer and assignment of the Subject IP hereunder is not subject to the provisions of the UCC relating to bulk transfers.

(b) The representations and warranties set forth in this Section 4.3 shall speak as of the execution and delivery of this Receivables Contribution Agreement, but shall survive the transfer, conveyance, and assignment of the Royalty Receivables to Issuer. Upon discovery by IP Holder or the Issuer (including by receipt of notice thereby from any other Person with respect thereto) of a breach of any of the foregoing representations and warranties or the occurrence of an event that materially and adversely affects the interests of the Issuer (or any assignee thereof) in the Subject IP, the party discovering such breach or event shall give prompt written notice to the other and the Indenture Trustee.

(c) IP Holder hereby agrees that if any Subject License is not an Eligible License because any of the foregoing representations or warranties is not true as of the Closing

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Date, promptly upon its having knowledge of such breach or receiving notice from any other Person thereof, IP Holder promptly (but in no less than ten (10) Business Days) will either (i) cure such breach (if curable), (ii) purchase from the Issuer all of the Royalty Receivables relating to such Subject License for the corresponding Repurchase Price (remitted into the Distribution Account in immediately available funds) or (iii) convey to the Issuer all of its right, title and interest in to and under the Royalty Receivables relating to one or more Additional License Agreements that are Eligible License Agreements and that, in the aggregate, provide for Minimum Royalty Receivables at least equal in amount to the Minimum Royalty Receivables of such defective Subject License Agreement, and shall take all necessary and appropriate action to convey rights to and perfect security interests in favor of the Issuer hereunder and the Indenture Trustee under the Guarantee in such Additional Subject License Agreements, Royalty Receivables, related intellectual property and goodwill and proceeds thereof to the same extent of the respective interests of such Persons in the Subject IP and Royalty Receivables and related property intended to be conveyed hereunder and under the Guarantee. If IP Holder remedies any such breach by performance pursuant to clause (ii) or clause (iii) of the preceding sentence, then, without further action by any other Person, the Issuer will reconvey to IP Holder all of its right, title and interest in to and under the related defective Subject License Agreement and all Royalty Receivables and proceeds thereof relating thereto, and shall execute and deliver, and shall cause the Indenture Trustee to execute and deliver, appropriate agreements, certifications and filings sufficient to effectuate such reconveyance and the release of such assets from the Lien of the Indenture.

(d) Further, IP Holder hereby indemnifies and holds harmless the Issuer for any and all actual costs, expenses, losses, claims, damages, injury, and liabilities suffered by the Issuer resulting from any infringement contemplated by Section 4.3(a)(xvii) or resulting from any licensee being bankrupt as of the Closing Date with or without the knowledge of IP Holder.

ARTICLE V. COVENANTS

SECTION 5.1 IP Holder's Covenants. IP Holder hereby covenants that:

(a) *Maintenance of Subject IP.* IP Holder will (i) require the Servicer to service, enforce, police, and otherwise maintain the Subject IP in accordance with the provisions of the Servicing Agreement, (ii) maintain the quality of the Subject Trademarks at or above the levels previously maintained by Trademark Originator except as permitted by Sections 2.02(d) and 6.03(f) of the Servicing Agreement, and (iii) not enter into any licenses that conflict with the terms of any exclusive Subject License Agreement.

(b) *Transaction Documents.* IP Holder will perform all of its obligations under, and otherwise comply with the terms of with Transaction Documents, and will notify the Issuer and the Indenture Trustee if it becomes aware of (i) any material breach under the Transaction Documents by any party thereto, or (ii) any claimed breach, right of offset, or other material claim made or brought by any Receivables Obligor.

(c) *Material Agreements.* IP Holder will not extend, amend, or modify any Subject License Agreement except in accordance with the Servicing Agreement.

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(d) *Events of Default.* IP Holder will notify the Indenture Trustee in writing if it becomes aware of any Event of Default, Trigger Event or Rapid Amortization Event.

(e) *Security Interests.* IP Holder will not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien (other than Permitted Liens) on the Subject IP (including the Royalty Receivables), whether now existing or hereafter created, or any

interest therein. IP Holder will immediately notify the Issuer of the existence of any Lien (other than Permitted Liens) on any of the Subject IP (including the Royalty Receivables), and IP Holder shall defend the right, title, and interest of the Issuer in, to, and under the Royalty Receivables, whether now existing or hereafter created, against all claims of third parties claiming through or under IP Holder.

(f) *Delivery of Payments.* IP Holder will deliver in kind upon receipt to the Servicer any and all payments received by IP Holder in respect of the Royalty Receivables as soon as practicable after receipt thereof by IP Holder from and after the Closing Date.

(g) *Conveyance of Receivables.* IP Holder will not attempt to convey, assign, exchange, or otherwise transfer any of the Royalty Receivables to any Person prior to the termination of this Receivables Contribution Agreement pursuant to Article VIII hereof.

(h) *No Change in Business.* IP Holder will not make any changes in the conduct of its business that would impair the ability to collect the Royalty Receivables.

(i) *Special Purpose Entity Status.* IP Holder will take all actions required to maintain its status as a special purpose entity.

(j) *Maintenance of Security Interests.* IP Holder will take all actions, including the making of periodic filings under the UCC, that are required to maintain the Issuer's valid and perfected security interest in the Subject IP (including the Royalty Receivables) as granted under Section 3.1 hereof.

(k) *No Impairment.* IP Holder will take no action, nor omit to take any action, that would impair the rights of the Issuer in any of the Royalty Receivables, nor shall it, except as expressly provided in the Servicing Agreement, reschedule, revise, offset, or defer payments due on any of the Royalty Receivables.

SECTION 5.2 Issuer's Covenants. The Issuer hereby covenants that:

(a) *Transaction Documents.* The Issuer will perform all of its obligations under and otherwise comply with the terms of the Transaction Documents, and will notify IP Holder and the Indenture Trustee if it becomes aware of any breach under the Transaction Documents by any party thereto.

(b) *No Change in Business.* The Issuer will not make any changes in the conduct of its business that would impair the ability to collect the Royalty Receivables.

(c) *Special Purpose Entity Status.* The Issuer will take all actions required to maintain its status as a special purpose entity.

