

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

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

For the fiscal year ended June 1, 2001

OR

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

For the transition period from ___ to ___
The Securities Exchange Act of 1934[NO FEE REQUIRED]

Commission File Number 1-4365

OXFORD INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of incorporation or organization)

58-0831862
(I.R.S. Employer Identification number)

222 Piedmont Avenue, N.E., Atlanta, Georgia 30308

(Address of principal executive offices)
(Zip Code)

(404) 659-2424

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:

NONE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

State the aggregate market value of the voting stock held by nonaffiliates of the Registrant: As of August 15, 2001, the aggregate market value of the voting stock held by nonaffiliates of the Registrant (based upon the closing price for the common stock on the New York Stock Exchange on that date) was approximately \$101,122,912.

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

<u>Title of each class</u>	<u>Number of shares outstanding as of August 15, 2001</u>
Common Stock, \$1 par value	7,480,048

Documents incorporated by Reference

(1) Sections of 2001 Annual Report to Stockholders (Incorporated in Parts II and IV of this Report).

(2) Sections of Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after June 1, 2001. (Incorporated in Part III of this Report).

PART I

Item 1. Business.

BUSINESS AND PRODUCTS

Introduction and Background

Oxford Industries, Inc. (the "Company") was incorporated under the laws of the State of Georgia as Oxford Manufacturing Company, Inc. on April 27, 1960. In 1967, its name was changed to Oxford Industries, Inc. Its principal office is in Atlanta, Georgia.

The Company's primary business is the design, manufacture, marketing and sale of consumer apparel products in the popular to better price ranges. Substantially all of the Company's distribution facilities, offices and customers are located in the United States. Company-owned

manufacturing facilities are located in Mexico, the Caribbean, Central America and Asia.

The Company is organized into four operating groups that reflect four major product lines. The operating groups are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group. The Shirt Group operations encompass dress and sport shirts, golf and children's apparel. Lanier Clothes produces suits, sportcoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress and casual slacks and shorts. The Oxford Womenswear Group is a producer of budget and moderate priced private label women's apparel. Corporate and other is a reconciling category for reporting purposes and includes the Company's corporate offices, and other costs and services that are not allocated to operating groups.

DISTRIBUTION

The Company's customers include national and regional chain stores, mail order and catalog firms, discount stores, department stores and chain and independent specialty stores.

Customer Distribution Analysis						
	June 1, 2001		June 2, 2000		May 28, 1999	
	Total Customers	Sales %	Total Customers	Sales %	Total Customers	Sales %
Top 50	50	90.75%	50	92.43%	50	92.86%
All Other	7,581	9.25%	6,676	7.57%	4,952	7.14%
Total	7,631	100%	6,726	100%	5,002	100%

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

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

The Company employs a sales force consisting of salaried and commissioned sales employees and independent commissioned sales representatives. Apparel sales offices and showrooms are maintained by the Company in Atlanta, New York, Hong Kong and Dallas. Other showrooms are maintained by independent commissioned sales representatives. A majority of the Company's business is conducted by direct contacts between the Company's salaried executives and buyers and other executives of the Company's customers.

MANUFACTURING, RAW MATERIALS AND SOURCES OF SUPPLY

Manufacturing and Raw Materials

Apparel products are manufactured from cotton, linen, wool, silk, other natural fibers, synthetics and blends of these materials. Materials used by the Company in its manufacturing operations are purchased from numerous domestic and foreign textile mills and converters in the form of woven or knitted finished fabrics. Buttons, zippers, thread and other trim items are purchased from both domestic and foreign suppliers. The Company's manufacturing facilities perform cutting, sewing and related operations to produce finished apparel products from these materials. At the end of the 2001 fiscal year, domestic production for the Company accounted for approximately 9% of the Company's business, of which approximately 1% came from the Company's United States manufacturing facilities, and approximately 8% came from United States contractors.

The Company also purchases fabric and places it with domestic and foreign independent contractors for production of goods conforming to the Company's patterns, specifications and quality standards.

The Company imports finished apparel products meeting its quality standards from suppliers in the Caribbean, Central America, the Far East and other areas. Imported goods are generally manufactured according to designs and specifications furnished or approved in advance of production by the Company. In order to place orders and monitor production, the Company maintains buying offices in Hong Kong and Singapore. The Company also retains unaffiliated buying agents in several other countries.

The Company manufactures in its own facilities in Mexico, the Dominican Republic, Costa Rica, Honduras, and the Philippines.

Sources of Supply

The Company regards its domestic and foreign sources of raw materials, finished goods and outside production as adequate and is not dependent on any single source or contractor. No single supplier or contractor accounts for a material portion of the Company's purchases or business. Alternative competitive sources are available, and the Company does not anticipate significant difficulty in meeting its supply and outside production requirements. There are occasions, however, where the Company is unable to take customer orders on short notice because of the minimum lead time required to produce a garment that is acceptable to the customer in regards to cost, quantity, quality and service.

The Company's import business could be adversely affected by currency exchange fluctuations, changes in United States import duties and trade restraints, political unrest in exporting countries, weather and natural disasters and other factors normally associated with imports. The Company believes it has diminished potential risks in its import business by placing import programs with suppliers in many different countries.

TRADEMARKS, LICENSES AND PATENTS

Trademarks

Principal menswear trademarks owned by the Company and Subsidiaries are "Lanier Clothes" and "Holbrook" for men's suits and sportcoats, "Oxford Shirtings" and "Holbrook" for men's shirts, "Travelers Worsted" for mens suits, "Everpress" for men's slacks; "928" for young men's suited separates, and "Ely Cattleman", "Cumberland Outfitters" and "Plains" for men's western wear.

Although the Company is not dependent on any single trademark, it believes its trademarks in the aggregate are of significant value to its business.

The Company actively pursues the acquisition of significant brands and related businesses.

Licenses

The Company also has the right to use trademarks under license and design agreements with the trademarks' owners. Principal menswear trademarks the Company has the right to use are "Robert Stock" for men's suits, sport coats and dress slacks; "Oscar de la Renta" for men's suits, sport coats, vests, and dress and casual slacks; "Tommy Hilfiger" for men's dress shirts and men's and women's golf apparel; "Nautica" for men's tailored suits, sport coats and dress slacks; "Geoffrey Beene" for men's tailored suits, sport coats, vests and dress slacks; "Slates" for men's sportcoats and soft suitings; "Izod Club" for men's, women's and junior's golf apparel and "DKNY" for newborns, toddlers, girl's and boy's apparel. Oxford Industries, Inc. and Donna Karan International have mutually agreed to terminate the DKNY Kids license on December 31, 2001. The license will be consolidated with Donna Karan International's European license holder for children's wear. Oxford will continue to service the business until the termination date.

The above mentioned license and design agreements will expire at various dates through the Company's fiscal 2004 year. Many of the Company's licensing agreements are eligible for renewal to extend the licenses through various dates from the Company's fiscal 2002 through 2014 years.

Although the Company is not dependent on any single license and design agreement, it believes its license and design agreements in the aggregate are of significant value to its business.

Patents

The Company owns several patents covering apparel manufacturing processes and devices, but competitive processes and devices are available to others, and these are not material to the Company's business.

SEASONAL ASPECTS OF BUSINESS AND ORDER BACKLOG

Seasonal Aspects of Business

The Company's business is generally divided among four retail selling seasons: Spring, Summer, Fall and Holiday. Seasonal factors can cause some variance in production and sales levels among fiscal quarters in any fiscal year, but the Company does not regard its overall business as highly seasonal.

Order Backlog

As of June 1, 2001 and June 2, 2000, the Company had booked orders amounting to approximately \$142,694,000 and \$154,708,000, respectively, all of which will be shipped within six months after each such date. These numbers represent only store orders on hand and do not include private-label contract balances. A growing percentage of the Company's business consists of at-once EDI "Quick response" programs with large retailers. Replenishment shipments under these programs generally possess such an abbreviated order life as to exclude them from the order backlog completely. The Company therefore does not believe that this backlog information is indicative of sales to be expected for the following year.

WORKING CAPITAL

The Company supplements operating cash with its \$90,000,000 trade receivables securitization program and committed and uncommitted bank lines of credit. On June 1, 2001, \$56,000,000 of accounts receivable had been sold and was outstanding under the securitization program. On June 1, 2001, the Company had available for its use a committed line of credit aggregating \$5,000,000. The Company has agreed to pay committed fees for this available line of credit. At June 1, 2001, there were no borrowings under this line. In addition, the Company has \$184,500,000 in uncommitted lines of credit, of which \$123,500,000 is reserved exclusively for letters of credit. The Company pays no commitment fees for these available lines of credit. At June 1, 2001 there were no borrowings under these lines. The Company anticipates use and availability of both committed and uncommitted resources as working capital needs may require

At the end of fiscal 2000 the Company had available for its use committed lines of credit with several lenders aggregating \$52,000,000 at June 2, 2000. These lines of credit are used by the Company to cover fluctuations in working capital needs. The Company had \$52,000,000 outstanding under these lines of credit at the end of fiscal 2000, of which \$40,000,000 was long-term. In addition, at the end of fiscal 2000, the Company had \$231,500,000 in uncommitted lines of credit, of which \$143,500,000 was reserved for the issuance of letters of credit. At June 2, 2000, \$6,500,000 was outstanding under these lines of credit. The Company had cash of \$10,185,000 and \$8,625,000 at the end of the 2001 and 2000 fiscal years. The weighted average interest rate on all short-term borrowings for the 2001 fiscal year was 6.2%.

Inventory levels are affected by order backlog and anticipated sales. It is general practice of the Company to offer payment terms of net 30 to the majority of its customers, from date of shipment.

The Company believes that its working capital requirements and financing resources are comparable with those of other major, financially sound apparel manufacturers.

MAJOR CUSTOMERS

The Company's ten largest customers accounted for approximately 73% of the Company's net sales in fiscal 2001 and approximately 74% in fiscal 2000. Wal-Mart accounted for 15% and 15% in the 2001 and 2000 fiscal years, respectively. Target accounted for 14% and 12% in the 2001 and 2000 fiscal years, respectively. Lands' End, Inc. accounted for 11% and 11% of net sales in the 2001 and 2000 fiscal years, respectively. JCPenney Company, Inc. accounted for 9% and 10% of net sales in the 2001 and 2000 fiscal years, respectively. The Company believes that its relationships with all of its major customers, including Wal-Mart, Target, Lands' End, Inc. and JCPenney Company are excellent.

COMPETITION

The Company's products are sold in a highly competitive domestic market in which numerous U. S. based and foreign manufacturers compete. No single manufacturer or small group of manufacturers dominates the apparel industry. The Company believes it is a major apparel manufacturing

and marketing company, but there are other apparel firms with greater sales and financial resources.

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

Substantially all of the apparel sold by the Company and its principal competitors is produced outside the United States. Most of the apparel sold by the Company and some of its competitors is sold to its customers on a landed, duty-paid basis after it is imported into the U.S. Other of the Company's competitors sell apparel to their customers, many of whom are also customers of the Company, on a direct basis in which the customer takes ownership in the country of production. In this direct sourcing scenario the customer handles the inbound logistics and customs clearance. Direct sourcing presents a competitive challenge to the Company. The Company is unable to quantify the effect of this trend on its sales and profits but believes that direct sourcing adversely affects both. The Company believes that the relative price advantage to retailers of direct sourcing is offset to an extent by the Company's ownership of or long term relationships with foreign facilities and by services provided to its customers such as delivery flexibility, manufacturing expertise, product development and design and supply chain management including the new supply chain management technology and information systems that the Company is implementing.

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

Trade preference agreements and legislation are important because apparel imports into the United States are highly restricted. There are two key types of restrictions. First, the duty rates on the product categories that cover the majority of the Company's products range from 15-20%. Second, the United States has implemented restrictive quotas on the importation of many classifications of textiles and textile products from most of the major apparel producing countries including most of the countries where the Company produces apparel. Through December of 1994, these restraints were permitted pursuant to the Multi-Fiber arrangement (MFA), an international textile trade agreement to which the United States was a party. During the Uruguay Round of the General Agreement of Tariffs and Trade, the United States and other countries negotiated a successor agreement to the MFA known as the Agreement on Textiles and Clothing (ATC). The ATC became effective on January 1, 1995.

The ATC requires that importing countries gradually phase out approximately half of the restrictive quotas on the importation of textiles and apparel products that were in place on December 31, 1994 over a ten year period. The remaining quotas are to be eliminated on January 1, 2005. However, the ATC allows importing countries such as the United States significant discretion in determining when during the ten year period quotas on particular products from particular countries will be eliminated. The United States has announced a plan that will keep quotas on most of the products produced by the Company for the entire ten-year period. In addition, the ATC permits importing countries, under certain conditions, to impose new quotas on the importation of textile and apparel products during the ten-year phase out period. Thus, the extent to which the ATC will liberalize trade in textile and apparel products over the next four years is unclear. Reduced restrictions on the importation of textiles and textile products could negatively affect the competitiveness of the Company's manufacturing and sourcing activities in some countries, but could also positively affect its manufacturing and sourcing activities in other countries. The Company believes that when the ATC is fully implemented on January 1, 2005, the competitiveness of many countries as apparel sourcing locations will change significantly.

Currently, there are various trade preference agreements and trade preference legislation that provide apparel importers including the Company with relief from duty and quota. These include, but are not limited to, the United States-Caribbean Basin Trade Partnership Act, the African Growth and Opportunity Act, the North American Free Trade Agreement and the Israel Free Trade Agreement. Future trade agreements and legislation that may affect the Company's manufacturing and sourcing agreements include but are not limited to, the renewal and possible expansion of the Andean Trade Preference Act and the proposed Free Trade of the Americas Agreement. The Company believes that it is effective in using various trade preference agreements and legislation to its competitive advantage.

EMPLOYEES

As of June 1, 2001, the Company employed 9,469 persons, approximately 82% of whom were hourly and incentive paid production workers. The Company believes its employee relations are excellent.

Item 2. Properties.

At June 1, 2001 the Company operated a total of 13 production plants all of which are located in foreign countries. Four plants are owned and nine are leased. The plants are located in Mexico, the Dominican Republic, Costa Rica, Honduras, and the Philippines.

The Company also maintains separate warehousing and distribution facilities in Arizona, Georgia, Mississippi, Tennessee and South Carolina.

Certain of the manufacturing, warehousing and distribution facilities deemed owned by the Company are held pursuant to long-term capital leases or lease purchase agreements, some of which have been entered into by the Company in connection with industrial revenue bond financing arrangements. Under this type of financing, the facilities are subject to trust indentures or security agreements securing the interests of the bondholders. See Notes E and F in the Notes to Consolidated Financial Statements forming a part of the financial statements included under Item 8 of this Report.

General offices are maintained in a facility owned by the Company in Atlanta, Georgia. The Company leases sales, purchasing and administrative offices in Atlanta, Dallas, Hong Kong, New York and Singapore.

The Company owns substantially all of its machinery and equipment. Current facilities are adequately covered by insurance, generally well maintained and provide adequate production capacity for current and anticipated future operations.

Item 3. Legal Proceedings.

Not applicable.

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

Not applicable.

Item 4A. Executive Officers of the Registrant.

Name	Age	Office Held
J. Hicks Lanier	61	Chairman of the Board, President and Chief Executive Officer
Ben B. Blount, Jr	62	Executive Vice President-Finance, Planning and Development and Chief Financial Officer
L. Wayne Brantley	59	Group Vice President
R. Larry Johnson	62	Group Vice President
Knowlton J. O'Reilly	61	Group Vice President

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

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

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

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

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

PART II**Item 5. Market for Registrant's Common Equity and Related Stockholder Matters**

Incorporated by reference to the table presented under the heading "Common Stock Information" on page 32 of the Company's 2001 Annual Report to Stockholders (Exhibit 13 hereto). On August 15, 2001, there were 601 holders of record of the Company's common stock.

Item 6. Selected Financial Data.

Incorporated by reference to page 18 of the Company's 2001 Annual Report to Stockholders (Exhibit 13 hereto).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Incorporated by reference to page 19 through 22 of the Company's 2001 Annual Report to Stockholders (Exhibit 13 hereto).

Item 8. Financial Statements and Supplementary Data.

Financial statements, including selected quarterly financial data, are incorporated by reference to pages 23 through 32 of the Company's 2001 Annual Report to Stockholders (Exhibit 13 hereto).

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information required by this item covering directors of the Company is incorporated by reference to the information presented under the heading "Election of Directors - Directors and Nominees" in the Company's Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after June 1, 2001. Information required by this item covering executive officers of the Company is set forth under Item 4A of this Report.

Item 11. Executive Compensation.

Incorporated by reference to the information presented under the heading "Executive Compensation and Other Information" in the Company's Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after June 1, 2001.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Incorporated by reference to the information presented under the heading "Beneficial Ownership of Common Stock" in the Company's Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after June 1, 2001.

Item 13. Certain Relationships and Related Transactions.

Incorporated by reference to the information presented under the heading "Executive Compensation and Other Information - Compensation Committee Interlocks and Insider Participation" in the Company's Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after June 1, 2001.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1. Financial Statements

Included on pages 18 through 34 of the 2001 Annual Report to Stockholders (Exhibit 13 hereto) and incorporated by reference in this Form 10-K:

Report of Independent Public Accountants

Consolidated Balance Sheets at June 1, 2001 and June 2, 2000

Consolidated Statements of Earnings for years ended June 1, 2001, June 2, 2000 and May 28, 1999

Consolidated Statements of Stockholders' Equity for years ended June 1, 2001, June 2, 2000 and May 28, 1999

Consolidated Statements of Cash Flows for years ended June 1, 2001, June 2, 2000 and May 28, 1999

Notes to Consolidated Financial Statements for years ended June 1, 2001, June 2, 2000 and May 28, 1999

2. Financial Statement Schedules

Included herein:

Report of Independent Public Accountants on Financial Statement Schedule.

Schedule II - Valuation and Qualifying Accounts.

3. Exhibits

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

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

10(a) 1997 Stock Option Plan. Incorporated by reference to Exhibit A, "1997 Stock Option Plan", to the Company's Proxy Statement dated August 29, 1997

10(b)

1997 Restricted Stock Plan. Incorporated by reference to Exhibit B, "1997 Restricted Stock Plan", to the Company's Proxy Statement dated August 29, 1997.

- 10(c) Non-qualified Deferred Compensation Plan
- 10(e) Executive Medical Reimbursement Plan
- 10(h) 1992 Stock Option Plan.
- 10(j) Accounts receivable sale agreement between Oxford Industries, inc. and Oxford Receivables Company.
- 10(k) Loan agreement between Oxford Receivables Company and Three Pillars Funding Corporation
- 10 (l) Liquidity Asses Purchase Agreement between SunTrust Bank and Three Pillars Funding Corporation
- 13 2001 Annual Report to Stockholders (furnished for the information of the Commission and not deemed "filed" or part of this Form 10-K except for those portions expressly incorporated herein by reference).
- 23 Consent of Arthur Andersen LLP
- 24 Powers of Attorney

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

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

(b) No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

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

Oxford Industries, Inc.

/s/J. Hicks Lanier

J. Hicks Lanier

Chairman and President

Date: August 29, 2001

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

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/J. Hicks Lanier</u> J. Hicks Lanier	President, Chief Executive Officer and Director	August 29, 2001
<u>/s/Ben B. Blount, Jr.</u> Ben B. Blount, Jr.	Executive Vice President, Chief Financial Office and Director	August 29, 2001
<u>/s/Paul J. Soni</u> Paul J. Soni	Controller	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Cecil D. Conlee*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Thomas Gallagher*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb II</u> J. Reese Lanier*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Knowlton J. O'Reilly*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Clarence B. Rogers, Jr.*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Robert E. Shaw*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> E. Jenner Wood*	Director	August 29, 2001
<u>/s/Thomas Caldecot Chubb III</u> Helen B. Weeks*	Director	August 29, 2001

*by power of attorney

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To Oxford Industries, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in Oxford Industries, Inc.'s 2001 Annual Report to Stockholders incorporated by reference in this Form 10-K, and have issued our report thereon, dated July 13, 2001. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Item 14(a)2 is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Atlanta, Georgia

July 13, 2001

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	<u>Column E</u>
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		<u>Additions</u>	<u>Deductions</u>		
Description	Balance at Beginning of Period	Charged to Income	Recoveries	Write-Offs	Balance at End of Period
Reserves for losses					
From accounts receivable:					
Year ended May 28, 1999	<u>\$3,098,000</u>	<u>\$1,037,000</u>	<u>\$41,000</u>	<u>\$517,000</u>	<u>\$3,659,000</u>
Year ended June 2, 2000	<u>\$3,659,000</u>	<u>(\$200,000)</u>	<u>\$258,000</u>	<u>\$354,000</u>	<u>\$3,363,000</u>
Year ended June 1, 2001	<u>\$3,363,000</u>	<u>\$505,000</u>	<u>\$33,000</u>	<u>\$492,000</u>	<u>\$3,409,000</u>

OXFORD INDUSTRIES, INC.

NON-QUALIFIED DEFERRED COMPENSATION PLAN

OXFORD INDUSTRIES, INC.

NON-QUALIFIED DEFERRED COMPENSATION PLAN

ARTICLE I - PURPOSE; EFFECTIVE DATE

1.1 **Purpose.** The purpose of this Oxford Industries, Inc. Non-Qualified Deferred Compensation Plan (the "Plan") is to permit a select group of management and highly compensated employees of Oxford Industries, Inc. and its subsidiaries (the "Company") to defer the receipt of income which would otherwise become payable to them. It is intended that this Plan, by providing this deferral opportunity, will assist the Company in attracting and retaining individuals of exceptional ability.

1.2. **Effective Date.** The Plan shall be effective as of January 1, 2001.

ARTICLE II - DEFINITIONS

For the purpose of this Plan, the following terms shall have the meanings indicated unless the context clearly indicates otherwise:

2.1. **Account(s).** "Account(s)" means the account or accounts maintained on the books of the Company used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund or assets. The Accounts available for each Participant shall be identified as:

Retirement Account and/or,

Up to two In-Service Accounts.

2.2. **Beneficiary.** "Beneficiary" means the person, persons or entity, as designated by the Participant, entitled under Article VI to receive any Plan benefits payable after the Participant's death.

2.3. **Board.** "Board" means the Board of Directors of the Company.

2.4 **Change in Control.** A "Change in Control" shall occur if:

Any "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13-d under such Act) of more than fifty (50%) of the then outstanding voting stock of the Company, other than through a transaction arranged by, or consummated with the prior approval of, the Board; or

During any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board (and any new Director whose election by the Board or whose nomination for election by the stockholders of the Company was approved by a vote of at least two-thirds (2/3) of the Directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority thereof; or

The shareholders of Company approve a merger or consolidation of Company with any other corporation, other than a merger or consolidation which would result in the voting securities of a Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than eighty percent (80%) of the combined voting power of the voting securities of Company or such surviving entity outstanding immediately after such merger or consolidation; or

The shareholders of Company approve a plan of complete liquidation of Company or an agreement for the sale or disposition by Company of all or substantially all of the Company's assets.

2.5. **Committee.** "Committee" means the Committee appointed by the Board to administer the Plan pursuant to Article VII.

2.6. **Company.** "Company" means Oxford Industries, Inc., a Georgia corporation, and any directly or indirectly affiliated subsidiary corporations, any other affiliate which is designated by the Board, or any successor to the business thereof.