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(d) *Non Disturbance.* The Issuer acknowledges and agrees that all remedial actions permitted to be taken by the Issuer under this Receivables Contribution Agreement and the other Transaction Documents are subject to the provisions of Sections 4.02(c) of the Guess? License Agreement, Sections 2.02(d) and 6.03(f) of the Servicing Agreement, Section 5.6 of the Indenture, Section 5.2(d) of the Receivables Contribution Agreement, and Section 6.6 of the Guarantee.

ARTICLE VI. FUTURE TRANSFERS OF ROYALTY RECEIVABLES

SECTION 6.1 Additional Royalty Receivables.

(a) At any time and from time to time, IP Holder may elect to convey to the Issuer additional royalty receivables due and to become due under license agreements under which IP Holder is the licensor of trademarks owned by IP Holder.

(b) IP Holder agrees that it will convey to the Issuer additional royalty receivables due and to become due under license agreements that comprise Eligible License Agreements under which IP Holder is the licensor of trademarks owned by IP Holder (each an "Additional Subject License Agreement"):

(i) if (A) a Subject License Agreement did not, at the date originally designated as such, satisfy the requirements of an Eligible License Agreement, or (B) a Subject License Agreement is cancelled or is terminated for any reason prior to the last day of the Remaining Term of such license agreement as in effect on the date such license agreement became a Subject License Agreement (any such license a "Terminated Subject License"), and, in either case, the Prospective Coverage Ratio (calculated on a pro forma basis) is less than 107.5%; or

(ii) if such license agreement is entered into after the cancellation or termination in whole or in part of a Terminated Subject License, and IP Holder grants to the licensee thereunder a license to use any of the Guess? Trademarks in connection with the same Core Product that was covered by such Terminated Subject License.

In the case of license agreements referred to in clause (i) above, IP Holder agrees that such additional royalty receivables will generate on a prospective basis Minimum Royalty Receivables that are (i) equal to or greater than the Minimum Royalty Receivables attributable to the Terminated Subject Licenses, or (ii) sufficient to cause the Prospective Coverage Ratio (calculated on a pro forma basis) to be greater than or equal to 107.5%.

The agreement contained in clause (ii) of this Section 6.1(b) imposes no obligation on IP Holder to enter into any such license agreement, whether or not any Subject License Agreement is cancelled or terminated. If IP Holder chooses to enter into and convey to the Issuer an Additional Subject License Agreement pursuant to clause (ii) of this Section 6.1(b), IP Holder shall be under no obligation to match the terms (including, without limitation, the amount of royalties or the territory of the license) of the Terminated Subject License that such Additional Subject License Agreement replaces.

- (c) IP Holder agrees that each conveyance of Royalty Receivables pursuant to Section 6.1(b) or Section 4.3(c) shall comply with the following conditions:
- (i) IP Holder (or its agent) shall have given the Issuer, the Indenture Trustee and each Rating Agency written notice specifying the license agreements in respect of which the additional receivables are being conveyed to the Issuer (such notice to provide substantially the same information with respect to such license agreements as is set forth on Schedule B for the Subject License Agreements as of the Closing Date);
 - (ii) IP Holder shall have provided a certificate signed by an Authorized Officer of IP Holder, substantially in the form of Schedule D;
 - (iii) If the license agreement includes Additional Subject Trademarks, IP Holder shall have given the Issuer, the Indenture Trustee and each Rating Agency a schedule of such trademarks (such schedule to provide substantially the same information with respect to such license agreements as is set forth on Schedule A for the Subject Trademarks as of the Closing Date); and
 - (iv) IP Holder shall have furnished a supplemental conveyance with respect to such license agreements and, if applicable, the related Additional Subject Trademarks.

Upon satisfaction of the foregoing conditions, the license agreements specified in the notice referred to in clause (i) above shall become “Subject License Agreements” hereunder.

SECTION 6.2 Filings and Further Actions. IP Holder agrees to take all actions, execute all documents, and make all filings (including filings with the United States Patent and Trademark Office (or any foreign equivalent) or under the UCC) necessary to effect or reflect any transfers of Additional Royalty Receivables as provided in Section 6.1, and to perfect the Issuer’s security interest in any Additional Subject License Agreements and Additional Subject Trademarks. In the event the Issuer is not deemed to be the owner of any Additional Royalty Receivable, the parties intend that all filings shall be made that are necessary to give the Issuer a perfected security interest in, to, and under such Additional Royalty Receivable, and IP Holder hereby agrees to make any and all such filings at its own expense. IP Holder further agrees to take all other actions necessary to grant such a security interest and to give the Issuer all rights, powers, and privileges of a secured party under the UCC.

ARTICLE VII. DELIVERY OF LLC INTERESTS

SECTION 7.1 Delivery of Limited Liability Company Interests. The execution of this Receivables Contribution Agreement and all other Transaction Documents, the completion of all filings contemplated hereunder and thereunder, and the performance of the parties’ obligations hereunder and thereunder, shall be concurrent with and shall be against delivery of the increased capital account balance representing the limited liability company interests of the Issuer to IP Holder.

ARTICLE VIII. TERMINATION

SECTION 8.1 Termination. The respective obligations and responsibilities of IP Holder and the Issuer created by this Receivables Contribution Agreement shall terminate, except for the indemnity obligations of IP Holder as provided herein, upon the Termination Date.

ARTICLE IX. MISCELLANEOUS

SECTION 9.1 Indemnification. IP Holder shall indemnify and hold harmless the Issuer, the Indenture Trustee, and the Noteholders (the “Indemnified Parties”) from and against any and all costs, expenses, losses, claims, damages, injury, and liabilities to the extent that such cost, expense, loss, claim, damage, or liability arose out of, and was imposed upon such Person as a result of the transactions contemplated by this Receivables Contribution Agreement through the willful misconduct or gross negligence of IP Holder in the performance of its duties under this Receivables Contribution Agreement, by reason of reckless disregard of its obligations and duties under this Receivables Contribution Agreement, or by breach of its representations and warranties under this Receivables Contribution Agreement, including, but not limited to, any judgment, award, settlement, reasonable attorneys’ fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim; *provided, however*, that IP Holder shall not indemnify any such Person if such acts, omissions or alleged acts or omissions constitute gross negligence or willful misconduct by the Issuer, the Indenture Trustee, or any Noteholders. In case any such action is brought against a party indemnified under this Section 9.1 and it notifies IP Holder of the commencement thereof, IP

Holder will assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who may be counsel to IP Holder unless there is an unwaivable conflict of interest as evidenced by an Opinion of Counsel stating such), and IP Holder will not be liable to such indemnified party under this section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation. This indemnity is in addition to any other indemnity from the IP Holder set forth herein.

IP Holder will be liable for settlement of any claim made against any Indemnified Party that is made with the IP Holder's written consent, which consent will not be unreasonably withheld. The IP Holder will not, with out the prior written consent of the Indemnified Parties, which consent will not be unreasonably withheld, settle or compromise any claim, or permit a default under or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent includes, as an unconditional term thereof, the giving by the claimant to the applicable Indemnified Party of an unconditional release from all liability in respect thereof.

SECTION 9.2 Amendment. This Receivables Contribution Agreement may be amended from time to time by the Issuer and IP Holder only in accordance with Section 3.13 of the Indenture.

SECTION 9.3 Relocation of IP Holder. Within 30 days after IP Holder makes any change in (i) its location of organization under Section 9-307(e) of the UCC or (ii) its name, identity or corporate structure which would make any financing statement or continuation statement filed in

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accordance with Section 3.2 seriously misleading within the meaning of Section 9-507 or 9-508 of the UCC as in effect in the applicable state, IP Holder shall give the Issuer notice of any such change and shall execute and file such financing statements or amendments as may be necessary to continue the perfection of the Issuer's security interest in the Receivables and the proceeds thereof. IP Holder will give the Issuer prompt written notice of any relocation of any office from which IP Holder keeps records concerning the Royalty Receivables or of its principal executive office and whether, as a result of such relocation, the applicable provisions of the UCC or other applicable law would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and shall execute and file such financing statements or amendments as may be necessary to continue the perfection of the interest of the Issuer in the Royalty Receivables and the proceeds thereof.

SECTION 9.4 Assignment. This Receivables Contribution Agreement may not be assigned by the Issuer or IP Holder except as contemplated by this section, or by the Indenture and the Servicing Agreement; *provided, however*, that simultaneously with the execution and delivery of this Receivables Contribution Agreement, the Issuer shall assign all of its right, title, and interest herein to the Indenture Trustee for the benefit of the Noteholders pursuant to the Indenture. IP Holder agrees to perform its obligations hereunder for the benefit of the Issuer and agrees that the Indenture Trustee may enforce the provisions of this Receivables Contribution Agreement, exercise the rights of the Issuer, and enforce the obligations of IP Holder hereunder without the consent of the Issuer, subject, without limitation, to the provisions of Section 5.2(d).

SECTION 9.5 Governing Law. This Receivables Contribution Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 9.6 Submission To Jurisdiction; Waivers. Each of IP Holder and the Issuer hereby irrevocably and unconditionally:

- (a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;
- (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address referred to in Section 9.7 or at such other address as shall be designated by such Person in a written notice to the other such Persons;
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

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(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

SECTION 9.7 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, or mailed by registered mail with return receipt requested, to:

- (a) in the case of IP Holder, Guess? IP Holder, L.P., 1444 South Alameda Street, Los Angeles, CA 90021;

(b) in the case of the Issuer, Guess? Royalty Finance LLC, 2222 Glendale Galleria 2, Glendale, CA 91324; and

(c) in the case of the Indenture Trustee, BNY Midwest Trust Company, 2 North LaSalle Street, Suite 1020, Chicago, IL 60602;

or, as to any of such Persons, at such other address as shall be designated by such Person in a written notice to the other Persons.

SECTION 9.8 Severability of Provisions. If any one or more of the covenants, agreements, provisions, or terms of this Receivables Contribution Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, and terms of this Receivables Contribution Agreement and shall in no way affect the validity or enforceability of the other provisions of this Receivables Contribution Agreement.

SECTION 9.9 Further Assurances. IP Holder and the Issuer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party hereto or by the Indenture Trustee more fully to effect the purposes of this Receivables Contribution Agreement, including, without limitation, the execution of any financing statements, amendments, continuation statements, or releases relating to the Royalty Receivables for filing under the provisions of the UCC or other law of any applicable jurisdiction.

SECTION 9.10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Issuer, IP Holder, or the Indenture Trustee of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers, and privileges provided by law.

SECTION 9.11 Counterparts. This Receivables Contribution Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

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SECTION 9.12 Third-Party Beneficiaries. This Receivables Contribution Agreement will inure to the benefit of and be binding upon the parties signatory hereto, and the Indenture Trustee for the benefit of any Noteholders, which shall be considered to be a third-party beneficiary hereof. Except as otherwise provided in this Receivables Contribution Agreement, no other Person will have any right or obligation hereunder.

SECTION 9.13 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 9.14 Merger and Integration. Except as specifically stated otherwise herein, this Receivables Contribution Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Receivables Contribution Agreement. This Receivables Contribution Agreement may not be modified, amended, waived, or supplemented except as provided herein.

SECTION 9.15 Force Majeure. Neither the IP Holder nor the Issuer shall be held responsible for any loss, damage, or delay suffered by the other party owing to any cause that is beyond the reasonable control of the defaulting party and cannot be attributed to negligence or willful nonperformance of its obligation. Such causes include, but are not limited to, wars, embargoes, riots, civil disturbances, terrorism, fires, storms, floods, typhoons, earthquakes and other natural calamities, strikes and labor disputes, government acts and restrictions, and other causes that cannot be overcome or prevented by due diligence. Either party wishing to invoke this section shall give notice to the other party stating the relevant cause. The defaulting party shall promptly resume performance of its obligations the moment such cause or causes cease to operate.

SECTION 9.16 Nonpetition Covenants. Notwithstanding any prior termination of this Receivables Contribution Agreement, the IP Holder, in its capacity as a creditor of Issuer, shall not, prior to the date which is one year and one day after the termination of this Receivables Contribution Agreement with respect to the Issuer, acquiesce, petition, or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer.