2.7. **Compensation.** "Compensation" means the base salary, commissions and/or bonus compensation payable to a Participant with respect to employment services performed for the Company by the Participant and Company matching contributions that would otherwise be included in "wages" for purposes of federal income tax withholding. For purposes of this Plan, Compensation shall be calculated before reduction for any amounts deferred by the Participant pursuant to the Company's tax qualified plans which may be maintained under Section 401(k) or Section 125 of the Internal Revenue Code of 1986, as amended, (the "Code"), or pursuant to this Plan or any other non-qualified plan which permits the voluntary deferral of compensation. Inclusion of any other forms of compensation is subject to Committee Approval.

2.8. **Deferral Commitment.** "Deferral Commitment" means a commitment made by a Participant and accepted by the Committee to defer a portion of Compensation paid to or earned such Participant during a specified Deferral Period. The Deferral Commitment shall apply to each payment of salary and/or bonus, as applicable, earned by or payable to a Participant for a given Deferral Period, and shall specify the Account or Accounts to which such deferrals shall be credited. Such designation shall be made in whole percentages and shall be made in a form acceptable to the Committee. Once made, a Deferral Commitment shall, except as otherwise provided herein, be irrevocable by the Participant for the Deferral Period to which it applies.

2.9. **Deferral Period.** "Deferral Period" means a calendar year to which a Deferral Commitment applies.

2.10. **Determination Date.** "Determination Date" means the last business day of each calendar month.

2.11. **Disability.** "Disability" means a physical or mental condition that prevents the Participant from satisfactorily performing the Participant's duties for Company. The Committee shall, in its sole discretion, determine the existence of Disability and may rely on such evidence of disability as it deems appropriate, including a determination of disability under the Company's long-term disability plan or advice from a medical examiner satisfactory to the Committee.

2.12. **Discretionary Contribution.** "Discretionary Contribution" means the Company contribution credited to a Participant's Account(s) under Section 4.5, below.

2.13. **Distribution Election.** "Distribution Election" means the form prescribed by the Committee and completed by the Participant, indicating the chosen form of payment for benefits payable from each Account under this Plan, as elected by the Participant.

2.14. **Financial Hardship.** "Financial Hardship" means a severe, unexpected and unforeseeable financial hardship of the Participant resulting from a Disability of the Participant, a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, uninsured loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant. Financial Hardship shall be determined based upon such standards as are, from time to time, established by the Committee, and such determination shall be in the sole discretion of the Committee.

2.15. **401(k) Plan.** "401(k) Plan" means the Oxford Industries, Inc. Retirement Savings Plan, or any other successor defined contribution plan maintained by the Company that qualifies under Section 401(a) of the Code and satisfies the requirements of Section 401(k) of the Code.

2.16. **Investment Option.** "Investment Option" means one or more of the independently established funds or indices that are identified and listed by the Committee. These Investment Options are used solely to calculate the investment gains or losses that are credited to each Participant's Account(s) in accordance with Article IV. The determination of the investment gains or losses attributable to the performance of each Investment Option shall be made by the Committee in its reasonable discretion. The

Committee shall select and provide a list of the various Investment Options available to the Participants with respect to this Plan; provided, that the Committee may amend such list from time to time in its sole discretion.

2.17. **Matching Contribution.** "Matching Contribution" means the Company contribution credited to a Participant's Account(s) under Section 4.4, below.

2.18. **Participant.** "Participant" means any employee who is eligible pursuant to Section 3.1 to participate in this Plan and who has elected to defer Compensation under this Plan in accordance with Article III. Such employee shall remain a Participant in this Plan for the period of deferral and until such time as all benefits payable under this Plan have been paid in accordance with the provisions hereof.

2.19. **Plan.** "Plan" means this Oxford Industries, Inc. Non-Qualified Deferred Compensation Plan, as amended from time to time.

2.20. **Retirement.** "Retirement" means the termination of employment with the Company of the Participant on or after attaining age 65 or on or after attaining age 55 with at least 7 Years of Service, or a termination of employment that has received the approval by the Committee as qualifying as a Retirement under this Plan.

2.21. **Years of Service.** "Years of Service" shall have the meaning provided for such term for purposes of vesting under the 401(k) Plan, whether or not the Participant is a participant in such plan.

ARTICLE III - ELIGIBILITY AND PARTICIPATION

3.1. Eligibility and Participation.

a) **Eligibility.** Eligibility to participate in the Plan for a Deferral Period shall be limited to a select group of management or highly compensated employees of the Company designated by management, from time to time, and approved by the Committee.

b) **Participation.** An employee's participation in the Plan for a Deferral Period shall be effective upon notification to the employee by the Committee of eligibility to participate, completion and submission of a Deferral Commitment, Distribution Election Form and Investment Allocation Form to the Committee no later than the deadline established by the Committee, and the acceptance by the Committee of such forms.

3.2. **Form of Deferral.** A Deferral Commitment shall be made with respect to each payment of salary, commissions and/or bonus earned by or payable to a Participant during the Deferral Period, and shall designate the portion of each deferral that shall be allocated among the various Accounts. The Participant shall set forth the amount to be deferred as a full percentage of salary, commission and/or bonus. In addition, the Participant shall specify in a separate form (known as the "Investment Allocation Form") filed with the Committee, the Participant's initial allocation of the amounts deferred into each Account among the various available Investment Options.

3.3. **Limitations on Deferral Commitments.** The maximum percentage of each payment of base salary and commissions that may be deferred during a Deferral Period shall be fifty percent (50%), and the maximum percentage of bonus compensation that may be deferred during the Deferral Period shall be one hundred percent (100%). The Committee may set such additional limitations for a Deferral Period, as it determines in its sole discretion, once it has reviewed the participation level for such Deferral Period.

3.4. **Commitment Limited by Termination.** If a Participant terminates employment with Company prior to the end of a Deferral Period, the Deferral Commitment in effect for such Deferral Period shall be revoked as of the date of such termination.

3.5. **Modification of Deferral Commitment.** Except as provided in Sections 3.4 and 5.5, a Deferral Commitment for a Deferral Period shall be irrevocable by the Participant during such Deferral Period.

3.6. **Change in Employment Status.** If the Committee, in its sole discretion, determines that the Participant no longer qualifies as a member of a select group of management or highly compensated employees, as determined in accordance with the Employee Retirement Income Security Act of 1974, as amended, the Committee may, in its sole discretion, terminate any Deferral Commitment currently in effect, prohibit the Participant from making any future Deferral Commitments and/or distribute the Participant's Account Balances in accordance with Article V of this Plan as if the Participant had terminated employment with the Company as of that time.

ARTICLE IV - DEFERRED COMPENSATION ACCOUNT

4.1. **Accounts.** The Compensation deferred by a Participant under the Plan, any Matching Contributions deferred under the Plan, Discretionary Contributions and Earnings shall be credited to the Participant's Account(s). The Participant shall designate the portion of each deferral that will be credited to each Account as set forth in Section 3.2(a). These Accounts shall be used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets.

4.2. **Timing of Credits; Withholding.** A Participant's deferred Compensation shall be credited to each Account designated by the Participant on the last business day of the month during which the compensation deferred would have otherwise been payable to the Participant. Any Matching Contributions shall be credited to each Account on the last business day of the month during which the deferred Compensation to which the Matching Contributions relates was credited to each Account. Any Discretionary Contributions shall be credited to the appropriate Account(s) as provided by the Committee. Any withholding of taxes or other amounts with respect to deferred Compensation that is required by local, state or federal law shall be withheld from the Participant's corresponding non-deferred portion of the Compensation to the maximum extent possible, and any remaining amount shall reduce the amount credited to the Participant's Account in a manner specified by the Committee.

4.3. **Investment Options.** A Participant shall designate, at a time and in a manner acceptable to the Committee, one or more Investment Options for each Account to be used for the sole purpose of determining the amount of Earnings to be credited or debited to such Account. Such election shall designate the portion of each deferral of Compensation made into each Account that shall be allocated among the available Investment Option(s), and such election shall apply to each succeeding deferral of Compensation until such time as the Participant shall file a new election with the Committee. Upon notice to the Committee, the Participant may also reallocate the balance in each Investment Option among the other available Investment Options as of the next succeeding Determination Date, but in no event shall such re-allocation occur more frequently than monthly.

4.4. **Matching Contributions.** The Company shall credit the portion elected by the Participant of the Company's total Matching Contribution on behalf of the Participant to the Account designated by the Participant.

4.5. **Discretionary Contributions.** The Company may make Discretionary Contributions to a Participant's Account. Discretionary Contributions shall be credited and shall become vested at such times and in such amounts as recommended by the Committee and approved by the Compensation Committee of the Board, or the Board, in its sole discretion. Unless the Committee specifies otherwise, such Discretionary Contribution shall be allocated among the various Accounts in the same proportion as set forth in section 4.1.

4.6. **Determination of Accounts.** Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, adjusted as follows:

a) New Deferrals. Each Account shall be increased by any deferrals credited since the prior Determination Date.

b) Company Contributions. Each Account shall be increased by any Matching and/or Discretionary Contributions credited since the prior Determination Date.

c) Distributions. Each Account shall be reduced by the amount of each benefit payment made from that Account since the prior Determination Date. Distributions shall be deemed to have been made proportionally from each of the Investment Options maintained within such Account based on the proportion that such Investment Option bears to the sum of all Investment Options maintained within such Account for that Participant as of the Determination Date immediately preceding the date of payment.

d) Earnings. Each Account shall be increased or decreased by the Earnings credited to such Account since the prior Determination Date as though the balance of that Account as of the beginning of the current month had been invested in the applicable Investment Options chosen by the Participant.

4.7. **Vesting of Accounts.** Each Participant shall be vested in the amounts credited to such Participant's Account and Earnings thereon as follows:

a) Amounts Deferred. A Participant shall be one hundred percent (100%) vested at all times in the Participant's deferrals of salary, commission and/or bonus and the Earnings thereon.

b) Matching Contributions. A Participant shall be one hundred percent (100%) vested at all times in the Matching Contributions made under the Plan and the Earnings thereon.

c) Discretionary Contributions. A Participant's Discretionary Contributions and Earnings thereon shall become vested as determined by the Committee and as approved by the Compensation Committee of the Board, or the Board.

4.8. **Statement of Accounts.** Each Participant shall receive a statement showing the balances in the Participant's Account on a quarterly basis.

ARTICLE V - PLAN BENEFITS

5.1. **Retirement Account.** The vested portion of a Participant's Retirement Account shall be distributed to the Participant upon the Participant's termination of employment with the Company. Benefits under this section shall be payable the January following termination of employment, but no sooner than thirty (30) days following termination. The form of benefit payment shall be that form selected by the Participant pursuant to Section 5.6 unless the Participant terminates employment prior to Retirement, in which event, the Retirement Account shall be paid in the form of a lump sum payment unless the Committee determines, upon written request, to allow the payment to be made in the form designation on the Distribution Election Form.

5.2. **In-Service Account.** The vested portion of a Participant's In-Service Account shall be distributed to the Participant upon the date chosen by the Participant in the Distribution Election Form, but in no event shall the date specified for commencement of payment be earlier than five (5) years from the beginning of the first Deferral Period during which the Participant elected compensation to be deferred into that Account. The form of benefit payment shall be that form selected by the Participant pursuant to Section 5.7. However, if the Participant terminates employment with the Company prior to the date so chosen by the Participant, the vested portion of the In-Service Account shall be added to the Retirement Account as of the date of termination of service and shall be paid in accordance with the provisions of Section 5.1.

5.3. **Death Benefit.** Upon the death of a Participant, Company shall pay to the Participant's Beneficiary an amount equal to the remaining unpaid and vested Account balance in each Account in the form of a lump sum payment.

5.4. **Hardship Distributions.** Upon a finding that a Participant has suffered a Financial Hardship, the Committee may, in its sole discretion, amend the existing Deferral Commitment, or make distributions from any or all of the Participant's Accounts. The amount of such distribution shall be limited to the amount reasonably necessary to meet the Participant's needs resulting from the Financial Hardship plus applicable taxes, and shall not exceed the Participant's vested Account balances. If payment is made from any or all of the Participant's accounts due to Financial Hardship, the Participant's deferrals under this Plan shall cease for the remainder of the current Deferral Period and the next subsequent Deferral Period.

5.5. **Withdrawal with Penalty.** The Participant may elect, in the sole discretion of the Participant, to withdraw from participation in this Plan, and to cause the total vested portion of the Participant's Account balances to be distributed in accordance with this Article V as if the Participant had terminated service with the Company as of the time of such election, except that such Account balances shall be reduced by a penalty of ten percent (10%) of such Account Balances. The Participant's account balances, less the 10% penalty, shall be paid to the Participant or the Participant's Beneficiary as soon as administratively practical in the form of a lump sum payment. The Participant, or the Participant's Beneficiary, may file such an election at any time prior to the complete payment of benefits due under this Plan. Upon the filing of this election, any Deferral Commitment for the current Deferral Period shall be terminated and the Participant shall be prohibited from participating in this Plan for the next subsequent Deferral Period.

5.6. **Form of Payment.** Unless otherwise specified in paragraphs 5.1, 5.2, 5.3, or 5.5, the benefits payable from any Account under this Plan shall be paid in the form of benefit as provided below, and as specified by the Participant in the Distribution Election, which election shall be irrevocable once made. The permitted forms of benefit payments are:

a) A lump sum amount which is equal to the vested Account balance;

b) In the event of distributions from the Retirement Account, annual installments for a period of five (5), ten (10) or fifteen (15) years where the annual payment shall be equal to the balance of the Account immediately prior to the payment, multiplied by a fraction, the numerator of which is one (1) and the denominator of which commences at the number of annual payment initially chosen and is reduced by one (1) in each succeeding year. Earnings on the unpaid balance shall be based on the most recent allocation among the available Investment Options chosen by the Participant, made in accordance with Section 4.3;

c) In the event of distributions from the In-Service Account, annual installments for a period up to five (5) where the annual payment shall be equal to the balance of the Account immediately prior to the payment, multiplied by a fraction, the numerator of which is one (1) and the denominator of which commences at the number of annual payment initially chosen and is reduced by one (1) in each succeeding year. Earnings on the unpaid balance shall be based on the most recent allocation among the available Investment Options chosen by the Participant, made in accordance with Section 4.3; and,

d) Any other form of payment requested by the Participant and approved by the Committee.

5.7. **Small Account.** Except as otherwise determined by the Committee, if the total of a Participant's vested, unpaid Account balances as of the Participant's Retirement is less than \$25,000, the remaining unpaid, vested Account(s) shall be paid in a lump sum, notwithstanding any election by the Participant to the contrary.

5.8. **Withholding; Payroll Taxes.** The Company shall withhold from any payment made pursuant to this Plan any taxes required to be withheld from such payments under local, state or federal law.

5.9. **Payment to Guardian.** If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of the property, the Committee may direct payment to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution. Such distribution shall completely discharge the Committee and Company from all liability with respect to such benefit.

5.10. **Effect of Payment.** The full payment of the applicable benefit under this Article V shall completely discharge all obligations on the part of the Company to the Participant (and the Participant's Beneficiary) with respect to the operation of this Plan, and the Participant's (and Participant's Beneficiary's) rights under this Plan shall terminate.

ARTICLE VI - BENEFICIARY DESIGNATION

6.1. **Beneficiary Designation.** Each Participant shall have the right, at any time, to designate one (1) or more persons or entities as Beneficiary (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of Participant's death prior to complete distribution of the Participant's vested Account balance. Each Beneficiary designation shall be in a written form prescribed by the Committee and shall be effective only when filed with the Committee during the Participant's lifetime.

6.2. **Changing Beneficiary.** Any Beneficiary designation may be changed by the filing of a new Beneficiary designation with the Committee.

6.3. **No Beneficiary Designation.** If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the Participant's estate.

6.4. **Effect of Payment.** Payment to the Beneficiary shall completely discharge the Company's obligations under this Plan.

ARTICLE VII - ADMINISTRATION

7.1. **Committee; Duties.** This Plan shall be administered by the Committee, which shall consist of not less than three (3) persons appointed by the Board, except after a Change in Control as provided in Section 7.5. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under this Plan.

7.2. **Agents.** The Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

7.3. **Binding Effect of Decisions.** The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder and with respect to determining eligibility to participate in the Plan, whether, when and in what amount benefits are payable under the Plan, and any factual determinations shall made in the Committee's sole discretion and shall be final, conclusive and binding upon all persons.

7.4. **Indemnity of Committee.** The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan on account of such member's service on the Committee, except in the case of gross negligence or willful misconduct.

7.5. **Election of Committee After Change in Control.** After a Change in Control, vacancies on the Committee shall be filled by majority vote of the remaining Committee members and Committee members may be removed only by such a vote. If no Committee members remain, a new Committee shall be elected by majority vote of the Participants in the Plan immediately preceding such Change in control. No amendment shall be made to Article VII or other Plan provisions regarding Committee authority with respect to the Plan without prior approval by the Committee.

ARTICLE VIII - CLAIMS PROCEDURE

8.1. **Claim.** Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan (hereinafter referred to as "Claimant"), or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practicable.

8.2. **Denial of Claim.** If the claim or request is denied, the written notice of denial shall state:

- a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based;
- b) A description of any additional material or information required and an explanation of why it is necessary; and
- c) An explanation of the Plan's claim review procedure.

8.3. **Review of Claim.** Any Claimant whose claim or request is denied or who has not received a response within sixty (60) days may request a review by notice given in writing to the Committee within sixty (60) days following such denial or lack of response. The claim or request shall be reviewed by the Committee.

8.4. **Final Decision.** The decision on review shall normally be made within sixty (60) days after the Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the Claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be made in the Committee's sole discretion and shall be final and binding on all parties.

ARTICLE IX - AMENDMENT AND TERMINATION OF PLAN

9.1. **Amendment**. The Board may at any time amend the Plan by written instrument, notice of which is given to all Participants and to Beneficiaries receiving installment payments, subject to the following; provided, that no amendment shall reduce the amount accrued in any Account as of the date such notice of the amendment is given.

9.2. **Company's Right to Terminate**. The Board may at any time partially or completely terminate the Plan, as it determines in its sole discretion.

a) Partial Termination. The Board may partially terminate the Plan by instructing the Committee not to accept Deferral Commitments for future Deferral Periods. If such a partial termination occurs, the Plan shall continue to operate and be effective with regard to Deferral Commitments entered into prior to the effective date of such partial termination.

b) Complete Termination. The Board may completely terminate the Plan by instructing the Committee not to accept Deferral Commitments for future Deferral Periods, and by terminating all current Deferral Commitments. In the event of complete termination, the Plan shall cease to operate and Company shall distribute each Account to the appropriate Participant. Payment shall be made as a lump sum.

ARTICLE X - MISCELLANEOUS

10.1. **Unfunded Plan**. This plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may take such actions as it, in its sole discretion, deems appropriate if it is determined by the United States Department of Labor, a court of competent jurisdiction, or an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3 (2) of ERISA (as currently in effect or hereafter amended) which is not so exempt.

10.2. **Unsecured General Creditor**. Notwithstanding any other provision of this Plan, Participants and Participants' Beneficiary shall be unsecured general creditors, with no secured or preferential rights to any assets of Company or any other party for payment of benefits under this Plan. Any property held by Company for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets. Company's obligation under the Plan shall be an unfunded and unsecured promise to pay money in the future.

10.3. **Trust Fund**. Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, Company may establish one (1) or more trusts, with such trustees as the Board may approve, for the purpose of assisting in the payment of such benefits. Although such a trust shall be irrevocable, its assets shall be held for payment of all Company's general creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of Company.

10.4. **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgements, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.5. **Not a Contract of Employment**. This Plan shall not constitute a contract of employment between Company and the Participant. Nothing in this Plan shall give a Participant the right to be retained in the service of Company or to interfere with the right of the Company to discipline or discharge a Participant at any time.

10.6. **Protective Provisions**. A Participant shall cooperate with Company by furnishing any and all information requested by Company in order to facilitate the payment of benefits hereunder and by taking such action as may be requested by Company.

10.7. **Governing Law**. The provisions of this Plan shall be construed and interpreted according to the laws of the State of Georgia, except as preempted by federal law.

10.8. **Validity**. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.9. **Notice**. Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the company's primary business address. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in company's records

10.10. **Successors.** The provisions of this Plan shall bind and inure to the benefit of Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of Company, and successors of any such corporation or other business entity.

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OXFORD INDUSTRIES, INC.

By:

Title:

The Executive Medical Reimbursement (EMR) Plan is maintained primarily for a select group of management or highly compensated employees of Oxford Industries, Inc. (Oxford).

The EMR Plan will cover most medical expenses that may be itemized on your tax return but are not otherwise covered by insurance. For a more detailed list, see the Covered Expenses section on page 3.

The intent of this benefit is to substantially cover medical expenses not covered by Oxford's Medical Plan.

Benefits under the EMR Plan are provided through an insurance contract with Exec-U-Care. Oxford pays the premiums for the insurance contract from its general assets. Benefits received from the EMR Plan are not taxable to the recipient.

In addition, this plan will reimburse you the balance of your Oxford Group Medical Plan expenses up to the Usual Customary and Reasonable (UCR) allowance. The two plans will coordinate benefits to reimburse you 100% of covered expenses.

The entire premium for this coverage is paid by Oxford Industries, Inc.

The maximum benefit is \$100,000 per family per calendar year effective January 1, 2001. The maximum benefit per calendar year for each occurrence by the same insured person or dependent (for the same hospital confinement or related illness or injury) is limited to \$10,000.

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The Executive Medical Reimbursement Plan is offered to certain management or highly compensated employees designated by Oxford Industries, Inc. (Oxford). Your effective date of coverage will be the date Oxford extends this benefit to you. There is no waiting period or pre-existing condition exclusion for the EMR Plan. Additionally, it is not required that you be covered by the Oxford Group Medical Plan in order to be covered by the EMR Plan.

Coverage For Your Dependents

Upon being offered the EMR Plan, you will be asked to designate your qualified dependents whom you wish to have insured. You may insure your qualified dependents under the EMR Plan even if they are not insured under Oxford's Medical Plan.

The term "dependent" means your spouse and your unmarried children within the age limits specified below. "Spouse" means the person to whom you are legally married, including common law marriages in states where they are legally recognized.

The term "children" means your natural children and:

1. Adopted children on the day the child is placed with you for adoption, as long as the child is under age 18 when placed with you.
2. Stepchildren.
3. Children for whom you have legal guardianship.
4. Any other children related to you by blood or marriage, provided they are:
 - living in a regular parent-child relationship with you;
 - dependent upon you for support and maintenance; and

- not employed on a full-time basis.

Documentation may be required before dependents can be added.

In the case of (4) above, a regular parent-child relationship does not exist if either of the child's natural parents also resides with you. For example, if your grandchild lives with you, you do not have a regular parent-child relationship if one or both of your grandchild's parents also live with you.

Being "dependent upon you for support and maintenance" means receiving from you over one half of the child's financial support, as defined by the Internal Revenue Code, and being claimed by you as a dependent for income tax purposes.

Dependent Age Limits

To be eligible, children must be under 19 years of age. Dependent children will no longer be eligible for coverage on the day they turn 19 unless they have a physical or mental disability or are considered full-time students.

Coverage can be continued past the 19th birthday for a dependent who is mentally or physically incapable of earning a living and who is dependent upon you for support and maintenance, provided you furnish evidence of the dependent's incapacity within 31 days after the dependent reaches the limiting age. The disability must begin before the dependent reaches age 19, or before age 25 if the dependent continued to

be covered as a full-time student. Any benefits continued for such a dependent child will terminate under any of the conditions described above, or, in any event, when the dependent ceases to be incapacitated, or at the end of the 31-day period after

any requested proof of continued incapacity is not furnished.

An unmarried child under 25 years of age who goes to school on a regular basis and depends entirely upon you for support will be covered as a dependent. For coverage to continue during periods of non-attendance, the child must be a full-time student for at least five months during a calendar year and coverage will continue until the earlier of the end of the calendar year or date of graduation. Full-time status will be determined according to the quarter or semester hour policies of the school. Coverage stops the day your dependent reaches age 25, or earlier if they no longer qualify as a full-time student.

Other Dependent Coverage Rules

If both husband and wife are covered under the EMR Plan as employees, one, but not both, may elect to cover eligible children for the coverage described in this booklet.

Coverage for your dependents will be effective on the date you become covered.

If you acquire an eligible dependent or if you have a dependent who is no longer eligible, you should notify Corporate Human Resources immediately.

Any expenses covered by the EMR Plan are reimbursed at 100% of Usual Customary and Reasonable charges with no deductible.

Deductible and out-of-pocket expenses under Oxford's Medical Plan are reimbursed at 100% of Usual Customary and Reasonable under the EMR Plan.

Benefits under the EMR Plan will be paid as if you and your family are covered under Oxford's Medical Plan or another comparable Base Plan not to exceed 100% of paid expenses. The EMR Plan covers many expenses that are not covered by Oxford's Medical Plan. These expenses are paid at 100% subject to the Usual Customary and Reasonable allowance.

Eligible covered expenses include:

- Office visit copays
- Prescription drugs and/or prescription drug copays
- Oxford's Medical Plan deductible
- Oxford's Medical Plan coinsurance
- Oxford's Dental Plan deductible
- Oxford's Dental Plan coinsurance
- Dental expenses
- Orthodontia to repair a functional disorder
- Eye glasses and contact lenses to repair a functional disorder
- Hearing examinations
- Hearing aids
- Vision care
- Routine physicals
- The difference between semi-private and private room charges
- Services within the lawful scope of practice of a Licensed Clinical Psychologist or a Licensed Clinical Social Worker
- After tax insurance premiums for group medical, dental, vision or prescription drug plan

Examples of Benefit Payments Under the Executive Medical Reimbursement Plan

Expenses Covered Under Oxford's Medical Plan Preferred Provider Organization (PPO) Option

Examples are: Medical and surgical care, hospital services and other services related to the care and treatment of an illness or injury.

Example:

Hospital \$1,000

Physician \$ 500

Total Expenses \$1,500

Less Deductible \$ 500

Balance \$1,000

80% covered by Oxford's Medical Plan \$ 800

Deductible and remainder paid by EMR \$ 700

Total Benefit (assuming UCR not exceeded)

\$1,500

**Expenses Covered at 50% under Oxford's
Medical Plan**

Examples are: Mental and Nervous/Drug and
Alcohol Abuse Care, Skeletal Adjustments and
Emergency Care for Non-Emergencies

Example:

Psychiatrist Charges \$ 100

50% covered by Group Medical Plan \$ 50

(after deductible)

Remainder paid by EMR Plan \$ 50

Total Benefit (assuming UCR not exceeded) \$ 100

**Expenses Not Covered Under Oxford's Medical
Plan but Covered Under the EMR Plan**

Examples are: dental, vision care, hearing aids,
hearing exams, routine physicals, orthodontia and
contact lenses to correct a functional disorder.

Example:

Optometrist charges \$100

Eyeglasses \$ 150

Total Expense \$250

Total Benefit (assuming UCR not exceeded) \$250

What's Not Covered

The EMR Plan does not provide benefits for:

1. Treatment of injuries arising from any employment, including self-employment such as farming or similar employment.
2. Treatment of injuries/illnesses if benefits are provided under any Workers' Compensation

- Act or similar law.
3. Services or supplies for which no charge is made that you are required to pay, including charges payable by another party.
 4. Treatment of injury or illness which is due to war, declared or undeclared. This exclusion shall not apply to anyone entitled to benefits under the Uniformed Services Employment and Reemployment Rights Act of 1994 except to the extent that the illness or injury is determined by the Secretary of Veterans Affairs to have occurred or been aggravated while performing duties in the Uniformed Services.

 5. Expenses in excess of Usual Customary and Reasonable charges.
 6. Services rendered by a provider who is a close relative or member of your household. Close relative means wife or husband, parent, child, brother or sister by blood, marriage, or adoption.
 7. Claims not filed on a timely basis (see page 8).
 8. Services or supplies for treatments that are not Medically Necessary.
 9. Treatment incurred before the insured was covered under this plan.
 10. Charges for any cosmetic surgical procedure, cosmetic dental procedure, or drug or medicine prescribed for cosmetic use; except to restore function or repair a disfigurement resulting from a congenital birth defect or an injury, disease or its surgical treatment (such as reconstruction after removal of a malignancy). Cosmetic procedures include tooth bleaching, face lifts and tummy tucks.
 11. Any other treatments or procedures not previously mentioned as Covered Expenses.
 12. Benefits paid under Oxford's Medical Plan or other group coverage.
 13. Charges for the services of a medical practitioner other than a Physician, except as described in Oxford's Medical Plan Summary Plan Description.
 14. Any pre-tax contributions employees may be required to make for themselves or their dependents for coverage under Oxford's Medical and/or Dental Plans.

 15. Any non-prescription drugs or medicines.
 16. Routine travel to and from the place of service.
 17. Charges for medical, dental or vision care which are not certified by a Physician as being medically necessary.
 18. Benefits paid under another plan under Coordination of Benefit rules.

If you or your dependents have duplicate coverage under any other group medical expense coverage, any individual or group automobile insurance, or

any local, state or government program (except school accident insurance coverage or Medicaid), then benefits payable under the EMR Plan will be coordinated with the benefits payable under the other plans.

Filing Your Claims

Claims for services covered under the Oxford's Medical Plan should be filed as explained in Oxford's Medical Plan Summary Plan Description. After claims are processed under that Plan, eligible EMR charges will be automatically processed for you. Claims for services not covered under Oxford's Medical Plan or covered by an HMO or another group plan should be submitted directly to Corporate Human Resources.

Timeliness of filing: To receive benefits from the EMR Plan, claims must be submitted the earlier of within 12 calendar months from the date the services were rendered or March 31 of the following year that the claim is incurred. Payment of claims will be made as soon as possible following receipt of the claim, unless more time is required to investigate the claim or to obtain incomplete or missing information.

Necessary Information: In order to process your claim, the EMR Plan may need information from the provider of service. As a covered person, you agree to authorize the Physician, Hospital, or other service provider to release necessary information to Oxford, the insurer and administrative or supervisory personnel of each of them. Oxford and the insurer will consider such information confidential. However, the insurer has the right to use this information to defend or explain a denied claim.

Any correspondence mailed to you will be sent to your most recent known address. You are responsible for notifying Oxford of your current address.

Processing Your Claims

The insurer will make initial determinations about claims for benefits under the EMR Plan.

You will ordinarily be notified in writing of the determination within 60 days after Oxford or the insurer receives your completed claim and all information required to process your claim.

You will be notified in writing if an extension of the 60-day period is needed to process your claim. If an extension is required, the extension will not be longer than 90 days from the end of the initial 60-day period. The extension notice will be provided within the initial 60-day period and will indicate the special circumstances requiring the extension of time and the date by which you can expect to receive a decision.

If you do not receive a written response within the

initial 60-day period beginning when your request is

received, you should consider the request denied and you may proceed to appeal the decision.

If your request is denied, you will receive a written statement outlining:

the specific reason(s) for denial.

reference to the EMR Plan provisions on which the denial is based.

a description of any additional information necessary to resolve the claim and an explanation of why such material is necessary.

information about what steps you need to take to appeal the denial.

Appeals

You or your representative may appeal Oxford's decision on behalf of the Committee relating to:

eligibility, participation and other administrative aspects of operating the EMR Plan.

- Oxford's Claims Payer's decision relating to payment of benefits.

The Committee will review all requests for appeal. Your request for appeal must be made within 60 days from the date the claim was denied. Your written request must include:

a description of your claim, including information supporting your claim.

reasons why your claim should not have been denied.

any other appropriate information or comments.

Mail your written request to:

Committee for the Oxford Medical Plan

c/o Corporate Human Resources

Oxford Industries, Inc.

222 Piedmont Avenue, N.E.

Atlanta, Georgia 30308-3391

Within 60 days after receiving your request for review, the Committee will review your appeal. You will be notified in writing of the Committee's decision in your case. Again, if your claim is denied, this written notice will include the specific reasons for denial as well as specific references to pertinent EMR Plan provisions.

The Committee reserves the right to change these claims procedures at any time in any manner

consistent with applicable laws. A failure to request a review of a request that is denied will be treated as full and complete agreement with the denial.

Terms Of Your Coverage

The EMR Plan provides the benefits described in this booklet only for eligible employees and dependents for whom coverage has been selected. Benefit payment for Covered Expenses will be made to the provider or you depending upon whether you assigned rights to receive the payment to the provider. Neither you nor your dependents may assign your rights under the EMR Plan, other than the right to receive benefit payments, to any other party. Oxford and the insurer may recognize an attempted assignment solely for purposes of determining where and to whom to send a payment, but the rights to an underlying claim for benefits shall not inure to any purported assignee.

The EMR Plan does not supply you with a provider. In addition, the EMR Plan is not responsible for any

injuries or damages you may suffer due to actions of any provider.

In order to process your claims, the EMR Plan may request additional information about treatment you received and/or other group health or dental insurance you may have.

Oxford, at its sole expense, will have the right to have any person examined as often as it may reasonably be required to pay benefits appropriately.

The EMR Plan does not take the place of or affect the requirements for Workers' Compensation. Workers' Compensation is an exclusive remedy, and work-related injury or illness is not covered by this Plan (see page 6).

You may be required to sign certain acknowledgements of conditions applicable to your receipt of benefits under the EMR Plan, and Oxford may refuse to pay any benefits to you unless and until such acknowledgements are signed.

Extra Benefits

Because the EMR Plan is an insured plan, Oxford purchases available products rather than custom-designed insurance. From time to time a vendor will provide "extras" in their executive medical reimbursement package. The following are "extras" offered by Exec-U-Care effective January 1, 2001:

- Maximum family benefit of \$100,000 (for a number of years, the maximum benefit has been \$15,000)

- \$100,000 of Accidental Death & Dismemberment insurance protection
- Medex Worldwide Medical Assistance for worry-free travel

These "extras" should not be considered in your long range planning as they are subject to change from year to year and with insurer.

Administration of the EMR Plan

The EMR Plan is administered by the Plan Administrator, which is Oxford, through an insurance contract purchased from Exec-U-Care. Oxford's Administrative Committee (the "Committee") has overall responsibility for determining benefits under the EMR Plan. Members of the Committee are appointed by the Board of Directors of Oxford. The Committee decides all appeals from decisions made by the insurer which are disputed by the eligible participant.

Oxford determines the coverage under the EMR Plan. Oxford has reserved the right to terminate the EMR Plan or discontinue or change benefits and coverage at any time.

It is important that you understand your plan is designed to cover expenses as indicated in the Covered Expenses section on page 3. It is not the intent of the EMR Plan to assist you in paying expenses you have as a result of services or supplies that are not Medically Necessary. Expenses that are not Medically Necessary are not considered as Covered Expenses under the EMR Plan.

The rest of this section provides general, administrative information about the EMR Plan.

1. The name of the Plan is the Oxford Industries, Inc. Executive Medical Reimbursement Plan.
2. Oxford Industries, Inc. (Oxford) is the EMR Plan Sponsor and the employer whose employees may participate in the EMR Plan. Oxford's address and telephone number are:

Oxford Industries, Inc.

P.O. Box 54600

222 Piedmont Avenue, N.E.

Atlanta, Georgia 30308-3391

Subsidiaries and other affiliates of Oxford may adopt the EMR Plan to cover their employees.

3. Overall responsibility for determining benefits under the EMR Plan is held by the Administrative Committee (the "Committee"), composed of three to five members appointed by Oxford's Board of Directors. The Committee's duties include determining eligibility to participate in the EMR Plan, determining the benefits payable to any person, making and enforcing necessary rules, and interpreting the EMR Plan uniformly for all participants.
4. The agent for service of legal process is the Corporate Secretary of Oxford Industries, Inc., whose address is the same as Oxford's.
5. The employer identification number assigned to Oxford is 580831862. The EMR Plan's records are kept on the basis of a calendar year ending December 31.
6. The insurer's name and address for Oxford's EMR Plan is:

Exec-U-Care

Jefferson Pilot Financial Insurance Company

8801 Indian Hills Drive

Omaha, NE 68114-4066
7. Oxford Industries, Inc. reserves the right to terminate, suspend, withdraw, amend or modify the EMR Plan in whole or in part at any time.

Termination Of Coverage

Your benefits will terminate on the earliest of the following dates:

1. The date the EMR Plan is terminated.
2. The date the EMR Plan is amended to terminate the benefits of a group of Employees to which you belong.
3. The date with respect to any benefits for which you cease to be an Employee eligible for such benefits.
4. The date your active employment with Oxford or any of its affiliates who have adopted the EMR Plan is terminated.
5. The last day of the period for which your last contribution is made, if you fail to make any required contribution due towards the cost of benefits when you are on COBRA.

Your benefits with respect to dependents will terminate on the earliest of the following dates:

- the last day of the period for which your last contribution was made, if you stop making any required contribution towards the cost of benefits for your dependents when due when you are on COBRA.
- the date your benefits are terminated.
- the date a dependent ceases to be eligible as a dependent, except as provided under the provisions of COBRA (see below).

COBRA

Under the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, an employer must offer to continue group benefits to certain employees and dependents. A person who would otherwise lose coverage as a result of a qualifying event is entitled to elect to buy continued coverage under the EMR Plan. The coverage will be identical to the coverage provided for persons for whom a qualifying event has not occurred.

A qualifying event is any of the following:

termination of the employee's employment (other than for gross misconduct), including

termination of employment upon the expiration of leave under FMLA

the start of any absence from employment because of service in the Uniformed Services as described in the Uniformed Services Employment and Reemployment Rights Act of 1994.

the death of the employee.

divorce or legal separation of the employee from his or her spouse.*

- a dependent child ceasing to qualify as an eligible dependent under the EMR Plan.*

*In these cases, the employee or eligible dependent is responsible for notifying Oxford within 60 days after the later of (a) the date of the qualifying event or (b) the date the person would lose coverage on account of the qualifying event. If Oxford is not so notified, the person will not be given the opportunity to continue coverage.

Oxford must, within 14 days of notification of a qualifying event, advise the employee or eligible dependent of the right to continue coverage. Continued coverage is not automatic. Coverage must be elected within 60 days of the later of:

the qualifying event; or

the date Oxford notifies the employee or eligible dependent of his/her right to purchase continued coverage.

Notice of the right to continue coverage to your spouse will be deemed notice to any dependent child residing with your spouse.

If you do not elect to purchase continued coverage on a timely basis, your right to continue coverage under the EMR Plan will end.

The Employee or eligible dependent will be required to pay for the continued coverage plus a 2% administration fee. If the Employee or eligible dependent elects continuation of coverage, the Employee or eligible dependent will have 45 days from the date of election to make the initial payment. All subsequent payments will be due on a monthly basis with a 30-day grace period.

If elected, the maximum period of continued coverage for a qualifying event involving termination of employment or reduced working hours is 18 months. However, if a second qualifying event that normally allows 36 months of continuation coverage occurs within this 18-month period, the period of coverage for any dependent covered under the EMR Plan at the time of both the first and second qualifying events may be extended up to 36 months from the first date of the initial qualifying event.

New Dependents

If, during the 18 months (or 29 or 36 months, if applicable) of COBRA coverage, a child is born or placed for adoption with the qualified beneficiary, then coverage status can be changed to include the newborn or adopted child if Oxford Industries, Inc. is notified within 31 days of the event. The child will gain the rights of other qualified beneficiaries.

Treating a newborn or adopted child as a qualified beneficiary is important if, during the first 18 months of continuation coverage following the covered employee's termination of employment, there is a second qualifying event-death of a covered employee, divorce or legal separation of the employee from his or her spouse, or the dependent child ceasing to be a 'dependent' under the group plan-that allows a qualified COBRA beneficiary to elect up to 36 months of coverage after the date of the original qualifying event. A qualified beneficiary also has the same right to receive certain COBRA notifications as you have.

Medicare Entitlement

If a covered employee has a qualifying event within 18 months of becoming entitled to Medicare, then any other qualified beneficiary (covered spouse and/or covered children) is entitled to continuation coverage for no more than a total of 36 months, beginning with the date of the employee's entitlement to Medicare.

Social Security Disability

The 18 months of coverage can be extended for an additional 11 months to a maximum of 29 months for *each* qualified beneficiary in the family if *any* qualified beneficiary is determined by the Social Security Administration to be disabled according to Title II or XVI of the Social Security Act at any time during the first 60 days of continuation coverage. It is the qualified beneficiary's responsibility to obtain this disability determination from the Social Security Administration and provide a copy of the determination to Oxford Industries within 60 days after the date of the determination and before the original 18 months expire. If these time frames are not complied with by the beneficiary, then the additional 11 months of COBRA coverage will not be offered. It is also the qualified beneficiary's responsibility to notify Oxford Industries within 30 days if a final determination has been made that they are no longer disabled. If coverage is extended to 29 months due to a Social Security disability, premiums will equal 150% of the applicable premium during the extended 11month coverage period.

Other events will cause coverage to end sooner-on the earliest of the following:

the date the employer ceases to provide any EMR Plan to any employee.

the first day of the first period for which the employee or eligible dependent fails to make any required payment, subject to the 30-day grace period.

with respect to a disabled employee or dependent, the date that is 30 days after the date when the person is no longer disabled for Social Security purposes.

Covered Expenses

Charges for services and supplies that are paid by the EMR Plan, subject to the terms and conditions of the EMR Plan.

Effective Date

The date your coverage begins.

Licensed Clinical Social Worker

A social worker who is licensed by the State Licensing Board of the state in which he or she practices.

Medical Necessity/Medically Necessary

The EMR Plan only pays covered expenses considered Medically Necessary. Oxford reserves the right to determine whether a service or supply is Medically Necessary. The fact that a Physician has prescribed, ordered, recommended or approved a service or supply does not, in itself, make it

Medically Necessary. A service is Medically Necessary if it is all the following:

appropriate and consistent with the diagnosis and could not have been omitted without adversely affecting the patient's condition or the quality of medical care rendered.

- compatible with the standards of acceptable medical practice in the United States.
- Provided not solely for your convenience or the convenience of the doctor or hospital
- Not primarily custodial care
- The least costly level of service that can be safely provided. For example, a hospital stay is necessary when treatment cannot be safely provided on an outpatient basis.

For necessary medical services, the EMR Plan looks at the Usual Customary and Reasonable charges submitted.

Medicare

The plan established by Title XVIII of the Social Security Act as it presently stands and may be amended later.

Physician

Any licensed Doctor of Medicine legally entitled to practice medicine and perform surgery, any licensed Doctor of Osteopathy approved by the Composite State Board of Medical Examiners, any Licensed Doctor of Podiatric Medicine legally entitled to

practice podiatry, any licensed Doctor of Dental Surgery legally entitled to perform oral surgery. Clinical Psychologists are also providers when acting within the scope of their licenses and when rendering services covered under this Plan. Chiropractors who are licensed by the State Licensing Board of the state in which they practice are also covered.

Usual Customary and Reasonable (UCR) Fee

Usual Charge: the fee a provider most frequently charges for the procedure performed.

Customary Charge: based on a mathematical computation of the usual fees charged by providers in a given geographic area for the procedure performed.

Reasonable Charge: the fee different from usual or customary charges because of unusual circumstances involving complications requiring additional time, skill, and experience.

The EMR Plan pays up to the usual fee not to exceed the customary fee, unless special circumstances or complications occur.

This booklet is a summary of your Executive Medical Reimbursement Plan. A thorough

understanding of your coverage will enable you to use your benefits wisely. Please read this booklet carefully. If you have any questions about your benefits as presented in this booklet, please contact Oxford's Corporate Human Resources Department.

This booklet is not a contract. Its purpose is to help you understand your coverage under the EMR Plan.

The written provisions of the EMR Plan and this Summary Plan Description will override:

any oral statements or explanation of your benefits made by any party.

- any written statement made by any party other than the Committee.

The EMR Plan will comply with all laws currently in effect, and with those applicable laws that may come into effect in the future.

This Summary Plan Description and the EMR Plan are not employment contracts between you and Oxford. All Oxford employees are "employees at will" and either the employee or Oxford may terminate the employment relationship at any time and for any reason or for no reason, unless there is an individual written contract signed by the Chairman and President of Oxford Industries.

Oxford Industries, Inc. reserves the right to terminate, suspend, withdraw, amend or modify the Plan in whole or in part at any time. As Plan Administrator, Oxford Industries, Inc. has the authority, in its sole discretion, (i) to interpret the terms of the Plan Document and this Summary Plan Description, (ii) to make all decisions regarding eligibility for participation in the Plan and eligibility for benefits under the Plan and (iii) to make all factual determinations that it deems necessary in administering the Plan subject to the appeals procedures described in this Summary Plan Description.

EXHIBIT 10(h).

OXFORD INDUSTRIES, INC. 1992 STOCK OPTION PLAN

I.

PURPOSE

The purpose of the Oxford Industries, Inc. 1992 Stock Option Plan (the "Plan") is to advance the interest of Oxford Industries, Inc. (the "Company") and its stockholders by providing the opportunity for key employees to purchase shares of the Company's common stock through the exercise of stock options and to benefit from the Company's future growth.

II.

EFFECTIVE DATE OF PLAN

The effective date of this Plan shall be the date it is adopted by the Board of Directors, provided that the shareholders of the Company shall approve this Plan after the date of its adoption in accordance with Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, to the extent this Plan provides for the issuance of incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") ("Incentive Stock Options"), the shareholders of the Company shall approve those portions of this Plan related to the granting of Incentive Stock Options within 12 months after the date of adoption. If any options are granted under this Plan before the date of such shareholder approval, such options automatically shall be granted subject to such approval.

III.

ADMINISTRATION OF THE PLAN

This Plan shall be administered by a Stock Option and Compensation Committee (the "Committee") of not less than two (2) Directors to be appointed by the Board of Directors. Each member of the Committee shall at all times be a "disinterested person" within the meaning of Rule 16b-3 under the Exchange Act.

The Committee acting in its absolute discretion shall exercise such powers and take such action as expressly called for under this Plan and, further, the Committee shall have the power to interpret the Plan and (subject to Rule 16b-3 under the Exchange Act) to take such other action (except to the extent the right to take such action is expressly exclusively reserved for the Board of Directors or the Company's shareholders) in the administration or operation of this Plan as the Committee deems equitable under the circumstances. The interpretation of any provision of this Plan by the Committee and any action taken by the Committee under this Plan or with respect to any option granted hereunder shall be final and binding on all persons. No Committee member shall be personally liable for any interpretation or action made or taken in good faith under this Plan or with respect to any option granted hereunder and, to the extent permitted by law, each member shall be indemnified by the Company against any liability and expenses arising from such interpretation or action.

IV.

ELIGIBILITY

The persons eligible to participate in this Plan as recipients of stock options shall be only those employees that Committee in its discretion determines to be key employees of the Company or any of the Company's subsidiary corporations ("Subsidiary Corporations"), as defined in Section 424(f) of the Code. Directors of the Company who are otherwise employed by the Company are eligible employees.

V.