SECTION 9.17 Interpretation. As applied to this Receivables Contribution Agreement, unless the context otherwise requires: (a) words in the singular include the plural, and words in the plural include the singular; (b) reference to a law, statute, rule, regulation, charter, or bylaws, is deemed to be followed by “as amended from time to time”; (c) “herein,” “hereof,” and other similar words refer to this Receivables Contribution Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) unless otherwise indicated or obvious, all references to “Section,” “Exhibit,” “Schedule,” “Appendix,” or similar words refer to the particular Section in or Exhibit, Schedule, Appendix, or similar item attached to this Receivables Contribution Agreement; (e) “include,” “includes,” or “including” will be deemed to be followed, as appropriate, by “, but not limited to,”; (f) the masculine feminine and neuter genders shall each be deemed to include the others; (g) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (h) references to “writing” include printing, typing,

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lithography and other means of reproducing words in a visible form; (i) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Receivables Contribution Agreement;

and (j) references to Persons include their permitted successors and assigns.

SECTION 9.18 Waiver of Jury Trial. EACH OF IP HOLDER AND THE ISSUER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS RECEIVABLES CONTRIBUTION AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Receivables Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

GUESS? IP HOLDER L.P.,
as IP Holder

By: _____
Name:
Title:

GUESS? ROYALTY FINANCE LLC,
as Issuer

By: _____
Name:
Title:

ACCEPTED:

BNY MIDWEST TRUST COMPANY,
not in its individual capacity
but solely as Indenture Trustee

By: _____
Name:
Title:

GUESS? LICENSE AGREEMENT

between

GUESS? IP HOLDER L.P.,

and

GUESS?, INC.

Dated as of April 28, 2003

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This GUESS? LICENSE AGREEMENT (“Guess? License Agreement”) is dated as of April 28, 2003, by and between Guess? IP Holder L.P., a limited partnership organized under the laws of the State of Delaware (“IP Holder”), and Guess?, Inc., a corporation organized and existing under the laws of the State of Delaware (“Trademark Originator”).

RECITALS

WHEREAS, Trademark Originator and its subsidiaries have used the Guess? Trademarks as trade names, as part of their corporate names, and as trademarks for many years, such use having commenced at least as early as 1981 and having been continuous and extensive since that time throughout the United States and in many foreign countries both directly through Trademark Originator and its subsidiaries and through the licensing of the Guess? Trademarks to selected licensees;

WHEREAS, this use of the Guess? Trademarks has created public recognition, favorable reputation, and goodwill associated with and embodied in the Trademarks, principally in connection with the Business (as defined below);

WHEREAS, pursuant to the Transaction Documents, Trademark Originator has transferred ownership of the Guess? Trademarks and the goodwill connected with the use of, symbolized by, and embedded in the Guess? Trademarks to IP Holder; and

WHEREAS, contemporaneously with the execution of the Transaction Documents the parties wish to grant Trademark Originator and its subsidiaries a right and license to continue to use the Guess? Trademarks as a trade name, as a part of their respective corporate names and as a trademark in order to carry on the Business under the Guess? Trademarks to protect and enhance the Business and the goodwill symbolized by the Guess? Trademarks for the exclusive benefit of IP Holder consistent with the public’s expectations of the quality and types of goods and services marketed under the Guess? Trademarks;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein provided, the parties hereby agree as follows:

AGREEMENT

ARTICLE I. DEFINITIONS

SECTION 1.01 Certain capitalized terms used in this Guess? Licensing Agreement that are not otherwise defined herein shall have the meanings ascribed to them in Annex X as attached hereto, and the following terms shall have the respective meanings set forth in this Section 1.01.

“Business” means Trademark Originator and its subsidiaries’ business activities including, but not limited to, designing, marketing and distributing, directly and indirectly, collections of casual apparel, accessories and other related products, in Trademark Originator’s retail and outlet stores, through a network of wholesale accounts at selected department stores, over the Internet and through other related channels.

“Products” means the casual apparel, accessories and other related products designed, marketed, distributed and otherwise used in connection with the Business.

“Quality Standards” has the meaning set forth in Section 3.04.

ARTICLE II. LICENSE GRANT

SECTION 2.01 Rights Granted. Subject to the terms and conditions contained herein, IP Holder hereby grants to Trademark Originator, and Trademark Originator hereby accepts, a worldwide, non-exclusive, sublicenseable, irrevocable right to use the Guess? Trademarks (including all Goodwill) in connection with the Business for the sole and exclusive benefit of IP Holder, including, but not limited to, the right to use and to authorize its subsidiaries to use the Guess? Trademarks as a trade name and as part of Trademark Originator’s and its subsidiaries respective corporate names and to use and to authorize its subsidiaries to use the Trademarks as a trademark on or in connection with the Business. IP Holder further grants to Trademark Originator all rights necessary to permit Congress Financial Corporation (“Congress”) to exercise its rights under the Congress Credit Facility, dated as of August 29, 2002,

by and between Congress and Trademark Originator, and to permit Congress Financial Corporation (Canada) (“Congress Canada”) to exercise its rights under the Guaranty and Security Agreement by and between Congress Canada, Trademark Originator, Guess? Retail, Inc., and Guess.com, Inc., dated as of December 20 2002. The parties acknowledge that they may hereafter agree, subject to the terms of the Transaction Documents, to allow Trademark Originator to grant to specific third parties exclusive licenses to use one or more Guess? Trademarks.

SECTION 2.02 Rights Not Granted. All rights other than those expressly granted to Trademark Originator are reserved to IP Holder. This Guess? License Agreement is not an assignment or grant to Trademark Originator of any right, title or interest in or to the Guess? Trademarks other than as described herein.

ARTICLE III.
QUALITY CONTROL

SECTION 3.01 Quality of Guess? Trademarks. The parties recognize that the use of the Guess? Trademarks by Trademark Originator and its subsidiaries over the years has created a reputation that the Products and related services offered to the public under the Guess? Trademarks are of the highest quality and that the reputation and goodwill associated with the Guess? Trademarks extends throughout the United States and many foreign countries. The foregoing factors are understood to require Trademark Originator to conduct and in turn to require each of its subsidiaries to conduct their business activities using or under the Guess? Trademarks so as to maintain the high standards of quality that the purchasing public has come to expect over the years and not to damage the reputation for quality and the public recognition thereof that has been established in the Guess? Trademarks.