GRANT OF OPTIONS

The Committee in its discretion may from time to time grant options to purchase shares of stock to any eligible employees and determine the number of shares which may be subject to each such option. Further, the Committee in its discretion shall have the right to grant new options under this Section V in exchange for the surrender of outstanding options which have a higher or lower option price, as well as the right to grant "reload" options to replace shares that may have been surrendered or withheld in connection with the exercise of an option (whether the option exercised was granted under this Plan or any other stock option plan of the Company). Each option granted pursuant to this Plan shall be expressed in a written agreement between the eligible employee and the Company incorporating such terms and conditions as may be determined by the Committee in its discretion at the time of grant, subject to the terms, conditions and limitations set forth in this Plan. Options granted pursuant to this Plan may be either Incentive Stock Options or options which do not qualify as Incentive Stock Options, as determined by the Committee in its discretion at the date of grant of each option and specified in the written agreement granting such option. If the Committee grants an Incentive Stock Option and an option which does not qualify as an Incentive Stock Option to an eligible employee on the same date, the right of the eligible employee to exercise one such option shall not be conditioned on his failure to exercise the other such option.

VI.

OPTION SHARES

There shall be an aggregate number of \$500,000 shares of \$1.00 par value common stock of the Company which may be subject to options granted pursuant to this Plan. The shares may be either authorized and unissued shares or issued shares held in or hereafter acquired for the treasury of the Company. In the event any shares are subject to options which terminate for any reason without being exercised (including, without limitation, the cancellation, expiration or exchange of such options), such shares shall again become available for issuance pursuant to options hereunder until the termination of the Plan as provided in Section XI hereof.

VII.

OPTION PRICE

The purchase price for each share of stock with respect to which an option is granted pursuant to this Plan (the "option price") shall be determined by the Committee but the option price for each share of stock subject to an Incentive Stock Option shall in no event be less than one hundred (100%) percent of the fair market value of the stock at the time such option is granted. The option price for each share of stock which is not subject to an Incentive Stock Option may (in the absolute discretion of the Committee) be more or less than or equal to the fair market value of a share of stock on the date such option is granted; provided, however, that in no event shall the option price be less than adequate consideration as determined by the Committee. For purposes of this Section VII, the fair market value of a share of stock shall mean the mean between the high

and the low sales prices on any date for a share of stock as reported by the Wall Street Journal under the New York Stock Exchange Composite Transactions quotation system (or under any successor quotation system) or (b) if the stock is not traded on the New York Stock Exchange, under the quotation system under which such closing price is reported or (c) if the Wall Street Journal does not report such closing price, such closing price, as reported by a newspaper or trade journal selected by the Committee or (d) if no such closing price is available on such date, such closing price as so reported or so quoted in accordance with section (a) above for the immediately preceding business day or, (e) if no newspaper or trade journal reports such closing price or if no such price quotation is available, the price which the Committee acting in good faith determines through any reasonable valuation methods that a share of stock might change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts. Such option price shall be payable according to the payment method specified by the Committee in each option. The payment methods available for selection by the Committee are cash (including by delivery of a personal check) only, surrendering common stock of the company or, to the extent allowed by the Committee in its discretion, electing that the Company withhold shares of stock (that otherwise would be transferred to the eligible employee as a result of the exercise of such option), any combination of cash and common stock of the Company or such other method as determined by the Committee. To the extent that the eligible employee elects to pay the option price with shares of common stock, such stock shall be valued at fair market value as of the day such shares are surrendered as payment or treated by the Committee as withheld from the exercise of the Option. Any election to withhold shares otherwise transferable upon exercise in payment of the option price, and any such withholding, shall be in accordance with the provisions of Rule 16b-3 under the Exchange Act.

VIII.

TERMS OF OPTIONS

The period during which an option granted under this Plan can be exercised shall commence on the last day of the six (6) month period which begins on the date of grant of the option and continue until such option expires by its terms. No option granted under this Plan shall be exercisable by its terms after the earlier of (a) the date the option is exercised in full, (b) the termination for any reason of such option (including, without limitation, the cancellation, expiration or exchange of such option), (c) the expiration of ten (10) years from the date such option is granted, or (d) the expiration of three(3) months from the date the employee first ceases to be an employee of the Company or any of its Subsidiary Corporations for any reason, except as otherwise provided in the terms of the option in accordance with the provisions of this Section VIII relating to death or permanent disability.

Any option granted under this Plan may, but shall not be required to, provide either or both of the following:

(a) in the event the eligible employee dies prior to the expiration of the option, the option may be exercised in whole or in part by the person or persons to whom such right passes by will or inheritance or by the executor or administrator of the eligible employee's estate at any such time or within such time as the Committee may specify in the terms of the option; or

(b) in the event the eligible employee first ceases employment with the Company or any of its Subsidiary Corporations because of permanent and total disability (within the meaning of Section 22(e)(3) of the Code) prior to expiration of the option, the option may be exercised by such disabled eligible employee in whole or in part at such time or within such time as the Committee may specify in the terms of the option, but in no event later than the expiration of one (1) year from the date the eligible employee ceases such employment by reason of such disability;

provided, however, that in neither such event shall the option be exercisable after the expiration of ten (10) years from the date such option is granted.

IX.

NON-TRANSFERABILITY

Each option granted pursuant to this Plan by its terms shall not be transferable by the eligible employee otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the eligible employee's lifetime, only by him.

X.

INCENTIVE STOCK OPTION LIMITATIONS

No Incentive Stock Option shall be granted to an eligible employee who, immediately before the option is granted, owns stock (taking into consideration the attribution rules of Section 424(d) of the Code) possessing greater than ten (10%) percent of the total combined voting power of all classes of stock of the Company or of its Subsidiary Corporations, unless:

(a) the option price is at least one hundred ten (110%) of the

fair market value of the stock subject to the option at the date of grant; and

(b) the option by its terms is not exercisable after the expiration of five (5) years from the date the option is granted.

To the extent the aggregate fair market value (as determined as of the date the Incentive Stock Option is granted) of the stock with respect to which Incentive Stock Options granted after December 31, 1986 first become exercisable by an eligible employee in any calendar year beginning after such date pursuant to this Plan or any other plans of the Company or a Subsidiary Corporation which satisfy the requirements of Section 422 of the Code exceeds \$100,000, such options shall not be treated as Incentive Stock Options. The Committee shall interpret and administer the \$100,000 limitation set forth in this paragraph in accordance with Section 422(d) of the Code.

XI.

TERM OF THE PLAN

No option shall be granted under this Plan on or after the earlier of July 13, 2002, in which event this Plan shall thereafter continue in effect until all outstanding options have been exercised in full or are no longer exercisable, or the date on which all the stock reserved under Section VI of this Plan has (as a result of exercise of options under this Plan) been issued or is no longer available for use under this Plan, in which event this Plan shall also terminate on such date.

XII.

TERMINATION OF EMPLOYMENT

The employment of any eligible employee shall not be deemed to have terminated if he is transferred to and becomes an employee of a Subsidiary Corporation, or if he is an employee of such a Subsidiary Corporation and is transferred to or becomes an employee of the Company or of another Subsidiary Corporation.

XIII.

ADJUSTMENT FOR CHANGES AFFECTING COMMON STOCK

The Committee in its discretion, to prevent dilution or enlargement of the rights represented by options, may make appropriate adjustments to the number and kind of shares available for issuance pursuant to options to be granted under this Plan, and to the number, kind and option prices of shares subject to outstanding options under this Plan, to give equitable effect to any reorganization, recapitalization, exchange of shares, stock split, stock dividend, rights offering, combination of shares, merger, consolidation, spin-off, partial liquidation, or other similar transaction affecting the Company's capitalization or corporate structure, including without limitation any "corporate transaction" as that term is used in Section 424(a) of the Code which provides for the substitution or assumption of such options.

XIV

AMENDMENT OR DISCONTINUANCE OF THE PLAN OR OUTSTANDING OPTIONS

This Plan may be amended by the Committee from time to time to the extent that the Committee deems necessary or appropriate; provided, however, to the extent required in accordance with Section 422 of the Code, no such amendment shall be made absent approval of the shareholders of the Company (a) to increase the number of shares of stock reserved under the Plan, or (b) to change the class of employees eligible under the Plan; and, provided, further, that, to the extent required in accordance with Rule 16b-3 under the Exchange Act, the Committee shall not amend this Plan absent the approval of the shareholders of the Company (a) to increase materially (within the meaning of Rule 16b-3) the benefits accruing to persons subject to Section 16 of the Exchange Act under the Plan, (b) to increase materially (within the meaning of Rule 16b-3) the number of securities which may be issued under the Plan, or (c) otherwise modify materially (within the meaning of Rule 16b-3) the requirements as to eligibility for participation in the Plan. Any amendment which specifically applies to non-Incentive Stock Options shall not require shareholder approval unless such approval is necessary under the provisions of Rule 16b-3 under the Exchange Act. The Committee also may suspend the granting of options under this Plan at any time and may terminate this Plan at any time; provided, however, the Committee shall not have the right unilaterally to modify, amend or cancel any option granted before such suspension or termination unless (1) the holder of such option consents in writing to such modification, amendment or cancellation or (2) there is a dissolution or liquidation of the Company or a transaction described in Section XIII or XVI of this Plan.

XV.

NO EMPLOYMENT RIGHTS CONFERRED

Nothing in this Plan or in any option granted hereunder shall confer upon any person any right of employment or continued employment by the Company or its Subsidiary Corporations or impair the Company's and its Subsidiary Corporations rights to terminate any person's employment.

XVI.

SALE OR MERGER OR CHANGE IN CONTROL

If the Company agrees to sell all or substantially all of its assets for cash or property or for a combination of cash and property or agrees to any merger, consolidation, reorganization, share exchange, division or other corporate transaction in which stock is converted into another security or into the right to receive securities or property and such agreement does not provide for the assumption or substitution of the options granted under this Plan, each option at the direction and discretion of the Committee shall (effective as of a date selected by the Committee) be (a) cancelled unilaterally by the Company (subject to such conditions, if any, as the Committee deems appropriate under the circumstances) in exchange for whole shares of stock (and cash in lieu of a fractional share) the number of which, if any, shall be determined by the Committee by dividing (1) the excess of the then fair market value of the stock then subject to exercise (as determined without regard to any vesting schedule for such option) under such option over the option price of such stock by (2) the then fair market value of a share of stock, or (b) cancelled unilaterally by the Company if the option price equals or exceeds the fair market value of a share of stock on such date.

If there is a change in control of the Company or a tender or exchange offer is made for stock other than by the Company, the Committee thereafter shall have the right to take such action with respect to any unexercised option, or all such options, as the Committee deems appropriate under the circumstances to protect the interest of the Company in maintaining the integrity of such grants under this Plan, including following the procedures set forth in this section for a sale or merger of the Company. The Committee shall have the right to take different action under this Section XVI upon a change in control with respect to different employees or different groups of employees, as the Committee deems appropriate under the circumstances. For purposes of this Section XVI, a change in control shall mean the acquisition of the power to direct, or cause the direction of, the management and policies of the Company by a person (not previously possessing such power), acting alone or in conjunction with others, whether through the ownership of stock, by contract or otherwise. For purposes of this definition, (1) the term "person" means a natural person, corporation, partnership, joint venture, trust, government or instrumentality of a government and (2) customary agreements with or between the under-writers and selling group members with respect to a bonafide public offering of stock shall be disregarded.

XVII.

NO SHAREHOLDER RIGHTS

No-eligible employee shall have any right as a shareholder of the Company as a result of the grant of an option to him under this Plan or his exercise of such option pending the actual delivery of stock subject to such option to such eligible employee.

XVIII

OTHER CONDITIONS

Each option agreement may require that an eligible employee (as a condition to the exercise of an option) enter into any agreement or make such representations prepared by the Company, including any agreement which restricts the transfer of stock acquired pursuant to the exercise of such option or provides for the repurchase of such stock by the Company under certain circumstances. Certificates representing shares of stock transferred upon the exercise of an option granted under this Plan may, at the discretion of the Company, bear a legend to the effect that such stock has not been registered under the Securities Act of 1933, as amended, or any applicable state securities law and that such stock may not be sold or offered for sale in the absence of an effective registration statement as to such stock under the Securities Act of 1933, as amended, and any applicable state securities law or an opinion, in form and substance satisfactory to the Company, of legal counsel acceptable to the Company, that such registration is not required.

XIX.

WITHHOLDING

The exercise of any option granted under this Plan shall constitute an employee's full and complete consent to whatever action the Committee deems necessary to satisfy the federal and state tax withholding requirements, if any, which the Committee acting in its discretion deems applicable to such exercise. The Committee also shall have the right to provide in an option agreement that an employee may elect to satisfy federal and state withholding requirements through a reduction in the number of shares of stock actually transferred to him under this Plan, and if the employee is subject to the reporting requirements under Section 16 of the Exchange Act, any such election and any such reduction shall be effected so as to satisfy the conditions to the exemption under Rule 16b-3 under the Exchange Act.

XX.

CONSTRUCTION

This Plan shall be construed under the laws of the State of Georgia.

RECEIVABLES SALE AGREEMENT

DATED AS OF May 3, 2001

between

**OXFORD INDUSTRIES, INC.,
as Originator,**

and

**OXFORD RECEIVABLES COMPANY,
as Buyer**

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RECEIVABLES SALE AGREEMENT

THIS RECEIVABLES SALE AGREEMENT, dated as of May 3, 2001, is by and between Oxford Industries, Inc., a Georgia corporation (together with its successors, "**Originator**"), and Oxford Receivables Company, a Delaware corporation ("**Buyer**"). ***Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in Exhibit I hereto (or, if not defined in Exhibit I hereto, the meaning assigned to such term in the Loan Agreement).***

PRELIMINARY STATEMENTS

Originator now owns, and from time to time hereafter will own, Receivables. To the extent that such Receivables are Ineligible Receivables, Originator wishes to contribute and assign to Buyer, and Buyer wishes to accept from Originator, all of Originator's right, title and interest in and to such Ineligible Receivables, together with the Related Security and Collections with respect thereto. To the extent that such Receivables are Eligible Receivables, Originator wishes to sell and assign to Buyer, and Buyer wishes to purchase from Originator, all of Originator's right, title and interest in and to such Eligible Receivables, together with the Related Security and Collections with respect thereto.

Each of the parties hereto intends the transactions contemplated hereby to be true sales or true contributions to Buyer by Originator of the Receivables, providing Buyer with the full benefits of ownership of such Receivables, and neither Originator nor Buyer intends these transactions to be, or for any purpose to be characterized as, loans from Buyer to Originator.

Buyer plans to finance its purchases of Eligible Receivables hereunder by borrowing under that certain Loan Agreement dated as of May 3, 2001 (as the same may from time to time hereafter be amended, supplemented, restated or otherwise modified, the "**Loan Agreement**") among Buyer, as borrower, Originator, as initial servicer, Three Pillars Funding Corporation, a Delaware corporation (together with its successors and permitted assigns, "**Lender**"), and SunTrust Equitable Securities Corporation, a Tennessee corporation, as agent and administrator for Lender (in such capacity, together with its successor and assigns in such capacity, the "**Administrator**").

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. AMOUNTS AND TERMS OF CONTRIBUTIONS AND PURCHASES

1. Contributions of Ineligible Receivables.

- a. Effective on the Closing Date, Originator does hereby contribute, assign, transfer, set-over and otherwise convey to Buyer, and Buyer does hereby accept from Originator as a contribution to Buyer's capital, all Ineligible Receivables existing as of the close of business on the Business Day immediately prior to the Closing Date (the "**Initial Cutoff Date**"), together with all Related Security relating thereto and all Collections thereof.
- b. Effective on each Business Day after the Closing Date through and including the Termination Date (the Closing Date and each such subsequent Business Day, a "**Purchase Date**"), Originator does hereby contribute, assign, transfer, set-over and otherwise convey to Buyer, and Buyer does hereby accept from Originator as a contribution to Buyer's capital, all Ineligible Receivables existing as of the close of business on the Business Day immediately prior to such Purchase Date, together with all Related Security relating thereto and all Collections thereof.

2. Purchases of Eligible Receivables.

- a. Effective on the Closing Date, in consideration for the Purchase Price paid to Originator and upon the terms and subject to the conditions set forth herein: (i) Originator does hereby sell, assign, transfer, set-over and otherwise convey to Buyer, without recourse (except to the extent expressly provided herein), and (ii) Buyer does hereby purchase from Originator, all of Originator's right, title and interest in and to all Eligible Receivables existing as of the close of business on the Initial Cutoff Date, together with all Related Security relating thereto and all Collections thereof.
- b. Effective on each Purchase Date after the Closing Date in consideration for the Purchase Price paid to Originator and upon the terms and subject to the conditions set forth herein: (i) Originator does hereby sell, assign, transfer, set-over and otherwise convey to Buyer, without recourse (except to the extent expressly provided herein), and (ii) Buyer does hereby purchase from Originator, all of Originator's right, title and interest in and to all Eligible Receivables existing as of the close of business on the Business Day immediately prior to such Purchase Date.
- c. Buyer shall be obligated to pay the Purchase Price for the Eligible Receivables purchased hereunder from Originator in immediately available funds or with the proceeds of a Subordinated Loan in accordance with Section 1.3. On each Reporting Date, Originator shall (or shall require Servicer to) deliver to Buyer (with a copy to Administrator) a report in substantially the form of Exhibit VI hereto (each such report being herein called a "**Purchase Report**") with respect to the Receivables sold or contributed during the Calculation Period then most recently ended. In addition to, and not in limitation of, the foregoing, in connection with the payment of the

Purchase Price for any Receivables purchased hereunder, Buyer may request that Originator deliver, and Originator shall deliver, such information or documents as Buyer may reasonably request.

d. It is the intention of the parties hereto that each sale or contribution of Receivables to Buyer pursuant to this Agreement shall constitute a true sale or contribution or other absolute transfer and assignment, which sale, contribution, transfer or assignment is absolute and irrevocable and provides Buyer with the full benefits of ownership of the Receivables. Except for the Purchase Price Credits owed to Originator pursuant to Section 1.4, each sale of Receivables hereunder by Originator is made without recourse to Originator; **provided, however**, that (i) Originator shall be liable to Buyer and each of its assigns for all representations, warranties, covenants and indemnities made by Originator pursuant to the terms of the Transaction Documents to which Originator is a party, and (ii) no such sale constitutes, or is intended to result in, an assumption by Buyer or any assignee thereof of any obligation of Originator or any other Person arising in connection with the Receivables, the related Contracts and/or other Related Security or any other obligations of Originator. In view of the intention of the parties hereto that sale or contribution of Receivables made hereunder shall constitute a true sale or contribution of such Receivables rather than a loan secured thereby, Originator agrees that it will, on or prior to the Closing Date and in accordance with Section 4.1(e)(ii), mark its master data processing records relating to the Receivables with a legend acceptable to Buyer and to Administrator, evidencing that Buyer has purchased or otherwise acquired such Receivables as provided in this Agreement and to note in its financial statements that its Receivables have been sold or contributed to Buyer. Upon the request of Buyer or Administrator, Originator will execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate to perfect and maintain the perfection of Buyer's ownership interest in the Receivables and the Related Security (other than Excluded Items) that is subject to Article 9 of the UCC and Collections with respect thereto, or as Buyer or Administrator may reasonably request.

3. Payment for the Purchases.

- a. The Purchase Price for the initial Purchase shall be payable in full by Buyer to Originator on the Closing Date, and shall be paid to Originator in the following manner:
- i. by delivery of immediately available funds; and
 - ii. the balance, by delivery of the proceeds of a subordinated revolving loan from Originator to Buyer (each, a "**Subordinated Loan**") in an amount not to exceed the least of (A) the remaining unpaid portion of such Purchase Price, (B) the maximum Subordinated Loan that could be borrowed without rendering Buyer's Net Worth less than the Required Capital Amount, and (C) twenty percent (20%) of such Purchase Price. Originator is hereby authorized by Buyer to endorse on the schedule attached to the Subordinated Note an appropriate notation evidencing the date and amount of each advance thereunder, as well as the date of each payment with respect thereto, **provided that** the failure to make such notation shall not affect any obligation of Buyer thereunder.

The Purchase Price for each Eligible Receivable coming into existence after the Initial Cutoff Date shall be due and owing in full by Buyer to Originator or its designee on the Purchase Date immediately following the Business Day on which such Receivable comes into existence (except that Buyer may, with respect to any such Purchase Price, offset against such Purchase Price any amounts owed by Originator to Buyer hereunder and which have become due but remain unpaid) and shall be paid to Originator in the manner provided in the following paragraphs (b), (c) and (d).

- b. With respect to any Eligible Receivables coming into existence after the Initial Cutoff Date, on each Settlement Date, Buyer shall pay Originator the Purchase Price therefor in accordance with Section 1.3(d) and in the following manner:

first, by delivery to Originator or its designee of immediately available funds;

second, by delivery to Originator or its designee of the proceeds of a Subordinated Loan, **provided that** the making of any such Subordinated Loan shall be subject to the provisions set forth in Section 1.3(a)(ii); and

third, at Originator's election unless the Termination Date has occurred, by accepting a contribution to its capital in an amount equal to the remaining unpaid balance of such Purchase Price.

Originator irrevocably agrees to advance each Subordinated Loan requested by Buyer on or prior to the Termination Date. The Subordinated Loans shall be evidenced by, and shall be payable in accordance with the terms and provisions of the Subordinated Note and shall be payable solely from funds which Buyer is not required under the Loan Agreement to set aside for the benefit of, or otherwise pay over to, Lender.

- c. From and after the Termination Date, Originator shall not be obligated to (but may, at its option) sell or contribute Receivables to Buyer.
- d. Although the Purchase Price for each Eligible Receivable coming into existence after the Initial Cutoff Date shall be due and owing in full by Buyer to Originator on the Purchase Date immediately following the Business Day on which such Eligible Receivable comes into existence, settlement of the Purchase Price between Buyer and Originator shall be effected on a monthly basis on Settlement Dates with respect to all Receivables originated during the same Calculation Period and based on the information contained in the applicable Purchase

Report delivered by Originator for the Calculation Period then most recently ended. Although settlement shall be effected on Settlement Dates, increases or decreases in the amount owing under the Subordinated Note made pursuant to Section 1.3 and any contribution of capital by Originator to Buyer made pursuant to Section 1.3(b) shall be deemed to have occurred and shall be effective as of the last Business Day of the Calculation Period to which such settlement relates.

4. Purchase Price Credit Adjustments

. If on any day:

- a. the Outstanding Balance of any Receivable purchased from Originator is:
 - i. reduced as a result of any defective, rejected or returned goods or services, any discount or adjustment or otherwise by Originator (other than a reduction in such Outstanding Balance resulting from (A) cash Collections received by Buyer or Servicer, on Buyer's behalf, on account of such Receivable's Outstanding Balance, or (B) any reserve established against or write-off of such Receivable that is made due to its becoming a Defaulted Receivable),
 - ii. reduced (in whole or in part) as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction), or
- b. any of the representations and warranties set forth in Sections 2.1(h),(i),(j),(r),(s),(t),(u), the second sentence of Section 2.1(g) hereof and the last clause (relating to bulk sales laws) of Section 2.1(c) are not true when made or deemed made with respect to any Receivable,

then, in such event, Buyer shall be entitled to a credit (each, a "**Purchase Price Credit**") against the Purchase Price otherwise payable to Originator hereunder equal to (x) in the case of a reduction under the preceding clause (a)(i) or (ii), the amount of such whole or partial reduction, and (y) in the case of a misrepresentation described in the preceding clause (b), the full Outstanding Balance of such Receivable. If such Purchase Price Credit exceeds the aggregate Original Balance of the Receivables originated on any day, Originator shall pay the remaining amount of such Purchase Price Credit in cash (i) if the Termination Date has not occurred, not later than the next Settlement Date, and (ii) if the Termination Date has occurred, immediately, **provided that** if the Termination Date has not occurred, Originator shall be allowed to deduct the remaining amount of any Purchase Price Credit owing by it from any indebtedness owed to it under the Subordinated Note.

5. Payments and Computations, Etc.

All amounts to be paid or deposited by Buyer hereunder shall be paid or deposited in accordance with the terms hereof on the day when due in immediately available funds to the account of Originator designated from time to time by Originator or as otherwise directed by Originator. In the event that any payment owed by any Person hereunder becomes due on a day that is not a Business Day, then such payment shall be made on the next succeeding Business Day. If any Person fails to pay any amount hereunder when due, such Person agrees to pay, on demand, the Default Fee in respect thereof until paid in full; **provided, however**, that such Default Fee shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

6. License of Software.

- a. To the extent that any software used by Originator to account for the Receivables is non-transferable, Originator hereby grants to Buyer, Administrator and Servicer an irrevocable, non-exclusive license to use, without royalty or payment of any kind, all such software used by Originator to account for such Receivables, to the extent necessary to administer such Receivables, whether such software is owned by Originator or is owned by others and used by Originator under license agreements with respect thereto, **provided that** should the consent of any licensor of such software be required for the grant of the license described herein, to be effective, Originator hereby agrees that upon the request of Buyer (or its assigns), Originator will use its reasonable efforts to obtain the consent of such third-party licensor. The license granted hereby shall be irrevocable until the later to occur of (i) indefeasible payment in full of the Obligations (as defined in the Loan Agreement), and (ii) the date on which each of this Agreement and the Loan Agreement terminates in accordance with its terms.
- b. Originator (i) shall take such action requested by Buyer and/or Administrator (as the ultimate assignee), from time to time hereafter, that may be necessary or appropriate to ensure that Buyer under the Loan Agreement has an enforceable ownership interest in the records included in the Receivable Files relating to the Receivables purchased from Originator hereunder, and (ii) shall use its reasonable efforts to ensure that Buyer, Administrator and Servicer each has an enforceable right (whether by license or sublicense or otherwise) to use all of the computer software used to account for such Receivables and/or to recreate such records.

7. Characterization

. If, notwithstanding the intention of the parties expressed in Section 1.2(d), any sale or contribution by Originator of Receivables hereunder shall be characterized as a secured loan and not a sale or such sale shall for any reason be ineffective or unenforceable, then this Agreement shall be deemed to constitute a security agreement under the UCC and other applicable law. For this purpose and without being in derogation of the parties' intention that the sale of Receivables by Originator hereunder shall constitute a true sale thereof: Originator hereby grants to Buyer a valid and continuing security interest in all of Originator's right, title and interest in, to and under all Receivables which are now existing or hereafter arising, all Collections and Related Security with respect thereto, all other rights and payments relating to such Receivables

and all proceeds of the foregoing to secure the prompt and complete payment of a loan deemed to have been made in an amount equal to the Purchase Price of the Receivables purchased from Originator together with all other obligations of Originator hereunder, which security interest shall be prior to all other Adverse Claims thereto. Buyer and its assigns shall have, in addition to the rights and remedies which they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative.

II.

REPRESENTATIONS AND WARRANTIES

1. Representations and Warranties of Originator

. Originator hereby represents and warrants to Buyer on the Closing Date and on each Purchase Date thereafter that:

a. Existence and Power

. Originator is a corporation duly organized under the laws of the State of Georgia. Originator is validly existing and in good standing under the laws of the State of Georgia and is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted except where the failure to so qualify or so hold could not reasonably be expected to have an Originator Material Adverse Effect.

b. Power and Authority; Due Authorization, Execution and Delivery

. The execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder, and Originator's use of the proceeds of each Purchase made hereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which Originator is a party has been duly executed and delivered by Originator.

c. No Conflict

. The execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its Organizational Documents, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on assets of Originator or its Subsidiaries (except as created hereunder) except, in any case, where such contravention or violation could not reasonably be expected to have an Originator Material Adverse Effect; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

d. Governmental Authorization

. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

e. Actions, Suits

. Except as disclosed in the SEC Filings, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting Originator or any of its Subsidiaries which could reasonably be expected to have an Originator Material Adverse Effect or which seeks to prevent, enjoin or delay any Purchase. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have an Originator Material Adverse Effect, Originator and its Subsidiaries have no material contingent obligations not provided for or disclosed in the SEC Filings.

f. Binding Effect

. This Agreement and each other Transaction Document to which Originator is a party constitute the legal, valid and binding obligations of Originator enforceable against Originator in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

g. Accuracy of Information

. All information heretofore furnished by Originator or any of its Affiliates to Buyer (or its assigns) for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by Originator or any of its Affiliates to Buyer (or its assigns) will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein, taken as a whole, not misleading.

h. Use of Proceeds

. No portion of any Purchase Price payment hereunder will be used for a purpose that violates, or would be inconsistent with, any law, rule or regulation applicable to Originator.

i. Good Title

. Immediately prior to each Purchase from Originator hereunder and upon the creation of each Receivable originated after the Initial Cut-Off Date, Originator (i) is the legal and beneficial owner of such Receivable and its Collections and (ii) is the legal and beneficial owner of the Related Security with respect thereto or possesses a valid and perfected security interest therein, in each case, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Originator's ownership interest in each such Receivable, its Collections and the Related Security except for Excluded Items.

j. Perfection

. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to transfer to Buyer (and Buyer shall acquire from Originator) (i) legal and equitable title to, with the right to sell and encumber each Receivable, whether now existing and hereafter arising, together with the Collections with respect thereto, and (ii) all of Originator's right, title and interest in the Related Security associated with each such Receivable (except for Excluded Items), in each case, free and clear of any Adverse Claim, except as created by the Transactions Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Buyer's ownership interest in such Receivables, the Related Security (except for Excluded Items) and the Collections. Originator's jurisdiction of organization is a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, record or registration system as a condition or result of such a security interest's obtaining priority over the rights of an Adverse Claim creditor which respect to collateral.

k. Places of Business and Locations of Records

. The principal places of business and locations of the chief executive office of Originator and the offices where it keeps all of its Receivable Files are located at the address(es) listed on Exhibit II or such other locations of which Buyer has been notified in accordance with Section 4.2(a) in jurisdictions where all action required by Section 4.2(a) has been taken and completed. Originator's Federal Employer Identification Number is correctly set forth on Exhibit II.

l. LockBoxes, Etc

. The addresses of all existing LockBoxes and the related banks, account names and account numbers for all existing LockBox Accounts are correctly listed on Exhibit III. Originator has not granted any Person, other than Buyer (and Administrator, as its pledgee) dominion and control of any LockBox or LockBox Account or the Collection Account, or the right to take dominion and control of any such LockBox or LockBox Account or the Collection Account at a future time or upon the occurrence of a future event.

m. Originator Material Adverse Effect

. Since June 2, 2000, no event has occurred that would have an Originator Material Adverse Effect.

n. Names

. The name in which Originator has executed this Agreement is identical to the name of Originator as indicated on the public record of the State of Georgia. In the past five (5) years, Originator has not used any corporate names, trade names or assumed names other than the name in which it has executed this Agreement and as listed on Exhibit II.

o. Ownership of Buyer

. Originator owns, directly or indirectly, 100% of the issued and outstanding equity interests of Buyer. Such equity interests are validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of Buyer.

p. Not a Holding Company or an Investment Company.

. Originator is not a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. Originator is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

q. Compliance with Law

. Originator has complied with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have an Originator Material Adverse Effect. Each Receivable, together with the Contract related thereto, does not contravene any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), and no part of such Contract is in violation of any such law, rule or regulation, except where such contravention or violation could not reasonably be expected to have an Originator Material Adverse Effect.

r. Compliance with Credit and Collection Policy.

. With regard to each Eligible Receivable, Originator has complied in all material respects with the Credit and Collection Policy and the related Contract. Originator has not made any change to the Credit and Collection Policy, except such material change as to which Buyer (or its assigns) has been notified in accordance with Section 4.1(a)(vii).

s. Payments to Originator

. With regard to each Eligible Receivable, the Purchase Price received by Originator constitutes reasonably equivalent value in consideration therefor. No transfer hereunder by Originator of any Receivable is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. Sections 101 *et seq.*), as amended.

t. Enforceability of Contracts

. As of the Purchase Date of each Eligible Receivable, each Contract with respect to such Eligible Receivable is, on such date, effective to create, and has created, a legally valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

u. Eligible Receivables

. Each Receivable reflected in any Purchase Report as an Eligible Receivable was an Eligible Receivable on its Purchase Date.

v. Accounting

. The manner in which Originator accounts for the transactions contemplated by this Agreement in its financial statements does not jeopardize the characterization of the transactions contemplated herein as being true sales.

w. Solvency

. Originator is Solvent.

III.

CONDITIONS OF PURCHASE

1. Conditions Precedent to Initial Purchase.

The initial Purchase under this Agreement is subject to the conditions precedent that (a) Buyer shall have been capitalized with not less than \$2,700,000 of contributed Receivables, (b) Buyer shall have received on or before the Closing Date those documents listed on Schedule A, and (c) all of the conditions to the initial Loan under the Loan Agreement shall have been satisfied or waived in accordance with the terms thereof.

2. Conditions Precedent to Subsequent Payments.

Buyer's obligation to pay for Receivables coming into existence after the Initial Cutoff Date shall be subject to the further conditions precedent that: (a) the Commitment Termination Date shall not have occurred under the Loan Agreement; (b) Buyer (or its assigns) shall have received such other documents as it may reasonably request and (c) on the date such Receivable came into existence, the following statements shall be true (and acceptance of the proceeds of any payment for such Receivable shall be deemed a representation and warranty by Originator that such statements are then true):

- i. the representations and warranties set forth in Article II are true and correct on and as of the date such Receivable came into existence as though made on and as of such date; and
- ii. no event has occurred and is continuing that will constitute a Termination Event or an Unmatured Termination Event.

Notwithstanding the foregoing conditions precedent, upon the applicable Purchase Date for an Eligible Receivable, title to such Receivable and the Related Security and Collections with respect thereto shall vest in Buyer, whether or not the conditions precedent to Buyer's obligation to pay for such Receivable were in fact satisfied and whether or not the Purchase Price has actually been paid as of such date. If Originator fails to satisfy any of the foregoing conditions precedent, however, Buyer shall rescind the related Purchase and direct Originator to pay to Buyer an amount equal to the Purchase Price payment, if any, made with respect to the Eligible Receivables included in such Purchase.

IV. COVENANTS

1. Affirmative Covenants of Originator.

Until the date on which this Agreement terminates in accordance with its terms, Originator hereby covenants as set forth below:

a. Financial Reporting

. Originator will maintain, for itself and each Consolidated Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to Buyer and to Administrator (as Buyer's pledgee) for distribution to Lender:

i. Annual Reporting

. Within 95 days after the close of each of its fiscal years, an unqualified audit report (with all amounts stated in Dollars) certified by independent certified public accountants of recognized national standing, prepared in accordance with GAAP on a consolidated basis for itself and the Consolidated Subsidiaries, including a consolidated balance sheet and the related consolidated statements of income, cash flows and statements of changes in common shareholders' equity, setting forth in each case in comparative form the figures for such fiscal year and the previous fiscal year (it being understood that the requirement to deliver such information may be satisfied by the delivery of Originator's annual report on Form 10-K for such fiscal year so long as such annual report continues to include such information).

ii. Quarterly Reporting

. Within 50 days after the close of the first three quarterly periods of each of its fiscal years, for itself and the Consolidated Subsidiaries, an unaudited consolidated balance sheet as at the close of each such period and a consolidated income statement and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, setting forth in the case of such statements of income and cash flows in comparative form the figures for the corresponding quarter and the corresponding portion of Originator's previous fiscal year (it being understood that the requirement to deliver such information may be satisfied by the delivery of Originator's quarterly report on Form 10-Q for such fiscal quarter so long as such quarterly report continues to include such information), all certified (subject to normal year-end adjustments) as to fairness of presentation, preparation in accordance with GAAP and consistency by a Financial Officer of Originator.

iii. Compliance Certificate

. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit IV signed by a Financial Officer of Originator and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

iv. S.E.C. Filings

. Promptly upon the filing thereof, copies of all tender offer documents and reports on Form 8-K (or any successor form thereto) which Originator or any of its Subsidiaries files with the Securities and Exchange Commission.

v. Change in Credit and Collection Policy

. At least thirty (30) days prior to the effectiveness of any material change in or material amendment to the Credit and Collection Policy, a copy of the Credit and Collection Policy then in effect and a notice (A) indicating such proposed material change or material amendment, and (B) if such proposed change or amendment would be reasonably likely to adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables in any material respect, requesting Buyer's (and Administrator's, as Buyer's pledgee) consent thereto.

vi. Other Information

. Promptly, from time to time, such other information, documents, records or reports relating to the Receivables or the condition or operations, financial or otherwise, of Originator as Buyer (or its assigns) may from time to time reasonably request in order to protect the interests of Buyer (and its assigns) under or as contemplated by this Agreement.

b. Notices

. As soon as practicable and in any event within two (2) Business Days after learning of any of the following, Originator will notify Buyer (or its assigns) in writing of any of the following, describing the same and, if applicable, the steps being taken with respect thereto:

i. Termination Events or Unmatured Termination Events

. The occurrence of each Termination Event and each Unmatured Termination Event, by a statement of a Financial Officer of Originator.

ii. Judgment and Proceedings

. (1) The entry of any judgment or decree against Originator or any of its Subsidiaries if the aggregate amount of all judgments and decrees then outstanding against Originator and its Subsidiaries exceeds \$5,000,000 after deducting (a) the amount with respect to which Originator or such Subsidiary is insured and with respect to which the insurer has assumed responsibility in writing, and (b) the amount for which Originator or such Subsidiary is otherwise indemnified if the terms of such indemnification are satisfactory to Buyer (or its assigns), and (2) the institution of any litigation, arbitration proceeding or governmental proceeding against Originator which, individually or in the aggregate, could reasonably be expected to have an Originator Material Adverse Effect.

iii. Originator Material Adverse Effect

. The occurrence of any event or condition that has had, or could reasonably be expected to have, an Originator Material Adverse Effect.

c. Compliance with Laws and Preservation of Existence

. Originator will comply in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have an Originator Material Adverse Effect. Originator will preserve and maintain its legal existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign entity in each jurisdiction where its business is conducted, except where the failure to so qualify or remain in good standing could not reasonably be expected to have an Originator Material Adverse Effect.

d. Audits

. Originator will furnish to Buyer and Administrator (as Buyer's pledgee) from time to time such information with respect to Originator and the Receivables sold by it as Buyer or Administrator may reasonably request. Originator will, from time to time during regular business hours as requested by Buyer (or Administrator), upon reasonable notice and at the sole cost of Originator, permit an accounting firm designated by Buyer (or by Administrator, as Buyer's pledgee), on at least a semi-annual basis: (i) to examine and make copies of and abstracts from all Receivable Files in the possession or under the control of Originator and other records relating to the Receivables, the Collections and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of Originator for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Originator's financial condition or the Receivables and the Related Security or Originator's performance under any of the Transaction Documents or Originator's performance under the Contracts and, in each case, with any of the officers or employees of Originator having knowledge of such matters; **provided, however**, that unless and until a Termination Event shall have occurred and be continuing, Originator shall not be responsible to pay for more than two (2) such examinations in any period beginning on May 3 of one year and ending on March 27 of the following year.

e. Keeping and Marking of Records and Books

- i. Originator will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the immediate identification of each new Receivable and all Collections of and adjustments to each existing Receivable). Originator will give Buyer (or its assigns) notice of any material change in the administrative and operating procedures referred to in the previous sentence.
- ii. Originator will (A) on or prior to the Closing Date, mark its master data processing records and other books and records relating to the Receivables with a legend, acceptable to Buyer (or its assigns), describing Buyer's ownership interests in the Receivables and further describing the security interest of Administrator (on behalf of the Secured Parties) under the Loan Agreement and (B) upon the request of Buyer (or its assigns) from and after the occurrence of a Termination Event: (x) mark each invoice evidencing any Receivable with a legend describing Buyer's ownership thereof and further describing the security interest of Administrator (on behalf of Lender and its assigns) and (y) at any time after Originator (or one of its Affiliates) is no longer acting as Servicer, deliver to Buyer (or its assigns) all Contracts relating to such Receivables.

f. Compliance with Contracts and Credit and Collection Policy

. Originator will timely and fully (i) perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables hereunder, and (ii) comply in all respects with the Credit and Collection Policy in regard to each such Receivable and the related Contract.

g. Ownership

. Originator will take all necessary action to establish and maintain, irrevocably in Buyer: (A) legal and equitable title to the Receivables and the Collections and (B) all of Originator's right, title and interest in the Related Security associated with the Receivables described in the preceding clause (A) (except for Excluded Items), in each case, free and clear of any Adverse Claims other than Adverse Claims in favor of Buyer (and its assigns) (**including, without limitation**, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Buyer's interest in such Receivables, Related Security (except for Excluded Items) and Collections and such other action to perfect, protect or more fully evidence the interest of Buyer as Buyer (or its assigns) may reasonably request).

h. Administrator's and Lender's Reliance

. Originator acknowledges that Administrator and Lender are entering into the transactions contemplated by the Loan Agreement in reliance upon Buyer's identity as a legal entity that is separate from Originator and any Affiliates thereof. Therefore, from and after the Closing Date, Originator will take all reasonable steps within Originator's control to maintain Buyer's identity as a separate legal entity and to make it manifest to third parties that Buyer is an entity with assets and liabilities distinct from those of Originator and any Affiliates thereof and not just a division of Originator or any such Affiliate. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Originator (i) will not hold itself out to third parties as liable for the debts of Buyer nor purport to own any of the Receivables and other assets acquired by Buyer, (ii) will not take any action that would cause Buyer to violate the "separateness covenants" set forth in Section 7.1(i) of the Loan Agreement and (iii) will cause all tax liabilities arising in connection with the transactions contemplated herein or otherwise to be allocated between Originator and Buyer on an arm's-length basis and in a manner consistent with the procedures set forth in U.S. Treasury Regulations Sections 1.1502-33(d) and 1.1552-1.

i. Collections

. In the event any payments relating to Receivables are remitted directly to Originator or any Affiliate of Originator, Originator will remit (or will cause all such payments to be remitted) directly to a LockBox Account (which is subject to a LockBox Account Agreement) or to the Collection Account within one (1) Business Day following receipt thereof and, at all times prior to such remittance, Originator will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of Buyer and its assigns. Originator will transfer exclusive ownership, dominion and control of the Collection Account and each LockBox and LockBox Account to Buyer and, will not grant the right to take dominion and control of any LockBox, any LockBox Account or the Collection Account at a future time or upon the occurrence of a future event to any Person, except to Buyer, as contemplated by this Agreement, and to Administrator, as contemplated by the Loan Agreement.

j. Taxes

. Originator will file all tax returns and reports required by law to be filed by it and promptly pay all Covered Taxes at any time owing, except any such Covered Taxes which are not yet delinquent or are being diligently contested in good

faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

2. Negative Covenants of Originator

. Until the date on which this Agreement terminates in accordance with its terms, Originator hereby covenants that:

a. Name Change, Offices and Records

. Originator will not change its (i) state of organization, (ii) name, (iii) identity or structure (within the meaning of Article 9 of any applicable enactment of the UCC) or relocate its chief executive office at any time while the location of its chief executive office is relevant to perfection of Buyer's interest in the Receivables or the associated Related Security (except for Excluded Items) and Collections or any office where Receivable Files are kept unless, in each of the foregoing cases, it shall have: (A) given Buyer (and Administrator as Buyer's pledgee) at least ten (10) Business Days' prior written notice thereof and (B) delivered to Administrator (as Buyer's pledgee) all financing statements, instruments and other documents reasonably requested by Buyer (or Administrator, as Buyer's pledgee) in connection with such change or relocation.

b. Change in Payment Instructions to Obligors

. Originator will not add or terminate any LockBox or LockBox Account, or make any change in the instructions to Obligors regarding payments to be made to any LockBox, any LockBox Account or the Collection Account, unless Buyer and Administrator shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a LockBox or LockBox Account, an executed LockBox Account Agreement; **provided, however**, that Originator may make changes in instructions to Obligors regarding payments if such new instructions require such Obligor to make payments to another existing LockBox or LockBox Account or to the Collection Account.

c. Modifications to Contracts and Credit and Collection Policy

. Originator will not make any change to the Credit and Collection Policy that could reasonably be expected to adversely affect the collectibility of the Receivables or decrease the credit quality of any of its newly created Receivables. Except as otherwise permitted in its capacity as Servicer pursuant to the Loan Agreement, Originator will not extend, amend or otherwise modify the terms of any Receivable or any Contract related thereto other than in accordance with the Credit and Collection Policy.

d. Sales, Adverse Claims

. Originator will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Receivable arises, or any LockBox, any LockBox Account or the Collection Account, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests therein in favor of Buyer provided for herein), and Originator will defend the right, title and interest of Buyer in, to and under any of the foregoing property, against all claims of third parties claiming through or under Originator.

e. Accounting for Purchases

. Originator will not, and will not permit any Affiliate to, account for the transactions contemplated hereby in any financial statements in any manner other than the sale (or other outright conveyance) by Originator to Buyer of the Receivables and the associated Collections and Related Security except to the extent that such transactions are not recognized on account of consolidated financial reporting in accordance with generally accepted accounting principles.

V.

TERMINATION EVENTS

1. Termination Events.

The occurrence of any one or more of the following events shall constitute a Termination Event:

- a. Originator shall fail to make any payment or deposit required hereunder when due and such failure shall continue for three (3) consecutive Business Days.
- b. Any representation, warranty, certification or statement made by Originator in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; **provided that** the materiality threshold in the preceding clause shall not be applicable with respect to any representation or warranty which itself contains a

materiality threshold and **provided further**, that any misrepresentation or certification for which Buyer has actually received a Purchase Price Credit shall not constitute a Termination Event hereunder.

- c. Originator shall breach any covenant contained in Section 4.1(b)(i), which is not cured within three (3) days, or Originator shall breach any covenant contained in Section 4.2(c) or 4.2(e), which is not cured within thirty (30) days, or Originator shall breach any covenant contained in Section 4.2(a), (b) or (d).
- d. Originator shall breach, fail to perform or observe any covenant contained in any Section of this Agreement (which is not covered by another subsection, paragraph or clause of this Section 5.1) or of any other Transaction Document to which it is a party which is not remedied within thirty (30) days after written notice from Buyer (or Administrator, as Buyer's pledgee).
- e. Failure of Originator or any of its Subsidiaries to pay any Material Debt when due; or the default by Originator or any of its Subsidiaries in the performance of any term, provision or condition contained in any agreement under which any Material Debt was created or is governed, or any other event shall occur or condition exist, the effect of which is to cause, or to permit the holder or holders of such Material Debt to cause such Material Debt to become due prior to its stated maturity; or Material Debt of Originator or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment or as a result of the sale of an asset securing such Material Debt) prior to the stated maturity thereof.
- f. (i) Originator shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against Originator seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (iii) Originator shall take any corporate action to authorize any of the actions set forth in the foregoing clauses (i) or (ii) of this subsection (f).
- g. A Change of Control shall occur.
- h. Originator or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge any judgment or order for the payment of money in excess of \$5,000,000, which is not stayed on appeal or otherwise being appropriately contested in good faith.