SECTION 3.02 Assumption of Quality Control Responsibilities by Trademark Originator. The parties recognize that Trademark Originator, by virtue of its relationship to IP

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Holder and its numerous years of experience in conducting the Business under the Guess? Trademarks, has an interest equal to that of IP Holder in protecting and fostering the good reputation and public perception of high quality associated with the Guess? Trademarks; accordingly, Trademark Originator will conduct and direct its operations and the operations of its subsidiaries in the use of the Guess? Trademarks as a trade name, as part of a corporate name, as part of a family of corporations, and as a trademark as to maintain said good reputation and the public perception of high quality associated with the Guess? Trademarks. The parties recognize that the burden of controlling the nature and quality of the goods, services, and business operations in which Trademark Originator and its subsidiaries use the Guess? Trademarks is the ultimate responsibility of IP Holder. The parties have determined that the best way to perform this obligation, given Trademark Originator’s long and extensive experience in performing these control functions, and given the unnecessary cost and impracticality of having IP Holder establish and maintain a duplicative system and department to control the nature and quality of the goods and services produced by various licensees of the Guess? Trademarks, is for Trademark Originator to assume that burden on IP Holder’s behalf and prevent the Guess? Trademarks from being used on or in connection with goods or business activities of a nature or quality that could damage the reputation and goodwill associated with the Guess? Trademarks. Therefore, Trademark Originator agrees to ensure that the nature and quality of the Business and any other use of the Guess? Trademarks under this Guess? License Agreement is conducted with at least the same nature and quality as such Business or use has been conducted in the past; *provided*, however, that IP Holder expressly reserves the right, in its sole discretion, to perform these services itself or to have another party perform these services in the future. Trademark Originator agrees not to take any action in connection with the Guess? Trademarks that it reasonably believes to be inconsistent with the servicing obligations of the Servicer under the Servicing Agreement, and Trademark Originator further agrees to consult with the Servicer if it is uncertain whether any contemplated course of action will be inconsistent with such Servicer obligations.

SECTION 3.03 Appointment of Officials for Quality Control. The parties contemplate that Trademark Originator may control the nature and quality of the goods, services and business of its subsidiaries by appointing or causing the appointment of the senior officials of these companies and by overseeing the operations of its subsidiaries to the extent reasonably necessary to maintain or exceed the above mentioned high standards of quality.

SECTION 3.04 Modified Quality Standards. Notwithstanding the foregoing, IP Holder has the right, but not the obligation, to promulgate, from time to time, new or additional rules (and amendments thereto) relating to use of the Guess? Trademarks (“Quality Standards”). Any amendments to the Quality Standards will be effective upon receipt by Trademark Originator. Trademark Originator agrees to comply with and enforce the Quality Standards as in effect at any given time. Any action related to the Guess? Trademarks taken by Trademark Originator that is not prohibited by the Quality Standards, or otherwise expressly disapproved in writing by IP Holder, shall be deemed approved by IP Holder, so long as Trademark Originator adheres to the past standards of quality for use of the Guess? Trademarks and abides by the usage guidelines for store fixtures and programs as currently in effect and as may be modified in the future.

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SECTION 3.05 Quality Control of Products. Trademark Originator agrees that Products designed, marketed, and distributed by Trademark Originator and each of its subsidiaries shall be of high-quality workmanship and materials, shall be of at least the same quality as is consistent with past practices, and shall strictly adhere to any Quality Standards promulgated by IP Holder.

SECTION 3.06 Design Standards. Although Trademark Originator shall perform quality-control services on IP Holder’s behalf, IP Holder shall have the right, but not the obligation, to approve or disapprove, upon request and in its reasonable discretion, all designs of Products proposed to be manufactured by Trademark Originator or any of its subsidiaries, including styles, materials, colors, designs, dimensions, styling, details, and fabrication and, upon IP Holder’s reasonable request, Trademark Originator shall submit to IP Holder samples of each Product to be manufactured, with the actual fabrics or other materials to be used for such Product, as well as a packaging and trim board for each Product.

SECTION 3.07 Manufacturing of Products. Trademark Originator shall be responsible for supervising and controlling the acts of its own factories and those of its subsidiaries to prevent the manufacturing or sale of Products that do not meet the Quality Standards. Trademark Originator shall regularly carry out or cause to be carried out quality-control inspections of the Products manufactured and packaged by its subcontractors, and shall inform IP Holder as soon as possible of any defects found, and shall take any and all necessary steps to remedy such defects. Trademark Originator also shall comply, and shall ensure its manufacturing subcontractors, as well as those of its subsidiaries, comply, with past practices for quality of manufacturing, and with any Quality Standards and other requirements relating to manufacture of the Products that may be promulgated by IP Holder.

SECTION 3.08 Subcontractors and Distributors. IP Holder shall have the right, but not the obligation, to require that Trademark Originator or any of its subsidiaries terminate its relationship with any subcontractor or distributor who, in the reasonable discretion of IP Holder, acts in a manner detrimental to IP Holder or the Guess? Trademarks. Upon the expiration or termination of any manufacturing agreement between any such party, Trademark Originator shall cause the subcontractor immediately to cease the manufacture of Products and fully to perform and observe its obligations under such manufacturing agreement and this Guess? License Agreement with respect to such expiration or termination.

SECTION 3.09 Style Numbers. Each Product shall bear the trademarks in the form established by past practices regarding the Guess? Trademarks or by any Quality Standards promulgated by IP Holder, including all required legends, markings and notices. If Trademark Originator or any subsidiary purchases labels, tags, or other materials bearing the Guess? Trademarks from third parties, or produces any such materials itself or through an affiliate, Trademark Originator shall obligate all providers of such materials to comply with the past practices for quality of such labels, tags, or other materials bearing the Guess? Trademarks or to any Quality Standards promulgated by IP Holder.

SECTION 3.10 Right to Inspect Facilities. Trademark Originator, on behalf of IP Holder, shall have the right, upon reasonable notice during normal business hours, to inspect, or to designate a trained designee to inspect, all facilities utilized by any party, subcontractor and

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supplier in connection with the manufacture, storage or distribution of any Products, and to examine Products in the process of manufacture, in order to protect the Guess? Trademarks and ensure the quality of the Products. In addition, Trademark Originator shall have the right, on behalf of IP Holder, to examine any Products held by its customers for resale, upon reasonable notice during normal business hours, by any party using a Guess? Trademark. Trademark Originator shall continue to conduct inspections at distribution and manufacturing centers, including vendors facilities, in accordance with its current practices.

SECTION 3.11 Advertising. In order to protect the Guess? Trademarks and the quality and reputation of the Products, Trademark Originator shall at all times maintain the high standards and consistency of the Guess? Trademarks, Products and image associated therewith in all advertising, packaging and promotion of Products and shall have the right, acting on IP Holder's behalf, to review any such advertising, and if it determines that any such advertising is inconsistent with the Quality Standards, shall have the right to require that the party cease such advertising within a reasonable time.

SECTION 3.12 Cooperation and Reservation of Rights. IP Holder shall have the right, but not the obligation, to consult with Trademark Originator's personnel and that of its subsidiaries, and the personnel of any of their subcontractors, suppliers, and other resources to ensure that the Quality Standards are being met and to monitor Trademark Originator's efforts under this Guess? License Agreement in policing and protecting the Guess? Trademarks. Upon request by IP Holder, Trademark Originator shall make its personnel, the personnel of its subsidiaries, and (to the extent reasonably possible) the personnel of any of its subcontractors, suppliers and other resources, available by appointment during normal business hours for consultation with IP Holder and its agents or representatives, in order to ensure quality control of the Products and protection of the Guess? Trademarks. In addition, IP Holder expressly reserves the right, in its discretion, to exercise directly or indirectly any rights granted to Trademark Originator to perform quality control services at any time.

ARTICLE IV.

OWNERSHIP AND PROTECTION OF GUESS? TRADEMARKS

SECTION 4.01 Ownership. Trademark Originator acknowledges that IP Holder is the exclusive owner of the Guess? Trademarks, that all direct and indirect uses of the Guess? Trademarks by Trademark Originator and its subsidiaries shall inure to the exclusive benefit of IP Holder, and that IP Holder may license, assign, convey, sell, or otherwise dispose of the Guess? Trademarks without the consent of Trademark Originator.

SECTION 4.02 Prohibited Acts.

(a) In light of the transfer of the Guess? Trademarks to IP Holder pursuant to the Guess? Contribution Agreement, Trademark Originator shall not (i) engage in any activity that may contest, dispute, or otherwise impair the right, title, interest, or goodwill of IP Holder in the Subject Trademarks, including, without limitation, any action to prevent or cancel any registration of the Subject Trademarks, (ii) contest the fact that Trademark Originator's rights under this Agreement are solely those of a licensee and will cease upon termination or expiration of this Guess? License Agreement, (iii) attempt to register or use any trademark or symbol that is

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confusingly similar with in appearance or commercial impression to the Guess? Trademarks, or that features or incorporates any portion of the Guess?

Trademarks, in its own name or for its own benefit (provided that Trademark Originator may use the word “Guess” on its labels to the extent required by law), (iv) take any action, or allow any licensee to take any action, that would impair the Subject Trademarks or the enforceability of the Subject License Agreements, or (v) enter into a trademark license that permits a licensee thereunder to distribute or sell certain products in certain territories if a Subject License Agreement grants the Licensee thereunder an exclusive right to distribute or sell the same products in the same territories.

(b) Trademark Originator shall not take any action, or allow any licensee to take any action, that would adversely affect the ability or right of IP Holder to collect the Royalty Receivables, decrease the amount of the Royalty Receivables, or decrease the value of the Subject Trademarks if after giving effect to such action, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than or equal to 110% or, if the Prospective Coverage Ratio is already equal to or lesser than 110%, the Prospective Coverage Ratio (calculated on a pro forma basis) would not be greater than the Prospective Coverage Ratio before taking such action, or would otherwise reasonably be expected to result in a Material Adverse Effect.

(c) IP Holder covenants and agrees that if it transfers any or all of the Guess? Trademarks to a third party it will (i) take no action that is reasonably likely to invalidate or constitute an assignment in gross of the Guess? Trademarks, (ii) take no action that would result in a material breach or impairment of the rights of any licensee under any license thereof (including this Guess? License Agreement), and (iii) when the related licenses are not also transferred to such third party, retain rights to such Guess? Trademarks sufficient to preserve the rights of all licensees as of the time of such transfer under any license thereof (including the rights of Trademark Originator under this Guess? License Agreement). For the avoidance of doubt, IP Holder’s cooperation in any foreclosure proceedings instituted by beneficiaries of the Indenture or the Guarantee are not violations of this covenant.

ARTICLE V.
[RESERVED]

ARTICLE VI.
COMPENSATION

SECTION 6.01 Royalty and Fees. In consideration of the rights granted to Trademark Originator in this Guess? License Agreement and the services performed by the Trademark Originator hereunder, Trademark Originator agrees to pay to IP Holder, for so long as this Guess? License Agreement shall remain in effect, a royalty equal to*. Such payments shall be made in United States currency, and shall be made quarterly within thirty (30) days following the close of each of Trademark Originator’s fiscal quarters.

* Information for which confidential treatment has been requested pursuant to Rule 24(b)(2) of the Securities Exchange Act of 1934, as amended.

SECTION 6.02 Records and Inspection. Trademark Originator shall maintain accurate records of the royalties paid under this Guess? License Agreement, and upon the request of IP Holder shall provide copies of such records to the Indenture Trustee. At all times during the term of this Guess? License Agreement and any time following its termination or expiration, the records maintained by Trademark Originator under this Section 6.02 and all other reports and books of account of Trademark Originator and each of its subsidiaries with respect to the Business shall be available for inspection, copying, and audit by IP Holder, its agents and representatives during normal business hours, upon not less than two Business Days advance notice, and shall be made by IP Holder at its own expense.

SECTION 6.03 Review of Guess? License Agreement. IP Holder shall have the right, but not the obligation, to review this Guess? License Agreement periodically to determine if royalties being paid under this Guess? License Agreement are commensurate with income attributable to use of the Guess? Trademarks. IP Holder shall have the right, but not the obligation, to adjust royalties accordingly upon such review, with Trademark Originator’s written consent, which shall not be unreasonably withheld.

ARTICLE VII.
TERM AND TERMINATION

SECTION 7.01 Term. Unless terminated earlier, this Guess? License Agreement, including the license granted herein, shall commence on the date hereof and remain in full force and effect until the Maturity Date, and thereafter for successive one year periods, unless terminated earlier by the mutual written consent of the parties or by IP Holder pursuant to its rights in Sections 7.03 and 7.04 below.