(i) The Subordinated Note shall be assigned, pledged or otherwise transferred to any Person in violation of Section 9 thereof.

2. Remedies.

Upon the occurrence and during the continuation of a Termination Event, Buyer may take any of the following actions: (i) declare the Termination Date to have occurred, whereupon the Termination Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by Originator; **provided, however**, that upon the occurrence of a Termination Event described in Section 5.1(f), or of an actual or deemed entry of an order for relief with respect to Originator under the Federal Bankruptcy Code, the Termination Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by Originator and (ii) to the fullest extent permitted by applicable law, declare that the Default Fee shall accrue with respect to any amounts then due and owing by Originator to Buyer. The aforementioned rights and remedies shall be without limitation and shall be in addition to all other rights and remedies of Buyer and its assigns otherwise available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

VI.

INDEMNIFICATION

1. Indemnities by Originator.

Without limiting any other rights that Buyer may have hereunder or under applicable law, Originator hereby agrees to indemnify (and pay upon demand to) Buyer and its assigns, officers, directors, agents and employees (each an "**Originator Indemnified Party**") from and against any and all damages, losses, claims, Covered Taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of Buyer or any such assign) and disbursements (all of the foregoing being collectively referred to as "**Originator Indemnified Amounts**") awarded against or incurred by any of them arising out of any of the following:

(i) any representation or warranty made by Originator (or any officers of Originator) under or in connection with any Purchase Report, this Agreement, any other Transaction Document or any other information or report delivered by Originator pursuant hereto or thereto for which Buyer has not received a Purchase Price Credit that shall have been false or incorrect when made or deemed made;

(ii) the failure by Originator, to comply with any applicable law, rule or regulation with respect to any Receivable or Contract related thereto, or the nonconformity of any Receivable or Contract included therein with any such applicable

law, rule or regulation or any failure of Originator to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of Originator to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document to which Originator is a party;

(iv) any products liability, personal injury or damage, suit or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor or failure to pay due to financial inability) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or service related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document to which Originator is a party, the transactions contemplated hereby, Originator's use of the proceeds of any Purchase from it hereunder, the ownership of the Receivables or any other investigation, litigation or proceeding relating to Originator in which any Originator Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any failure to vest and maintain vested in Buyer, or to transfer to Buyer, legal and equitable title to, and ownership of, the Receivables and the associated Collections, and all of Originator's right, title and interest in the Related Security associated with such Receivables (other than Excluded Items), in each case, free and clear of any Adverse Claim;

(x) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivable, the Related Security (other than Excluded Items) and Collections with respect thereto, and the proceeds of any thereof, whether at the time of any Purchase from Originator hereunder or at any subsequent time;

(xi) any attempt by any Person to void any Purchase from Originator hereunder under statutory provisions or common law or equitable action; and

(xii) the failure of any Receivable reflected as an Eligible Receivable on any Purchase Report prepared by Originator to be an Eligible Receivable at the time acquired by Buyer;

excluding, however, (a) Originator Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Originator Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Originator Indemnified Party seeking indemnification; (b) Originator Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; and (c) Excluded Taxes. Nothing in this Section 6.1 shall limit the liability of Originator or limit the recourse of Buyer to Originator for amounts otherwise specifically provided to be paid by Originator under the terms of this Agreement.

Anything contained in this Section 6.1 to the contrary notwithstanding: (1) the foregoing indemnification is not intended to, and shall not, constitute a guarantee of the collectibility or payment of the Receivables conveyed hereunder, and (2) nothing in this Section 6.1 shall require the Originator to indemnify any Originator Indemnified Party for Receivables which are not collected, not paid or are otherwise uncollected on account of the insolvency, bankruptcy, lack of creditworthiness or financial inability to pay of the applicable Obligor.

2. Other Costs and Expenses

. Originator agrees to pay to Buyer, on demand, all reasonable out-of-pocket costs and expenses in connection with (a) the preparation, execution and delivery of this Agreement and the other documents to be delivered hereunder, (b) the preparation, execution and delivery of any amendment hereto or waiver hereof requested by Originator, and (b) any and all costs and expenses of Buyer, if any, including reasonable counsel fees and expenses, in connection with the enforcement of this Agreement and the other documents delivered hereunder.

3. Taxes

. All payments by Originator to or for the account of Buyer (or any of its assigns) hereunder or under any other Transaction Document to which Originator is a party shall be made free and clear of and without deduction for any and all Covered Taxes. If Originator shall be required by law to deduct any Covered Taxes from or in respect of any sum payable hereunder

to Buyer (or any of its assigns), (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 6.3), Buyer (or such assign, as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) Originator shall make such deductions, (c) Originator shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) Originator shall furnish to Buyer (and to Administrator, as the ultimate assignee) the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

VII. MISCELLANEOUS

1. Waivers and Amendments

(a) No failure or delay on the part of Buyer (or its assigns) in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(b) No provision of this Agreement may be amended, supplemented, modified or waived except in writing signed by Originator and Buyer and, to the extent required under the Loan Agreement, Administrator. Any material amendment, supplement, modification of waiver will require Administrator's receipt of written notice from S&P and Moody's that such change will not cause the rating on the then outstanding Commercial Paper Notes to be downgraded or withdrawn.

2. Notices

. All communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or telecopy numbers set forth on Schedule B hereto or at such other address or telecopy number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective (a) if given by telecopy, upon the receipt thereof, (b) if given by mail, five (5) Business Days after the time such communication is deposited in the mail with first class postage prepaid or (c) if given by any other means, when received at the address specified in this Section 7.2.

3. Protection of Ownership Interests of Buyer

a. Originator agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or desirable, or that Buyer (or its assigns) may reasonably request, to perfect, protect or more fully evidence the interest of Buyer and its assigns therein, or to enable Buyer (or its assigns) to exercise and enforce their rights and remedies hereunder. At any time following the earlier to occur of a Termination Event or an Amortization Event: Buyer (or its assigns) may, at Originator's sole cost and expense, direct Originator to notify the Obligors of Receivables of the ownership interests of Buyer under this Agreement and may also direct that payments of all amounts due or that become due under any or all Receivables be made directly to Buyer or its designee.

b. If Originator fails to perform any of its obligations hereunder:

i. Buyer (or its assigns) may (but shall not be required to) perform, or cause performance of, such obligations, and Buyer's (or such assigns') costs and expenses incurred in connection therewith shall be payable by Originator as provided in Section 6.2;

ii. Originator irrevocably authorizes Buyer (and its assigns) at any time and from time to time in the sole discretion of Buyer (or its assigns), and appoints Buyer (and its assigns) as its attorney(ies)-in-fact, to act on behalf of Originator (A) to execute on behalf of Originator as debtor and to file financing statements necessary or desirable in Buyer's (or its assigns') sole discretion to perfect and to maintain the perfection and priority of the interest of Buyer in the Receivables and the associated Related Security (except for Excluded Items) and Collections and (B) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Receivables as a financing statement in such offices as Buyer (or its assigns) in the ir sole discretion deem necessary or desirable to perfect and to maintain the perfection and priority of Buyer's interests in such Receivables.

The appointment under the foregoing clause (ii) is coupled with an interest and is irrevocable.

4. Confidentiality

- a. Originator shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Fee Letter and the other confidential or proprietary information with respect to Administrator and Lender and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that Originator and its officers and employees may disclose such information to Originator's external accountants, attorneys and other advisors and as required by any applicable law, rule, direction, request or order of any judicial, administrative or regulatory authority or proceeding (whether or not having the force or effect of law). The restrictions in this Section 7.4(a) shall not apply to any information which is or becomes generally available to the public other than as a result of disclosure by Originator.
- b. Originator hereby consents to the disclosure of any nonpublic information with respect to it (i) to Buyer, Administrator, the Liquidity Banks or Lender by each other, (ii) to any prospective or actual assignee or participant of any of the Persons described in clause (i), and (iii) to any rating agency, Commercial Paper Note dealer or Support Provider to Lender or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which Administrator acts as the administrative agent or administrator and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, **provided** each Person described in the foregoing clauses (ii) and (iii) is informed of the confidential nature of such information. In addition, Lender, the Liquidity Banks and Administrator may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

5. Bankruptcy Petition

. Each of Originator and Buyer hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of Lender, it will not institute against, or join any other Person in instituting against, Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

6. Return of Funds Not Constituting Collections

. If any funds other than Collections are received in any Lock Box Account, such remittances will be removed from such Lock Box Account and delivered to the owner thereof within three (3) Business Days following determination that the same do not comprise Collections.

7. CHOICE OF LAW

. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) EXCEPT TO THE EXTENT THAT THE LAWS OF ANOTHER JURISDICTION GOVERN THE PERFECTION, OR THE EFFECT OF PERFECTION OR NONPERFECTION, OF THE OWNERSHIP OR SECURITY INTERESTS OF BUYER.

8. CONSENT TO JURISDICTION

. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ORIGINATOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT AND ORIGINATOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF BUYER (OR ITS ASSIGNS) TO BRING PROCEEDINGS AGAINST ORIGINATOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ORIGINATOR AGAINST BUYER (OR ITS ASSIGNS) OR ANY AFFILIATE THEREOF INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

9. WAIVER OF JURY TRIAL

. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

10. Integration; Binding Effect; Survival of Terms

- a. This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.
- b. This Agreement shall be binding upon and inure to the benefit of Originator, Buyer and their respective successors and permitted assigns (including any trustee in bankruptcy). Originator may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of Buyer. Buyer may assign at any time its rights and obligations hereunder and interests herein to any other Person without the consent of Originator. Without limiting the foregoing, Originator acknowledges that Buyer, pursuant to the Loan Agreement, may pledge to Administrator, for the benefit of Lender and its assigns, its rights, remedies, powers and privileges hereunder. Originator agrees that Administrator, as the pledgee of Buyer, shall, subject to the terms of the Loan Agreement, have the right to enforce this Agreement and to exercise directly all of Buyer's rights and remedies under this Agreement (including, without limitation, the right to give or withhold any consents or approvals of Buyer to be given or withheld hereunder). This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; **provided, however**, that the rights and remedies with respect to (i) any breach of any representation and warranty made by Originator pursuant to Article II; (ii) the indemnification and payment provisions of Article VI; and (iii) Section 7.5 shall be continuing and shall survive any termination of this Agreement.

11. Counterparts; Severability; Section References

. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are 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. Unless otherwise expressly indicated, all references herein to "Article," "Section," "Schedule" or "Exhibit" shall mean articles and sections of, and schedules and exhibits to, this Agreement.

<signature pages follow>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

OXFORD INDUSTRIES, INC.

By:

Name:

Title:

OXFORD receivables company

By:

Name:

Title:

Exhibit I

Definitions

This is Exhibit I to the Agreement (as hereinafter defined). As used in the Agreement and the Exhibits and Schedules thereto, capitalized terms have the meanings set forth in this Exhibit I (such meanings to be equally applicable to the singular and plural forms thereof). ***If a capitalized term is used in the Agreement, or any Exhibit or Schedule thereto, and is not otherwise defined therein or in this Exhibit I, such term shall have the meaning assigned thereto in the Loan Agreement (hereinafter defined).***

"Administrator" has the meaning set forth in the Preliminary Statements to the Agreement.

"Adverse Claim" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

"Agreement" means the Receivables Sale Agreement, dated as of May 3, 2001, between Originator and Buyer, as the same may be amended, restated or otherwise modified.

"Buyer" has the meaning set forth in the preamble to the Agreement.

"Calculation Period" means each calendar month or portion thereof which elapses during the term of the Agreement. The first Calculation Period shall commence on the Closing Date and the final Calculation Period shall terminate on the Termination Date.

"Change of Control" means (a) the acquisition by any Person other than a member of the Lanier Family, or two or more such Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of voting stock of Originator, or (b) the Lanier Family collectively ceases to own and control the right to vote at least 10% of the outstanding shares of voting stock of Originator.

"Closing Date" has the meaning provided in the Loan Agreement.

"Collection Account" has the meaning provided in the Loan Agreement.

"Collections" means, with respect to any Receivable, all cash collections and other cash proceeds in respect of such Receivable, including, without limitation, all yield, Finance Charges or other related amounts accruing in respect thereof and all cash proceeds of Related Security with respect to such Receivable.

"Consolidated Subsidiary" means, at any date as of which the same is to be determined, any Subsidiary or other entity the accounts of which would be consolidated with those of Originator in its consolidated financial statements if such statements were prepared as of such date in accordance with GAAP.

"Contract" means either (i) a written agreement between Originator and an Obligor, or (ii) an invoice issued by Originator to an Obligor, in either of the foregoing cases, pursuant to which such Obligor is obligated to pay for goods, merchandise and/or services.

"Covered Taxes" means all Taxes other than Excluded Taxes.

"Credit and Collection Policy" means Originator's credit and collection policies and practices relating to Contracts and Receivables existing on the Closing Date and delivered to Buyer and Administrator prior to the Closing Date, as modified from time to time with the consent of the Administrator.

"Debt" means, with respect to any Person at any date, without duplication: (i) all indebtedness of such Person for borrowed money, (ii) all indebtedness of such Person for the deferred purchase price of property or services (other than property and services purchased, and expense accruals and deferred compensation items arising, in the ordinary course of business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments (other than performance, surety and appeal bonds arising in the ordinary course of business), (iv) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (v) all obligations of such Person under leases which have been or should be, in accordance with GAAP, recorded as capital leases, to the extent required to be so recorded, (vi) all reimbursement, payment or similar obligations of such Person, contingent or otherwise, under acceptance, letter of credit or similar facilities (other than letters of credit in support of trade obligations or in connection with workers' compensation, unemployment insurance, old-age pensions and other social security benefits in the ordinary course of business), (vii) all net obligations of such Person in respect of interest rate swap, cap, collar, swaption, option or similar agreements, (viii) all obligations arising in connection with a sale or other transfer of any of such Person's financial assets which are, or are intended to be, classified as loans for federal tax purposes, (ix) all Debt referred to in clauses (i) through (viii) above guaranteed directly or indirectly by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss in respect of such Debt, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss in respect of such Debt, and (x) all Debt referred to in clauses (i) through (viii) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Adverse Claim, security interest or other charge or encumbrance upon or in property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Default Fee" means a *per annum* rate of interest equal to the sum of (i) the Base Rate, **plus** (ii) 2.00% per annum.

"Discount Factor" means a percentage calculated to provide Buyer with a reasonable return on its investment in the Eligible Receivables after taking account of (i) the time value of money based upon the anticipated dates of collection of such Eligible Receivables and the cost to Buyer of financing its investment in such Receivables during such period and (ii) the risk of

nonpayment by the Obligor. Originator and Buyer may agree from time to time to change the Discount Factor based on changes in one or more of the items affecting the calculation thereof, **provided that** any change to the Discount Factor shall take effect as of the commencement of a Calculation Period, shall apply only prospectively and shall not affect the Purchase Price payment made prior to the Calculation Period during which Originator and Buyer agree to make such change.

"Dollars," "dollars" and "\$" shall mean lawful money of the United States of America.

"Eligible Receivable" means, for purposes of this Agreement, a Receivable that, on its applicable Purchase Date, was an "Eligible Receivable" under and as defined in the Loan Agreement.

"Excluded Items" means the interest of Originator (or Buyer, as its assignee) in Related Security which, by operation of law or enforceable contractual restrictions, either (i) cannot be transferred by Originator to Buyer or (ii) cannot be subjected to an Adverse Claim which can be perfected by filing a UCC financing statement in the state where Originator maintains its chief executive office or is organized.

"Excluded Taxes" means, in the case of Buyer (or any Originator Indemnified Party), taxes imposed on its overall net income, and franchise taxes and branch profit taxes based on net income, imposed on it by (i) the jurisdiction under the laws of which Buyer (or such Originator Indemnified Party) is incorporated or organized or (ii) the jurisdiction in which Buyer's (or such Originator Indemnified Party's) principal executive office is located.

"Finance Charges" means, with respect to a Contract, any finance, interest, late payment, returned check charges or similar charges owing by an Obligor pursuant to such Contract.

"Financial Officer" means the Chief Financial Officer, the Treasurer or the Assistant Treasurer of Originator.

"GAAP" means accounting principles generally accepted in the United States of America as recommended by the Financial Accounting Standards Board as in effect as of the Closing Date applied consistently with the audited financial statements of Originator and its Consolidated Subsidiaries for the fiscal year ended June 2, 2000.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative authority or functions of or pertaining to government including any authority or other quasi-governmental entity established to perform any of such functions.

"Ineligible Receivable" means a Receivable that, on its Purchase Date, was not an "Eligible Receivable" under and as defined in the Loan Agreement.

"Initial Cutoff Date" has the meaning set forth in [Section 1.1](#).

"IRS" means the Internal Revenue Service and any Person succeeding to the functions thereof.

"Lanier Family" means J. Hicks Lanier, J. Reese Lanier, their respective children, grandchildren and great grandchildren, and the spouses of each of the foregoing.

"Lender" has the meaning set forth in the Preliminary Statements to the Agreement.

"Loan Agreement" has the meaning set forth in the Preliminary Statements to the Agreement.

"LockBox" has the meaning provided in the Loan Agreement.

"LockBox Account" has the meaning provided in the Loan Agreement.

"Material Debt" means Debt of Originator and/or one or more of its Subsidiaries (other than Buyer), arising in one or more related or unrelated transactions, in an aggregate principal or face amount exceeding \$5,000,000.

"Moody's" means Moody's Investors Service, Inc.

"Net Worth" means as of the last Business Day of each Calculation Period preceding any date of determination, the excess, if any, of (a) the aggregate Outstanding Balance of the Receivables at such time, **over** (b) the sum of (i) the aggregate outstanding principal balance of the Loans under the Loan Agreement at such time, **plus** (ii) the aggregate outstanding principal balance of the Subordinated Loans (including any Subordinated Loan proposed to be made on the date of determination).

"Organizational Documents" means, for any Person, the documents for its formation and organization, which, for example, (a) for a corporation are its corporate charter and bylaws, (b) for a partnership are its certificate of partnership (if applicable) and partnership agreement, (c) for a limited liability company are its certificate of formation or organization and its operating agreement, regulations or the like and (d) for a trust is the trust agreement, declaration of trust, indenture or bylaws under which it is created.

"Original Balance" means, with respect to any Receivable coming into existence after the Initial Cutoff Date, the Outstanding Balance of such Receivable on the date it was created.

"Originator" has the meaning set forth in the preamble to the Agreement.

"Originator Indemnified Amounts" has the meaning set forth in Section 6.1.

"Originator Indemnified Party" has the meaning set forth in Section 6.1.

"Originator Material Adverse Effect" means a material adverse effect on (i) on the business, property, condition (financial or otherwise) or results of operations or prospects of Originator and its Subsidiaries taken as a whole, (ii) the ability of Originator to perform its obligations under the Agreement or any other Transaction Document to which it is a party, (iii) the legality, validity or enforceability of the Agreement or any other Transaction Document, (iv) Originator's, Buyer's, Administrator's or Lender's interest in the Receivables generally or in any significant portion of the Receivables, the Related Security or Collections with respect thereto, or (v) the collectibility of the Receivables generally or of any material portion of the Receivables.

"Outstanding Balance" of any Receivable at any time means the then outstanding principal balance thereof.

"Person" means an individual, partnership, limited liability company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, government or any agency or political subdivision thereof or any other entity.

"Purchase" means each purchase by Buyer from Originator pursuant to Section 1.2 of the Agreement of Eligible Receivables and the Related Security and Collections related thereto, together with all related rights in connection therewith.

"Purchase Date" has the meaning set forth in Section 1.1(b) of the Agreement.

"Purchase Price" means, with respect to each Purchase by Buyer from Originator, the aggregate price to be paid by Buyer to Originator for such Purchase in accordance with Section 1.3 of the Agreement for the Eligible Receivables and the associated Collections and Related Security being sold to Buyer, which price shall equal on any date (i) the product of (x) the Outstanding Balance of such Eligible Receivables being sold on such date, **multiplied by** (y) one minus the Discount Factor in effect on such date, minus (ii) any Purchase Price Credits to be credited in accordance with Section 1.4 of the Agreement against the Purchase Price otherwise payable.

"Purchase Price Credit" has the meaning set forth in Section 1.4 of the Agreement.

"Purchase Report" has the meaning set forth in Section 1.2(c) of the Agreement.

"Receivable" means all indebtedness and other obligations owed to Originator at the times it arises, and before giving effect to any transfer or conveyance under the Agreement (including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible) arising in connection with the sale of goods or the rendering of services by Originator and further includes, without limitation, the applicable Obligor's obligation to pay any Finance Charges, freight charges and other obligations of such Obligor with respect thereto. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; **provided, further**, that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be a Receivable regardless of whether the account debtor or Originator treats such indebtedness, rights or obligations as a separate payment obligation.

"Related Security" means, with respect to any Receivable, (a) all right, title and interest, but none of the obligations, of Originator, in the goods (including returned goods), if any, relating to the sale which gave rise to such Receivable, (b) all right, title and interest, but none of the obligations, of Originator, in, to and under other Adverse Claims and property subject to Adverse Claims from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, (c) all UCC financing statements or similar instruments covering any collateral securing payment of such Receivable, (d) all guaranties, indemnities, insurance and other agreements (including the related Receivable File) or arrangement and other collateral of whatever character from time to time supporting or securing payment of such Receivable, whether pursuant to the Contract relating to such Receivable or otherwise relating to such Receivable, (e) all right, title and interest, if any, of Originator in any LockBox, any LockBox Account or the Collection Account, and (f) all other instruments and all rights under the documents in the Receivables File relating to such Receivables and all rights (but not obligations) relating to such Receivables.

"Reporting Date" means Monday of each week hereafter (or if any such day is not a Business Day, on the next succeeding Business Day thereafter).

"Required Capital Amount" means, as of any date of determination, an amount equal to the product of (a) 1.5 times the product of the Default Ratio times the Loss Horizon Ratio and (b) the Outstanding Balance of all Receivables as of such date, each as determined from the most recent Monthly Report received from Servicer.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"SEC Filings" means Originator's annual and quarterly reports on Forms 10-K and 10-Q as filed with the U.S. Securities and Exchange Commission for the fiscal year ended June 2, 2000 and the fiscal quarters ended September 1, 2000 and December 1, 2000, respectively.

"Settlement Date" means, with respect to each Calculation Period, the second Business Day after the Reporting Date following the end of such Calculation Period.

"Subordinated Loan" has the meaning set forth in Section 1.3(a) of the Agreement.

"Subordinated Note" means a promissory note in substantially the form of Exhibit V hereto as more fully described in Section 1.3 of the Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities (including but not limited to interest and penalties) with respect to the foregoing, imposed by any Governmental Authority.

"Termination Date" means the earliest to occur of (i) the Commitment Termination Date (as defined in the Loan Agreement), (ii) the Business Day immediately prior to the occurrence of a Termination Event set forth in Section 5.1(f), (iii) the Business Day specified in a written notice from Buyer to Originator following the occurrence of any other Termination Event, and (iv) the date which is ten (10) Business Days after Buyer's receipt of written notice from Originator that it wishes to terminate the facility evidenced by this Agreement.

"Termination Event" has the meaning set forth in Section 5.1 of the Agreement.

"Transaction Documents" means, collectively, this Agreement, each Collection Account Agreement, each LockBox Account Agreement, the Subordinated Note, and all other instruments, documents and agreements executed and delivered in connection herewith.