SECTION 7.02 Reorganization of Trademark Originator. If any subsidiary of Trademark Originator, other than IP Holder and its subsidiary, ceases to be a subsidiary, or if IP Holder and Trademark Originator cease to be “related companies” within the meaning of 15 U.S.C. § 1127 (each a “Termination Event”), such former subsidiary or Trademark Originator, as the case may be, shall (i) take immediate steps to change its corporate name to eliminate any Guess? Trademarks or any colorable simulation thereof, (ii) take immediate steps to phase out all uses of the Guess? Trademarks or any colorable simulation thereof as a trade name, trademark, or otherwise, such phase-out to be complete as soon as possible but in no event more than 180 days after the date of the Termination Event, and (iii) not use a colorable simulation of any of the Guess? Trademarks. In the event that Trademark Originator and IP Holder cease to be “related companies” within the meaning of 15 U.S.C. § 1127, Trademark Originator shall, in addition, cause its subsidiaries to comply with the provisions of the preceding sentence.

SECTION 7.03 Termination.

(a) Material Breach. Upon a Material Breach, as hereinafter defined, by Trademark Originator of this Guess? License Agreement, IP Holder shall have the right to terminate this Guess? License Agreement, provided that IP Holder first gives written notice of such breach (other than with respect

to clause (1) or (6) below) to Trademark Originator and (other than with respect to clause (6) below) gives Trademark Originator thirty (30) days to cure or to take effective steps to cure the breach (unless such breach cannot be cured within a 30-day

period and Trademark Originator shall have commenced to cure such breach and cures it within any additional 30-day period; *provided*, that this additional 30-day period will not apply in the case of clause (1) below). Material Breach shall include Trademark Originator's:

- (1) failure to make any payments under this Guess? License Agreement;
- (2) breach of its representations and warranties under Section 8.01 hereof;
- (3) breach of its covenants under Section 4.02(a) hereof;
- (4) failure to fulfill any of its other obligations under this Guess? License Agreement, including, but not limited to, Trademark Originator's quality control obligations;
- (5) permitting any of its subsidiaries to commit what would be a material breach if committed by Trademark Originator; or
- (6) filing a petition for relief under applicable bankruptcy law, or the filing of such a petition against Trademark Originator, if not discharged within sixty (60) days after the date of filing; or making any assignment for the benefit of creditors; or becoming the subject of proceedings under any insolvency, reorganization or receivership law; or having a receiver appointed for Trademark Originator or a substantial part of its business.

Upon or before expiration of any sixty (60) or thirty (30) day period to cure, as applicable, Trademark Originator shall inform IP Holder in writing of any cure or any steps it has taken to cure the Material Breach. If, in IP Holder's sole discretion, such steps are not effective to cure the Material Breach, IP Holder may immediately terminate this Guess? License Agreement and all rights of Trademark Originator and its subsidiaries.

(b) Termination at Will. At any time from and after the Maturity Date, IP Holder also shall have the right to terminate this Guess? License Agreement upon sixty (60) days prior notice to Trademark Originator.

SECTION 7.04 Effect of Termination. Upon termination or expiration of this Guess? License Agreement, whether pursuant to Section 7.03 hereof or otherwise, Trademark Originator agrees promptly to comply with and to cause its subsidiaries promptly to comply with the provisions of Section 7.02 hereof, provided that any phase-out be complete as soon as possible but in no event more than six (6) months after the effective date of termination. Trademark Originator shall also promptly return to IP Holder all materials that bear the Guess? Trademarks or destroy such materials and certify their destruction to IP Holder.

ARTICLE VIII.
REPRESENTATIONS AND WARRANTIES

SECTION 8.01 Trademark Originator's Representations and Warranties. Trademark Originator hereby represents and warrants that:

(a) It is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, and has power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) It is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications and where the failure to so qualify would have a Material Adverse Effect.

(c) It has the corporate power and authority to execute and deliver this Guess? License Agreement and to carry out its terms; and the execution, delivery and performance of this Guess? License Agreement has been duly authorized by Trademark Originator by all necessary corporate action.

(d) This Guess? License Agreement constitutes a legal, valid, and binding obligation of Trademark Originator, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, or by general principles of equity.

(e) The consummation of the transactions contemplated by this Guess? License Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of Trademark Originator, or conflict with or breach any of the material terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, or other instrument to which Trademark Originator is a party or by which it is bound; nor result in the creation or imposition of any Lien (other than Permitted Liens) upon any of its properties pursuant to the terms of any such indenture, agreement, or other instrument; nor violate any law or, to the best of Trademark Originator's knowledge, any order, rule, or regulation applicable to Trademark Originator of any court or of any federal, state, or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over Trademark Originator or its properties, which breach, default, conflict, lien, or violation would have a Material Adverse Effect.

(f) There is no action, suit, or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending or, to Trademark Originator's knowledge, threatened, against or affecting Trademark Originator: (i) asserting the invalidity of this Guess? License Agreement,

(ii) seeking to prevent the consummation of any of the transactions contemplated by this Guess? License Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by Trademark Originator of its obligations under, or the validity or enforceability of, this Guess? License Agreement.

(g) No consent, approval, or order of, or filing with, any court or governmental body is required to be obtained or made by Trademark Originator for the consummation of the transactions in the manner contemplated by this Guess? License Agreement, except such as have been obtained as of the Closing Date or such as may be required under state securities laws.

(h) The execution, delivery and performance of this Guess? License Agreement in accordance with its terms and the consummation of the transactions contemplated hereby by Trademark Originator do not and will not (i) require the consent or approval of any

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Person, except for such consents and approvals as have already been obtained and (ii) violate any applicable laws.

(i) Trademark Originator is not required to obtain any consent, approval, authorization, permit or license from, or effect any filing or registration with any Governmental Authority in connection with the execution, delivery and performance of this Guess? License Agreement in accordance with its terms other than filings intended to perfect the security interest granted hereunder.

(j) As of the date hereof, Trademark Originator is incorporated under the laws of the State of Delaware.

SECTION 8.02 IP Holder's Representations and Warranties. IP Holder hereby represents and warrants that:

(a) It is a limited partnership duly organized and validly existing in good standing under the laws of the State of Delaware.

(b) It has the ability and capacity to perform its obligations hereunder, and those obligations do not conflict with any other obligations of IP Holder.