"Unmatured Termination Event" means an event which, with the passage of time or the giving of notice, or both, would constitute a Termination Event.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

Exhibit II

Chief Executive Office; Principal Place(s) of Business; Location(s) of Records; Federal Employer Identification Number; Other Names

Chief Executive Office:

Oxford Industries, Inc.
222 Piedmont Avenue
Atlanta, Georgia 30308

Principal Place(s) of Business:

Oxford Industries, Inc.
222 Piedmont Avenue
Atlanta, Georgia 30308

Location(s) of Records:

Oxford Industries, Inc.
222 Piedmont Avenue
Atlanta, Georgia 30308

Federal Employer Identification Number: 58-0831862

Other Names:

Alamo Shirt Company Oxford Products Far East

Geoffrey Beene Oxford Shirt Service Co.
Box Master Company Oxford Shirtmakers
Career Apparel Oxford Slacks
Carolina Sportswear Oxford Transport
Commerce Sportswear Oxford West
DYNK Kids Oxford Wholesalers
Gaffney Contracting Oxsport
Gaffney Service Company Pantree
Greenville Apparel Peppertree
Hilfiger Polo For Boys/Ralph Lauren
Holbrook Present Tense
Izod Robert Stock Designs
Izod Club Slates
Izod Golf Toccoa Apparel
Lanier Clothes Toccoa Distribution Center
Lanier Womens Tailored Clothing Tommy Hilfiger
Luverne Slacks Company Tommy Hilfiger Golf
Manchester Shirt Company Tommy Hilfiger Dress Shirts
Mechanized Systems Topcraft Sportswear Co
Monroe Distribution Center Unadilla Mfg. Co
Nautica Vidalia Mfg. Co.
Next Day Apparel
Oscar De La Renta
Oxford Accessories
Oxford Apparel
Oxford Brands
Oxford Collections
Oxford Data Systems
Oxford Imports/Sweaters
Oxford Industries
Oxford International
Oxford Mechanized Systems
Oxford of Columbia
Oxford of Gaffney
Oxford of Giles
Oxford of Hamlet

Oxford of Hickory Grove

Oxford of Monroe

Oxford of Vidalia

Exhibit III

LockBoxes and LockBox Accounts

LockBox	LockBox Account
P.O. Box 102262, Atlanta, GA 30303	Account # 102262 at SunTrust Bank in Atlanta, Georgia

Exhibit IV

Form of Compliance Certificate

This Compliance Certificate is furnished pursuant to that certain Receivables Sale Agreement dated as of May 3, 2001, between Oxford Industries, Inc., a Georgia corporation (together with its successors, "**Originator**"), and Oxford Receivables Company, a Delaware corporation (the "**Agreement**"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

THE UNDERSIGNED FINANCIAL OFFICER HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of Originator.
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Originator and its Subsidiaries during the accounting period covered by the attached financial statements.
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Termination Event or an Unmatured Termination Event, as each such term is defined under the Agreement, during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate[, except as set forth below].
- [4. Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which Originator has taken, is taking, or proposes to take with respect to each such condition or event: _____].

The foregoing certifications, together with the financial statements delivered with this Certificate, are made and delivered this ____ day of _____, 200_.

OXFORD INDUSTRIES, INC.

By: _____

Name:

Title:

Exhibit V

Form of Subordinated Note

SUBORDINATED NOTE

May 3, 2001

1. Note. **FOR VALUE RECEIVED**, the undersigned, Oxford Receivables Company, a Delaware corporation ("**Borrower**"), hereby unconditionally promises to pay to the order of Oxford Industries, Inc., a Georgia corporation ("**Originator**"), in lawful money of the United States of America and in immediately available funds, on or before the date following the Termination Date which is one year and one day after the date on which (i) the Outstanding Balance of all Receivables sold by Originator under the "Sale Agreement" referred to below has been reduced to zero and (ii) Originator has paid to Buyer all indemnities, adjustments and other amounts which may be owed thereunder in connection with the Purchases thereunder (the "**Collection Date**"), the aggregate unpaid principal sum outstanding of all "Subordinated Loans" made from time to time by Originator to Borrower pursuant to and in accordance with the terms of that certain Receivables Sale Agreement dated as of May 3, 2001 between Originator, as seller, and Borrower, as buyer (as amended, restated, supplemented or otherwise modified from time to time, the "**Sale Agreement**"). Reference to Section 1.3 of the Sale Agreement is hereby made for a statement of the terms and conditions under which the loans evidenced hereby have been and will be made. All terms which are capitalized and used herein and which are not otherwise specifically defined herein shall have the meanings ascribed to such terms in the Sale Agreement.

2. Interest. Borrower further promises to pay interest on the outstanding unpaid principal amount hereof from the date of the initial Subordinated Loan hereunder until payment in full hereof at a rate per annum equal to the Prime Rate (as hereinafter defined); **provided, however**, that if Borrower shall default in the payment of any principal hereof, Borrower promises to pay, on demand, interest at the rate equal to the Prime Rate plus 2.00% *per annum* on any such unpaid amounts, from the date such payment is due to the date of actual payment. Interest shall be payable on the first Business Day of each month in arrears; **provided, however**, that Borrower may elect on the date any interest payment is due hereunder to defer such payment and upon such election the amount of interest due but unpaid on such date shall constitute principal under this Subordinated Note. The outstanding principal of any loan made under this Subordinated Note shall be due and payable on the Collection Date and may be repaid or prepaid at any time without premium or penalty. As used herein, "**Prime Rate**" means a rate per annum equal to the prime rate published from time to time in *The Wall Street Journal*, changing when and as such published rate changes and shall be computed for actual days elapsed on the basis of a year consisting of 360 days.

3. Principal Payments. Originator is authorized and directed by Borrower to enter on the grid attached hereto, or, at its option, in its books and records, the date and amount of each loan made by it which is evidenced by this Subordinated Note and the amount of each payment of principal made by Borrower, and absent manifest error, such entries shall constitute prima facie evidence of the accuracy of the information so entered; **provided that** neither the failure of Originator to make any such entry or any error therein shall expand, limit or affect the obligations of Borrower hereunder.

4. Subordination. Originator shall have the right to receive, and Borrower shall make, any and all payments and prepayments relating to the loans made under this Subordinated Note, **provided that**, after giving effect to any such payment or prepayment, the aggregate Outstanding Balance of Receivables (as each such term is defined in the Loan Agreement hereinafter referred to) owned by Borrower at such time exceeds the "Obligations" (as defined in the Loan Agreement) outstanding at such time under the Loan Agreement. Originator hereby agrees that at any time during which the conditions set forth in the proviso of the immediately preceding sentence shall not be satisfied, Originator shall be subordinate in right of payment to the prior payment of all Obligations under and as defined under that certain Loan Agreement dated as of May 3, 2001 by and among Borrower, Originator, as initial Servicer, Three Pillars Funding Corporation, a Delaware corporation, as "**Lender**"; and SunTrust Equitable Securities Corporation, a Tennessee corporation, as "**Administrator**" (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). The subordination provisions contained herein are for the direct benefit of, and may be enforced by, Administrator, on behalf of the Secured Parties under and as defined in the Loan Agreement (Administrator and the Secured Parties being hereinafter collectively referred to as the "**Senior Claimants**"). Until the date on which the "Obligations" under and as defined in the Loan Agreement have been repaid in full (all such Obligations, collectively, the "**Senior Claim**") have been indefeasibly paid and satisfied in full, Originator shall not institute against Borrower any proceeding of the type described in Section 5.1(f) of the Sale Agreement unless and until the Collection Date has occurred. Should any payment, distribution or security or proceeds thereof be received by Originator in violation of this Section 4, Originator agrees that such payment shall be segregated, received and held in trust for the benefit of, and deemed to be the property of, and shall be immediately paid over and delivered to Administrator for the benefit of the Senior Claimants.

5. Bankruptcy; Insolvency. Upon the occurrence of any proceeding of the type described in Section 5.1(f) of the Sale Agreement involving Borrower as debtor, then and in any such event the Senior Claimants shall receive payment in full of all amounts due or to become due on or in respect of the Aggregate Invested Amount and the Senior Claim (including, without limitation, any interest thereon accruing after the commencement of any such proceeding, whether or not any or all of such interest is an allowable claim in any such proceeding) before Originator is entitled to receive payment on account of this Subordinated Note, and to that end, any payment or distribution of assets of Borrower of any kind or character, whether in cash, securities or other property, in any applicable insolvency proceeding, which would otherwise be payable to or deliverable upon or with respect to any or all indebtedness under this Subordinated Note, is hereby assigned to and shall be paid or delivered by the Person making such payment or delivery (whether a trustee in bankruptcy, a receiver, custodian or liquidating trustee or otherwise) directly to Administrator for application to, or as collateral for the payment of, the Senior Claim until such Senior Claim shall have been paid in full and satisfied.

Exhibit VI

[Form of] Purchase Report

For the Calculation Period beginning [date] and ending [date]

To: buyer and Administrator

Aggregate Outstanding Balance of all Receivables created during the period:	\$ _____		A
Less: Aggregate Outstanding Balance of all Ineligible Receivables contributed during the period:	\$ _____)		(B)
Less: Aggregate Outstanding Balance of all Eligible Receivables contributed during the period pursuant to clause third of Section 1.3(b):	(\$ _____)		(C)
Equals: Aggregate Outstanding Balance of all Eligible Receivables sold during the period (A-B-C):		\$ _____	=D
Less: Purchase Price discount during the Period:	(\$ _____)		(E)
Equals: Gross Purchase Price Payable during the period (A-E)		\$ _____	=F
Less: Total Purchase Price Credits arising during the Period:	(\$ _____)		(G)
Equals: Net Purchase Price payable during the Period (F-G):		\$ _____	=H
Cash Purchase Price Paid to Originator: during the Period:	\$ _____		I

Subordinated Loans made during the Period:	\$ _____		J
Less: Repayments (if any) of Subordinated Loans received during the Period:	(\$ _____)		(K)
Equals: Purchase Price paid in Cash or Subordinated Loans during the period (I + J-K:		\$ _____	=L

Schedule A

DOCUMENTS TO BE DELIVERED TO BUYER

ON OR PRIOR TO THE INITIAL PURCHASE

1. Executed copies of the Receivables Sale Agreement, duly executed by the parties thereto.
2. Copy of the Credit and Collection Policy.
3. A certificate of Originator's [Assistant] Secretary certifying:
 - (a) A copy of the Resolutions of the Board of Directors of Originator, authorizing Originator's execution, delivery and performance of the Receivables Sale Agreement and the other documents to be delivered by it thereunder;
 - (b) A copy of the Organizational Documents of Originator (also certified, to the extent that such documents are filed with any governmental authority, by the Secretary of State of the jurisdiction of organization of Originator on or within thirty (30) days prior to closing);
 - (c) Good Standing Certificates for Originator issued by the Secretary of State of the State of Georgia and the Secretary of State of each other jurisdiction where it has material operations; and
 - (d) The names and signatures of the officers authorized on Originator's behalf to execute the Receivables Sale Agreement and any other documents to be delivered by it hereunder.
4. Pre-filing state and federal tax lien, judgment lien and UCC lien searches against Originator in the jurisdiction where it maintains its chief executive office and where it is incorporated.
5. Duly executed UCC financing statements in form suitable for filing in all jurisdictions as may be necessary or, in the opinion of Buyer (or Administrator as its pledgee), desirable, under the UCC of all appropriate jurisdictions or any comparable law in order to perfect the ownership interests contemplated by the Receivables Sale Agreement.
6. Time-stamped receipt copies of proper UCC termination statements, if any, necessary to release all security interests and other rights of any Person in the Receivables, Contracts or Related Security previously granted by Originator.
7. Executed Collection Account Agreement for the Collection Account and executed LockBox Account Agreement for the LockBox Account.
8. A favorable opinion of legal counsel for Originator reasonably acceptable to Buyer (and Administrator) as to the following:
 - (a) Originator is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Georgia.
 - (b) Originator has all requisite authority to conduct its business in each jurisdiction where failure to be so qualified would have a material adverse effect on Originator's business.
 - (c) The execution and delivery by Originator of the Receivables Sale Agreement and each other Transaction Document to which it is a party and its performance of its obligations thereunder have been duly authorized by all necessary organizational action and proceedings on the part of Originator and will not:
 - (i) require any action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of UCC financing statements);
 - (ii) contravene, or constitute a default under, any provision of applicable law or regulation or of its articles or certificate of incorporation or bylaws or of any agreement, judgment, injunction, order, decree or other instrument binding upon Originator; or
 - (iii) result in the creation or imposition of any Adverse Claim on assets of Originator (except as contemplated by the Receivables Sale Agreement).
 - (d) The Receivables Sale Agreement and each other Transaction Document to which it is a party has been duly executed and delivered by Originator and constitutes the legally valid, and binding obligation of Originator enforceable in accordance with its terms, except to the extent the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the

enforcement of creditors' rights generally and subject also to the availability of equitable remedies if equitable remedies are sought.

(e) In the event that the Receivables Sale Agreement is held to create a transfer for security purposes rather than a true sale or other outright assignment, the provisions of the Receivables Sale Agreement are effective to create valid security interests in favor of Buyer in all of Originator's right, title and interest, in and to the Receivables and Related Security described therein which constitute "accounts," "chattel paper" or "general intangibles" (each as defined in the UCC) (collectively, the "**Opinion Collateral**"), as security for the payment of a loan deemed to have been made by Buyer to Originator in an amount equal to the aggregate Purchase Prices (as defined therein) of the Eligible Receivables (as defined therein) sold by Originator, together with all other obligations of Originator thereunder.

(f) Each of the UCC-1 Financing Statements naming Originator as debtor, Buyer, as secured party, and Administrator, as ultimate assignee of secured party to be filed in the [describe filing offices], is in appropriate form for filing therein. Upon filing of such UCC-1 Financing Statements in such filing offices and payment of the required filing fees, the security interest in favor of Buyer in the Opinion Collateral will be perfected and assigned of record to Administrator.

(g) Based solely on our review of the [describe UCC Search Reports], and assuming (i) the filing of the Financing Statements and payment of the required filing fees in accordance with paragraph (f) and (ii) the absence of any intervening filings between the date and time of the Search Reports and the date and time of the filing of the Financing Statements, the security interest of Buyer in the Opinion Collateral is prior to any security interest granted in the Opinion Collateral by Originator, the priority of which is determined solely by the filing of a financing statement in the [describe filing offices].

(h) To the best of the opinion giver's knowledge, there is no action, suit or other proceeding against Originator or any Affiliate of Originator, which would materially adversely affect the business or financial condition of Originator and its Affiliates taken as a whole or which would materially adversely affect the ability of Originator to perform its obligations under the Receivables Sale Agreement.

9. A "**true sale**" opinion and "**substantive consolidation**" opinion of counsel for Originator with respect to the transactions contemplated by the Receivables Sale Agreement.
10. A Certificate of a Financial Officer of Originator certifying that, as of the closing date, no Termination Event or Unmatured Termination Event exists and is continuing.
11. Executed copies of (i) all consents from and authorizations by any Persons and (ii) all waivers and amendments to existing credit facilities, that are necessary in connection with the Receivables Sale Agreement.
12. Executed Subordinated Note by Buyer in favor of Originator.

Schedule B

NOTICE ADDRESSES

Originator:

Oxford Industries, Inc.
222 Piedmont Avenue

Atlanta, Georgia 30308

Attention: Thomas C. Chubb, III, Secretary

and

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

Buyer:

Oxford Receivables Company
222 Piedmont Avenue

Atlanta, Georgia 30308

Attention: Thomas C. Chubb, III, Secretary

and

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

LOAN AGREEMENT

Dated as of May 3, 2001

among

Oxford Receivables Company, as Borrower,

OXFORD INDUSTRIES, INC., as initial Servicer,

THREE PILLARS FUNDING CORPORATION, as Lender,

and

SUNTRUST EQUITABLE SECURITIES CORPORATION, as Administrator

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LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of May 3, 2001, among Oxford Receivables Company, a Delaware corporation ("**Borrower**"), OXFORD INDUSTRIES, INC., a Georgia corporation, in its capacity as the initial servicer (in such capacity, together with its successors and permitted assigns in such capacity, the "**Servicer**"), THREE PILLARS FUNDING CORPORATION, a Delaware corporation (together with its successors and permitted assigns, "**Lender**"), and SUNTRUST EQUITABLE SECURITIES CORPORATION, a Tennessee corporation, as agent and administrator for Lender (in such capacity, together with its successor and assigns in such capacity, the "**Administrator**").

BACKGROUND

1. Borrower desires that Lender extend financing to Borrower on the terms and subject to the conditions set forth herein.
2. Lender is willing to provide such financing on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

I.

DEFINITIONS

1. Defined Terms

. As used in this Agreement, (a) capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Receivables Sale Agreement (hereinafter defined) regardless of whether those capitalized terms are listed below, and (b) the following terms have the following meanings:

"Accounts Receivable Turnover Ratio" means, on any date of determination, the ratio computed as of the most recent Calculation Date by dividing (a) the aggregate amount of Credit Sales during the 12 months ending on such Calculation Date by (b) the average month-end amount of the Aggregate Unpaid Balance of Receivables during the 12 months ending on such Calculation Date.

"Administrator" has the meaning set forth in the preamble to this Agreement.

"Administrator's Account" has the meaning set forth in [Section 4.5](#).

"Advance Rate" means the percentage equal to (a) 100% minus (b) the Reserve Percentage.

"Adverse Claim" has the meaning specified in the Receivables Sale Agreement.

"Affected Party" means each of Lender, any Liquidity Bank, any permitted assignee of Lender or any Liquidity Bank, any Support Provider and any holder of a participation interest in the rights and obligations of any Liquidity Bank or Credit Bank under the Liquidity Agreement or the Credit Agreement, as the case may be, Administrator and any holding company of Bank.

"Affiliate" of any Person means any other Person that (i) directly or indirectly controls, is controlled by or is under common control with such Person or (ii) is an officer or director of such Person. A Person shall be deemed to be "controlled by" another Person if such other Person possesses, directly or indirectly, power (a) to vote 5% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other Person, or (b) to direct or cause the direction of the management and policies of such other Person whether by contract or otherwise. The word **"Affiliated"** has a correlative meaning.

"Aggregate Unpaid Balance" means, on any date of determination, the aggregate Unpaid Balance of all Eligible Receivables at such time.

"Agreement" means this Loan Agreement, as it may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

"Allocations" has the meaning set forth in Section 3.3.

"Alternative Rate" means, for any Interest Period, an interest rate *per annum* equal to either (a) the LIBOR Rate or (b) if the LIBOR Rate is unavailable for any reason or there is less than two (2) Business Days' prior notice to the Liquidity Banks of any funding by them, the Base Rate.

"Alternative Rate Allocation" has the meaning set forth in Section 3.3.

"Amortization Event" means any of the events described in Section 10.2.

"Applicable Margin" has the meaning specified in the Fee Letter.

"Bank" means SunTrust Bank, a Georgia banking corporation.

"Bankruptcy Code" means the Bankruptcy Code, 11 U.S.C. Section 101, *et seq.*, as amended.

"Base Rate" means, on any date of determination, a fluctuating rate of interest *per annum* equal to the higher of (i) the Prime Rate, or (ii) the Federal Funds Rate most recently determined by Bank plus 0.50% *per annum*.

"Borrower" has the meaning set forth in the preamble to this Agreement.

"Borrowing Base" means, on any date of determination, an amount equal to the product of (a) the Advance Rate as of the most recent Calculation Date times (b) the excess, if any, of (i) the Aggregate Unpaid Balance as of the last Business Day of the week then most recently ended over (ii) the Excess Concentration Amount for all Obligors as of the last Business Day of the week then most recently ended.

"Borrowing Base Certificate" means a certificate, substantially in the form of Exhibit D hereto, duly executed by an authorized officer of Servicer.

"Borrowing Base Deficit" means, on any date of determination, an amount equal to (i) the excess, if any, of (a) the aggregate principal amount of all outstanding Loans at such time over (b) the sum of the Borrowing Base (as reflected in the most recent Borrowing Base Certificate) plus (ii) all Collections on deposit in the Collection Account at such time.

"Borrowing Request" has the meaning set forth in Section 2.2.

"Business Day" means any day on which (a) Bank is not authorized or required to be closed for business in Atlanta, Georgia, and The Depository Trust Company of New York is open for business, and (b) commercial banks in New York City are not authorized or required to be closed and, in the case of a Rate Setting Date for Loans bearing interest by reference to the LIBOR Rate, banks are open for business in London, England.

"Calculation Date" means the last Business Day of each Calculation Period.

"Calculation Period" means a calendar month.

"Charge-Off" means a Receivable not previously deemed a Defaulted Receivable that is written-off by the Servicer or should, in accordance with the Credit and Collection Policy, be written-off.

"Closing Date" means the date of the first Loan hereunder.

"**Collateral**" has the meaning set forth in Section 5.1(a).

"**Collateral Review**" means a report of the independent certified public accountants of Oxford which satisfies the requirements set forth on Schedule 9.1.5.

"**Collection Account**" means that certain deposit account number 8800599501 maintained with the Bank in Borrower's name which is identified as "**Oxford Receivables Company Collection Account**" and is pledged, on a first-priority basis, to Administrator pursuant to Section 5.1(a).

"**Collection Account Agreement**" means an agreement by and among Borrower, Administrator and the Bank, in substantially the form attached hereto as Exhibit E, specifying the rights of Lender and Administrator in the Collection Account.

"**Collections**" has the meaning set forth in the Receivables Sale Agreement.

"**Commercial Paper Notes**" means short-term promissory notes issued by Lender to fund its Loans or investments in receivables or other financial assets.

"**Commercial Paper Rate**" means, for any Interest Period for all or any portion of the related CP Allocation, a rate *per annum* equal to the sum of (i) the rate or, if more than one rate, the weighted average of the rates, determined by converting to an interest-bearing equivalent rate *per annum* the discount rate (or rates) at which Commercial Paper Notes outstanding during such Interest Period have been or may be sold by any placement agent or commercial paper dealer selected by Administrator, plus (ii) the commissions and charges charged by such placement agent or commercial paper dealer with respect to such Commercial Paper Notes, expressed as a percentage of the face amount thereof and converted to an interest-bearing equivalent rate *per annum*.

"**Commitment Termination Date**" means the earliest to occur of (i) the Scheduled Commitment Termination Date, (ii) the date of any termination of the Lender's Commitment pursuant to Section 2.6, (iii) the effective date on which the Lender's Commitment is terminated pursuant to Section 10.3, (iv) the Liquidity Termination Date, (v) termination of the Credit Banks' commitments under the Credit Agreement, and (vi) the date on which any purchase or other funding is made pursuant to the Liquidity Agreement.