ARTICLE IX. MISCELLANEOUS

SECTION 9.01 Amendments. This Guess? License Agreement may be amended by mutual written consent of the parties hereto; provided that, as a condition of effectiveness of any such amendment, (i) an authorized officer of Trademark Originator shall have delivered to the Indenture Trustee a copy of such amendment together with a certificate, to the effect that such amendment could not reasonably be expected to have a Material Adverse Effect, and (ii) the Rating Agency Condition is satisfied with respect thereto.

SECTION 9.02 Assignment. Unless Guarantee Collateral is foreclosed upon, liquidated or sold pursuant to the Guarantee, this Guess? License Agreement may not be assigned without the prior written consent of the other party except in connection with a merger, consolidation, reorganization, or similar transaction.

SECTION 9.03 Governing Law; Arbitration. All questions concerning this Guess? License Agreement, the rights and obligations of the parties, enforcement and validity, effect, interpretation and construction that are governed by state law shall be determined under the laws of the State of California. United States federal law shall apply to all other issues. Except as otherwise provided in this Guess? License Agreement, the parties consent and submit to the exclusive jurisdiction and venue of the State of California, for the adjudication of any dispute pertaining to this Guess? License Agreement or the alleged breach of any provision hereof. Except as provided in this Guess? License Agreement, any dispute, controversy, or claim arising out of or relating to this Guess? License Agreement or breach thereof shall be settled by binding arbitration heard by one (1) arbitrator, in accordance with the Commercial Arbitration Rules ("Rules") of the American Arbitration Association. The arbitrator shall be appointed in

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accordance with the Rules. The parties hereto agree that the venue of such arbitration shall be the City of Los Angeles, Los Angeles County, California.

SECTION 9.04 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, to:

- (a) in the case of Trademark Originator, 1444 South Alameda Street, Los Angeles, CA 90021;
- (b) in the case of IP Holder, 1444 South Alameda Street, Los Angeles, CA 90021;
- (c) in the case of the Issuer, Guess? Royalty Finance LLC, 2222 Glendale Galleria 2, Glendale, CA 91324; and
- (d) in the case of the Indenture Trustee, 2 North LaSalle Street, Suite 1020, Chicago, IL 60602;

or, as to any of such Persons, at such other address as shall be designated by such Person in a written notice to the other Persons.

SECTION 9.05 Relationship of the Parties. Except as otherwise specifically provided herein, this Guess? License Agreement shall not be construed to place the parties in the relationship of legal representatives, partners, joint venturers, or agents of or with each other. Under this Guess? License Agreement, Trademark Originator is an independent contractor and shall be solely responsible for the payment of all income tax withholding, payroll taxes, contributions and other obligations relating to Trademark Originator's employment and compensation of its employees and consultants. No party shall have any power to obligate or bind any other party in any manner whatsoever, except as specifically provided herein.

SECTION 9.06 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Guess? License Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Guess? License Agreement and shall in no way affect the validity or enforceability of the other provisions of this Guess? License Agreement.

SECTION 9.07 Further Assurances. Trademark Originator and IP Holder agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party hereto or by the Issuer more fully to effect the purposes of this Guess? License Agreement.

SECTION 9.08 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of IP Holder, the Issuer, the Indenture Trustee or Trademark Originator, of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power,

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or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

SECTION 9.09 Counterparts. This Guess? License Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 9.10 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 9.11 Merger and Integration. Except as specifically stated otherwise herein, this Guess? License Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Guess? License Agreement. This Guess? License Agreement may not be modified, amended, waived or supplemented except as provided herein.

SECTION 9.12 Force Majeure. Neither IP Holder nor Trademark Originator shall be held responsible for any loss, damage, or delay suffered by the other party owing to any cause that is beyond the reasonable control of the defaulting party and cannot be attributed to negligence or willful nonperformance of its obligation. Such causes include, but are not limited to, wars, embargoes, riots, civil disturbances, terrorism, fires, storms, floods, typhoons, earthquakes and other natural calamities, strikes and labor disputes, government acts and restrictions, and other causes that cannot be overcome or prevented by due diligence. Either party wishing to invoke this section shall give notice to the other party stating the relevant cause. The defaulting party shall promptly resume performance of its obligations the moment such cause or causes cease to operate.

SECTION 9.13 Nonpetition Covenants. Notwithstanding any prior termination of this Guess? License Agreement, Trademark Originator shall not, prior to the date which is one year and one day after the Termination Date with respect to IP Holder or the Issuer, acquiesce, petition, or otherwise invoke or cause IP Holder or the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against IP Holder or the Issuer under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of IP Holder or the Issuer or any substantial part of its property, or ordering the winding up or liquidation of the affairs of IP Holder or the Issuer.

SECTION 9.14 Interpretation. As applied to this Guess? License Agreement, unless the context otherwise requires: (a) words in the singular include the plural, and words in the plural include the singular; (b) reference to a law, statute, rule, regulation, charter, or bylaws, is deemed to be followed by as amended "from time to time"; (c) "herein," "hereof," and other similar words refer to this Guess? License Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) unless otherwise indicated or obvious, all references to "Section," "Exhibit," "Schedule," "Appendix," or similar words refer to the particular Section in or Exhibit, Schedule, Appendix, or similar item attached to this Guess? License Agreement; (e) "include," "includes," or "including" will be deemed to be followed, as appropriate, by " , but not limited to, "; (f) the masculine feminine and neuter genders

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shall each be deemed to include the others; (g) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (h) references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; (i) references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Guess? License Agreement; and (j) references to Persons include their permitted successors and assigns.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have entered this Guess? License Agreement as of the date first written above.

GUESS ? IP HOLDER L.P.

GUESS ?, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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EXHIBIT A
Guess? Trademarks

A - 1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Maurice Marciano, Co-Chief Executive Officer and Director of Guess?, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended March 29, 2003, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2003

/s/ Maurice Marciano

Maurice Marciano
Co-Chief Executive Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Marciano, Co-Chief Executive Officer and Director of Guess?, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended March 29, 2003, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2003

/s/ Paul Marciano

Paul Marciano

Co-Chief Executive Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Carlos Alberini, President, Chief Operating Officer and Director of Guess?, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended March 29, 2002, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2003

/s/ Carlos Alberini

Carlos Alberini
President, Chief Executive Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Frederick G. Silny, Senior Vice President and Chief Financial Officer and Director of Guess?, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended March 29, 2002, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2003

/s/ Frederick G. Silny

Frederick G. Silny

Senior Vice President and Chief Financial Officer