"**Concentration Limit**" means:

(a) for any Special Obligor, 6.0% of the Aggregate Unpaid Balance;

(b) for any other Obligor whose short term unsecured debt ratings are (i) both "A-1+" from S&P and "P-1" from Moody's, 15.0% of the Aggregate Unpaid Balance; (ii) both "A-1" from S&P and "P-1" from Moody's, 14.0% of the Aggregate Unpaid Balance; (iii) both "A-2" from S&P and "P-2" from Moody's, 12.0% of the Aggregate Unpaid Balance; or (iv) both "A-3" from S&P and "P-3" from Moody's, 6.0% of the Aggregate Unpaid Balance; or

(c) for any other Obligor who does not have short term unsecured debt ratings from both S&P and Moody's but has long term unsecured debt ratings from both S&P and Moody's which are (i) greater than or equal to both "AA+" by S&P and "Aa1" by Moody's, 15.0% of the Aggregate Unpaid Balance; (ii) greater than or equal to both "AA-" by S&P and "Aa3" by Moody's and less than or equal to "AA" by S&P and "Aa2" by Moody's, 14.0% of the Aggregate Unpaid Balance; (iii) greater than or equal to both "A-" by S&P and "A3" by Moody's and less than or equal to "A+" by S&P and "A1" by Moody's, 12.0% of the Aggregate Unpaid Balance; (iv) greater than or equal to both "BBB-" by S&P and "Baa3" by Moody's and less than or equal to "BBB+" by S&P and "Baa1" by Moody's, 6.0% of the Aggregate Unpaid Balance; or (v) less than "BBB-" by S&P or "Baa3" by Moody's, 3.0% of the Aggregate Unpaid Balance;

(d) for any other Obligor who does not have short term unsecured debt ratings or long term unsecured debt ratings from both S&P and Moody's, 3.0% of the Aggregate Unpaid Balance;

(e) for all Obligors who are residents of (i) England or (ii) any province or territory of Canada other than Quebec, The Northwest Territories and Nunavut, 5.0% of the Aggregate Unpaid Balance;

(f) for all Receivables which provide for repayment in full of the Unpaid Balance thereof within 31-60 days after the invoice date thereof, 45% of the Aggregate Unpaid Balance; and

(g) for all Receivables which provide for repayment in full of the Unpaid Balance thereof within 61-81 days after the invoice date thereof, 5.0% of the Aggregate Unpaid Balance;

provided that (1) the limitations set forth in the foregoing clauses (a), (b), (c) and (d) shall apply to each specified Obligor and its Affiliates, considered as if they were one and the same Person, and (2) in the event that any Obligor has both long-term and short-term unsecured debt ratings from both S&P and Moody's, the short-term debt ratings under clause (b) above shall control.

"**Consolidated Tangible Net Worth**" means at any date, with respect to any Person, the consolidated stockholders' equity of such Person and its consolidated Subsidiaries, plus the principal amount of subordinated debt of such Person,

minus (to the extent reflected in determining such consolidated stockholders' equity) all intangible assets (determined in accordance with GAAP) as reported in the audited consolidated financial statements of such Person for the fiscal year in question.

"Contract" has the meaning set forth in the Receivables Sale Agreement.

"Covered Taxes" means Taxes other than Excluded Taxes.

"CP Allocation" has the meaning set forth in Section 3.3.

"CP Tranche Period" means, with respect to all or any portion of the CP Allocation, a period of days not to exceed 90 days commencing on a Business Day which period is either (a) requested by Borrower and agreed to by Lender (or by Administrator on Lender's behalf) or (b) in the absence of such request and agreement, selected by Lender (or by Administrator on Lender's behalf).

"Credit Advance" means a drawing under a letter of credit issued pursuant to a Credit Agreement for the account of Lender, a loan to Lender under a Credit Agreement or any other advance or disbursement of funds to Lender or for Lender's account pursuant to a Credit Agreement or any such letter of credit, in each case to the extent such drawing, loan, advance or disbursement has not been repaid or reimbursed to Credit Bank in accordance with the related Credit Agreement.

"Credit Agreement" means and includes any program-wide agreement entered into by any Credit Bank providing for the issuance of one or more letters of credit for the account of Lender, the issuance of one or more surety bonds for which Lender is obligated to reimburse the applicable Credit Bank for any drawings hereunder, the sale by Lender to any Credit Bank of receivables or other financial assets owned or held by Lender (or portions thereof) and/or the making of loans and/or other extensions of credit to Lender in connection with its commercial paper program, together with any cash collateral agreement, letter of credit, surety bond or other agreement or instrument executed and delivered in connection therewith (but excluding the Liquidity Agreement, or similar agreement, or any voluntary advance agreement).

"Credit and Collection Policy" has the meaning set forth in the Receivables Sale Agreement

"Credit Bank" means and includes Bank and any other or additional bank or other Person (other than Borrower or other customer of Lender or any liquidity provider as such) now or hereafter extending credit or a purchase commitment to or for the account of Lender or issuing a letter of credit, surety bond or other instrument, in each case to support any obligations arising under or in connection with Lender's commercial paper program.

"Credit Sales" means, for any period of determination, the aggregate amount of all trade receivables with credit terms of any kind originated by Originator during such period.

"Days Sales Outstanding Ratio" means, on any date of determination, the ratio computed as of the most recent Calculation Date by dividing (a) 360 by (b) the Accounts Receivable Turnover Ratio for the Calculation Period ending on such Calculation Date.

"Debt" of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all indebtedness of such Person for the deferred purchase price of property or services (other than property and services purchased, and expense accruals and deferred compensation items arising, in the ordinary course of business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments (other than performance, surety and appeal bonds arising in the ordinary course of business), (iv) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (v) all obligations of such Person under leases which have been or should be, in accordance with GAAP, recorded as capital lease s, to the extent required to be so recorded, (vi) all reimbursement, payment or similar obligations of such Person, contingent or otherwise, under acceptance, letter of credit or similar facilities (other than letters of credit in support of trade obligations or in connection with workers' compensation, unemployment insurance, old-age pensions and other social security benefits in the ordinary course of business), (vii) all net obligations of such Person in respect of interest rate swap, cap, collar, swaption, option or similar agreements, (viii) all obligations arising in connection with a sale or other transfer of any of such Person's financial assets which are, or are intended to be, classified as loans for federal tax purposes, (ix) all Debt referred to in clauses (i) through (viii) above guaranteed directly or indirectly by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss in respect of such Debt, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss in respect of such Debt, and (x) all Debt referred to in clauses (i) through (viii) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any lien, security interest or other charge or encumbrance upon or in property (including,

without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Default Rate" has the meaning set forth in Section 3.1(c).

"Default Ratio" means, on any date of determination, the ratio (expressed as a percentage) computed as of the most recent Calculation Date by dividing (a) the sum (without double counting) of (i) the Unpaid Balance of Receivables that became Defaulted Receivables during the Calculation Period ending on such Calculation Date, plus (ii) the Unpaid Balance of Receivables that became Charge-Offs during the Calculation Period ending on such Calculation Date by (b) Credit Sales for the Calculation Period ending 4 months prior to such Calculation Date.

"Defaulted Receivable" means, as of any date of determination, any Receivable (i) which the Servicer has or should have charged-off or deemed uncollectible in accordance with the Credit and Collection Policy after taking a reasonable time to apply Collections received to applicable invoices and reconcile the amount of such Receivable, (ii) as to which, as of such date of determination, any payment, or part thereof, remains unpaid for 91 days or more past the due date for such payment, determined by reference to the original contractual payment terms of such Receivable or (iii) as to which the Obligor thereon has suffered an Event of Bankruptcy.

"Delinquency Ratio" means, on any date of determination, the ratio (expressed as a percentage) computed as of the most recent Calculation Date by dividing (i) the Unpaid Balance of Receivables which are Delinquent Receivables as of such Calculation Date by (ii) an amount equal to the Aggregate Unpaid Balance as of such Calculation Date, minus the aggregate Excess Concentration Amount as of such Calculation Date.

"Delinquent Receivable" means a Receivable (other than a Defaulted Receivable) as to which all or any part of a scheduled payment remains unpaid for 61 days or more from the original due date for such payment.

"Deposit Date" has the meaning set forth in Section 11.2.4(b).

"Dilution Horizon Ratio" means, on any date of determination, the ratio (expressed as a percentage) computed as of the most recent Calculation Date by dividing (a) the sum of Credit Sales for the Calculation Period ending on such Calculation Date plus 50% of Credit Sales for the prior Calculation Period by (b) an amount equal to the Aggregate Unpaid Balance as of such Calculation Date, minus the aggregate Excess Concentration Amount as of such Calculation Date.

"Dilution Ratio" means, on any date of determination, the ratio (expressed as a percentage) computed as of the most recent Calculation Date by dividing (a) Dilutions for the Calculation Period ending on such Calculation Date by (b) Credit Sales for the Calculation Period ending 1 month prior to such Calculation Date.

"Dilution Reserve" means, on any date of determination, the product computed as of the most recent Calculation Date, of (a) the sum of (i) the product of (x) the Stress Factor times (y) the Expected Dilution Ratio plus (ii) the product of (x) the positive difference, if any, between (1) the Dilution Spike Rate less (2) the Expected Dilution Ratio times (y) a ratio computed by dividing (1) the Dilution Spike Rate by (2) the Expected Dilution Ratio times (b) the Dilution Horizon Ratio.

"Dilution Spike Rate" means, on any date of determination, the highest Dilution Ratio over the 12-month period ending on the most recent Calculation Date.

"Dilutions" means, for any period of determination, the aggregate amount of returns, allowances, net credits and any other non-cash reductions to the Credit Sales during such period.

"Distribution Date" means the 10th day of each month after the Closing Date made (or, if such day is not a Business Day, the Business Day immediately thereafter).

"Documents" means all documentation relating to the Receivables including, without limitation, the Contracts, billing statements and computer records and programs.

"Dollar(s)" and the sign "\$" shall mean lawful money of the United States of America.

"Eligible Receivable" means each Receivable that meets the following criteria:

(a) that was created by Originator in compliance, in all material respects, with the Credit and Collection Policy, in the regular and ordinary course of the business of Originator;

(b) that was documented in all material respects in compliance with Originator's standard administration and documentation policies and procedures;

(c) is not a Delinquent Receivable or a Defaulted Receivable;

(d) as to which, at the time of the sale of such Receivable to Borrower, Originator was the sole owner thereof and had good and marketable title thereto, free and clear of all Adverse Claims, and which was sold or contributed to Borrower

pursuant to the Receivables Sale Agreement free and clear of all Adverse Claims other than in favor of Administrator;

(e) the assignment of which by Originator to Borrower pursuant to the Receivables Sale Agreement does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale or assignment of which does not require the consent of the Obligor thereof;

(f) which is denominated and payable in Dollars and is only payable in the United States of America,

(g) the Obligor of which is a resident of (i) the United States, (ii) England or (iii) any province or territory of Canada other than Quebec, The Northwest Territories and Nunavut;

(h) the Obligor of which is not an officer, director or Affiliate of Originator or Borrower;

(i) the Obligor of which is not a Governmental Authority;

(j) that is in full force and effect and constitutes the legally valid and binding payment obligation of the Obligor with respect thereto, enforceable against such Obligor in accordance with its terms and is not subject to any right of rescission, setoff, counterclaim or defense (including the defense of usury) or to any repurchase obligation or return right;

(k) that does not contravene any applicable requirements of law (including without limitation all laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, fair debt collection practices and privacy) and which complies with all applicable requirements of law and with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with, any governmental authority required to be obtained, effected or given by the related Originator in connection with the creation or the execution, delivery and performance of such Receivable, have been duly obtained, effected or given and are in full force and effect;

(l) that complies with all applicable requirements of the Credit and Collection Policy;

(m) as to which each of Borrower's and Administrator's (for the benefit of the Secured Parties) first priority security interest in such Receivable has been perfected under the applicable Uniform Commercial Code and other applicable laws;

(n) as to which the Servicer is in possession of the related Receivable File;

(o) which provides for repayment in full of the Unpaid Balance thereof within eighty-one (81) days of the date of the creation thereof;

(p) the terms of which have not been modified or waived except as permitted under the Credit and Collection Policy and this Agreement;

(q) which constitutes an "account" under and as defined in Article 9 of the Uniform Commercial Code of all applicable jurisdictions,

(r) which is not subject to any dispute, right of rescission, set-off, counterclaim or any other defense (including defenses arising out of violations of usury laws) of the applicable Obligor against the Originator or any other Adverse Claim, and the Obligor thereon holds no right as against the Originator to cause the Originator to repurchase the goods the sale of which shall have given rise to such Receivable (except with respect to sale discounts effected pursuant to the Contract, or goods returned in accordance with the terms of the Contract),

(s) which is not owing from an Obligor as to which more than 25% of the aggregate Outstanding Balance of all Receivables owing from such Obligor are Defaulted Receivables, and

(t) the Originator has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, and no further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor.

"Event of Bankruptcy" shall be deemed to have occurred with respect to a Person if either:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar

official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors shall vote to implement any of the foregoing.

"Event of Default" means any of the events described in Section 10.1.

"Excess Concentration Amount" means, on any date of determination, with respect to any Obligor and its Affiliates considered as if they were one and the same Obligor, the amount, if any, by which the Aggregate Unpaid Balance of such Obligor and its Affiliates at such time exceeds the Concentration Limit for such Obligor and its Affiliates at such time.

"Excluded Taxes" means, in the case of any Indemnified Party, taxes imposed on its overall net income, and franchise taxes and branch profit taxes based on net income, imposed on it by (i) the jurisdiction under the laws of which such Indemnified Party is incorporated or organized or (ii) the jurisdiction in which such Indemnified Party's principal executive office is located.

"Expected Dilution Ratio" means, on any date of determination, the rolling twelve-month average Dilution Ratio for the 12-month period ending on the most recent Calculation Date.

"Facility Limit" means \$90,000,000.

"Federal Funds Rate" means, for any period, the *per annum* rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, "**H.15(519)**") for such day opposite the caption "Federal Funds (Effective)." If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publications, published by the Federal Reserve Bank of Atlanta (including any such successor, the "**Composite 3:30 p.m. Quotations**") for such day under the caption "Federal Funds Effective Rate." If on any relevant day the appropriate rate for such previous day is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by Bank of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by Bank.

"Fee Letter" has the meaning set forth in Section 3.4.

"Fees" means all fees and other amounts payable by Borrower to Administrator or Lender pursuant to the Fee Letter.

"GAAP" has the meaning set forth in the Receivables Sale Agreement.

"Governmental Authority" has the meaning set forth in the Receivables Sale Agreement.

"Indemnified Amounts" has the meaning set forth in Section 14.1.

"Indemnified Party" has the meaning set forth in Section 14.1.

"Interest Period" means:

(a) with respect to any CP Allocation, its CP Tranche Period;

(b) with respect to any Alternative Rate Allocation, (i) initially, the period commencing on the date of the initial establishment of such Allocation and ending on (but excluding) the Business Day immediately preceding the next following Scheduled Interest Payment Date, and (ii) thereafter, each period commencing on (and including) the Business Day immediately preceding a Scheduled Interest Payment Date and ending on (but excluding) the Business Day immediately preceding the next following Scheduled Interest Payment Date;

provided, however, that if any Interest Period for any Allocation that commences before the Commitment Termination Date would otherwise end on a date occurring after such Commitment Termination Date, such Interest Period shall end on such Commitment Termination Date and the duration of each such Interest Period that commences on or after the Commitment Termination Date, if any, shall be of such duration as shall be selected by Administrator.

"Lender" has the meaning set forth in the preamble to this Agreement.

"Lender Note" has the meaning set forth in Section 2.7.

"Lender's Commitment" has the meaning set forth in Section 2.1.

"Liabilities" means, with respect to any Person, all obligations of such Person which would, in accordance with GAAP, be classified on a balance sheet as liabilities, including, without limitation, (i) Debt secured by liens against property of such Person whether or not such Person is liable for the payment thereof and (ii) deferred liabilities.

"LIBOR Rate" means, for any Interest Period, the rate *per annum* on the Rate Setting Day of such Interest Period shown on page 3750 of Telerate or any successor page as the composite offered rate for London interbank deposits for one month, as shown under the heading "USD" as of 11:00 a.m. (London time); **provided** that in the event no such rate is shown, the LIBOR Rate shall be the rate *per annum* (rounded upwards, if necessary, to the nearest 1/16th of one percent) based on the rates at which Dollar deposits for one month are displayed on page "LIBOR" of the Reuters Screen as of 11:00 a.m. (London time) on the Rate Setting Day (it being understood that if at least two (2) such rates appear on such page, the rate will be the arithmetic mean of such displayed rates); **provided further**, that in the event fewer than two (2) such rates are displayed, or if no such rate is relevant, the LIBOR Rate shall be the rate *per annum* equal to the average of the rates at which deposits in Dollars are offered by Administrator at approximately 11:00 a.m. (London time) on the Rate Setting Day to prime banks in the London interbank market for a one month.

"Liquidity Agreement" means and includes (a) the Liquidity Asset Purchase Agreement (regarding Oxford Receivables Company), dated as of May 3, 2001, among Lender, as borrower, Bank, as liquidity agent for the Liquidity Banks, Administrator, and the Liquidity Banks, or (b) any other agreement hereafter entered into by Lender providing for the sale by Lender of Loans (or portions thereof), or the making of loans or other extensions of credit to Lender secured by security interests in the Loans (or portions thereof), to support all or part of Lender's payment obligations under the Commercial Paper Notes or to provide an alternate means of funding Lender's investments in accounts receivable or other financial assets, in each case as amended, supplemented, restated or otherwise modified from time to time.

"Liquidity Bank" means and includes Bank and the various financial institutions as are, or may become, parties to the Liquidity Agreement, as purchasers thereunder.

"Liquidity Termination Date" means the earlier to occur of (a) May 2, 2002, as such date may be extended from time to time by the Liquidity Banks in accordance with the Liquidity Agreement, and (b) the occurrence of an Event of Bankruptcy with respect to Lender.

"Loan" means any amount disbursed as principal by Lender to Borrower under this Agreement.

"LockBox" means a postal box maintained on behalf of Borrower or the Servicer for the purpose of receiving checks and money orders constituting Collections of the Receivables.

"LockBox Account" means any of those bank accounts described on Schedule 8.12 hereto and any additional or replacement account to which Mail Payments are deposited for clearing.

"LockBox Account Agreement" means an agreement among Originator, Borrower, Administrator and the bank holding any LockBox Account, in substantially the form of Exhibit F attached hereto.

"Loss Horizon Ratio" means, on any date of determination, the ratio computed as of the most recent Calculation Date by dividing (a) the sum of (i) Credit Sales for the Calculation Period ending on such Calculation Date, plus (ii) Credit Sales for the Calculation Period ending one (1) month prior to such Calculation Date, plus (iii) Credit Sales for the Calculation Period ending two (2) months prior to such Calculation Date, plus (iv) 77% of Credit Sales for the Calculation Period ending three (3) months prior to such Calculation Date, by (b) an amount equal to the Aggregate Unpaid Balance as of such Calculation Date, minus the aggregate Excess Concentration Amount as of such Calculation Date.

"Loss Reserve" means, on any date of determination, the product of (i) the highest rolling 3-month average Default Ratio over the 12 months ending on the most recent Calculation Date, times (ii) the Loss Horizon Ratio as of such Calculation Date, times (iii) the Stress Factor.

"Mail Payments" has the meaning specified in Section 11.2.3(a).

"Material Adverse Effect" means a material adverse effect on (a) on the business, property, condition (financial or otherwise) or results of operations or prospects of (i) Servicer and its Subsidiaries taken as a whole, or (ii) Borrower, (b) the ability of Borrower or Servicer to perform its respective obligations under the Agreement or any other Transaction Document to which it is a party, (c) the legality, validity or enforceability of the Agreement or any other Transaction Document, (d) the existence, validity, perfection or priority of (i) Administrator's (for the benefit of the Secured Parties) security interest in the Collateral, or (ii) Borrower's ownership interest in the Receivables; or (e) the validity, enforceability or collectibility of the Receivables generally or of any material portion of the Receivables.

"Material Debt" has the meaning specified in Section 11.7.8.

"Monthly Report" means a report, substantially in the form of Exhibit C or in such other form acceptable to Administrator, prepared by Servicer as of the Calculation Date then most recently occurring signed by an authorized officer of Servicer.

"Moody's" means Moody's Investors Service, Inc.

"Net Worth" with respect to the Borrower has the meaning specified in the Receivables Sale Agreement.

"Obligations" means all obligations (monetary or otherwise) of Borrower to Lender, Administrator, any Affected Party or any Indemnified Party and their respective successors, permitted transferees and assigns arising under or in connection with this Agreement, the Lender Note and each other Transaction Document, in each case however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

"Obligor" means, with respect to any Receivable, each Person obligated to make payments with respect to such Receivable, including any guarantor thereof.

"Originator" means Oxford, in its capacity as seller under the Receivables Sale Agreement.

"Outstanding Balance" has the meaning specified in the Receivables Sale Agreement.

"Oxford" means Oxford Industries, Inc., a Georgia corporation, and its successors.

"Permitted Investment" means, at any time:

(i) marketable obligations issued by, or the full and timely payment of which is directly and fully guaranteed or insured by, the United States government or any other government with an equivalent rating, or any agency or instrumentality thereof when such marketable obligations are backed by the full faith and credit of the United States government or such other equivalently rated government, as the case may be, but excluding any securities which are derivatives of such obligations;

(ii) time deposits, bankers' acceptances and certificates of deposit of any domestic commercial bank or any United States branch or agency of a foreign commercial bank which (x) has capital, surplus and undivided profits in excess of \$100,000,000 and which has a commercial paper or certificate of deposit rating meeting the requirements specified in clause (iii) below (or equivalent rating from the Rating Agencies) or (y) is set forth in a list (which may be updated from time to time) (A) approved by Administrator and (B) with respect to which a written statement has been obtained from each of the Rating Agencies to the effect that the rating of the Commercial Paper Notes will not be downgraded or withdrawn solely as a result of the acquisition of such investments;

(iii) commercial paper which is (x) rated at least as high as the Commercial Paper Notes by the Rating Agencies, or (y) set forth in a list (which may be updated from time to time) (A) approved by Administrator and (B) with respect to which a written statement has been obtained from each of the Rating Agencies to the effect that the rating of the Commercial Paper Notes will not be downgraded or withdrawn solely as a result of the acquisition of such investments;

(iv) secured repurchase obligations for underlying securities of the types described in clauses (i) and (ii) above entered into with any bank of the type described in clause (ii) above; and

(v) freely redeemable shares in money market funds which invest solely in obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements and commercial paper of the types described in clauses (i) through (iv) above, without regard to the limitations as to the maturity of such obligations, bankers' acceptances, time deposits, certificates of deposit, repurchase agreements or commercial paper set forth below, which are rated at least "AAm" or "AAmg" or their equivalent by at least one Rating Agency, **provided** that there is no "r-highlighter" affixed to such rating.

"Person" has the meaning set forth in the Receivables Sale Agreement

"Prime Rate" means as of any date of determination, the rate of interest most recently announced by Bank at its principal office in Atlanta, Georgia as its prime rate (it being understood that at any one time there shall exist only one such prime rate so announced, which rate is not necessarily intended to be the lowest rate of interest determined by Bank in connection with extensions of credit).

"Program Documents" means the Liquidity Agreement, the Credit Agreement, the Voluntary Advance Agreement, the documents under which Administrator performs its obligations with respect to Lender's commercial paper program and the other documents to be executed and delivered in connection therewith, as amended, supplemented, restated or otherwise modified from time to time.

"Purchase Price Credit" has the meaning set forth in the Receivables Sale Agreement

"Rate Setting Day" means, for any Interest Period, two (2) Business Days prior to the commencement of such Interest Period. In the event such day is not a Business Day, then the Rate Setting Day shall be the immediately preceding Business Day.

"Rating Agencies" means S&P and Moody's.

"Receivable" has the meaning specified in the Receivables Sale Agreement.

"Receivable File" means with respect to a Receivable, (i) the Contract giving rise to the Receivable and other evidences of the Receivable including, without limitation, tapes, discs, punch cards and related property and rights and (ii) each UCC financing statement related thereto, if any.

"Receivables Sale Agreement" means the Receivables Sale Agreement, dated as of May 3, 2001, by and between Oxford, as seller, and Borrower, as buyer, as such Receivables Sale Agreement may be amended, supplemented, restated or otherwise modified from time to time with the prior written consent of Administrator.

"Regulatory Change" means, relative to any Affected Party:

(a) any change in (or the adoption, implementation, change in the phase-in or commencement of effectiveness of) any: (i) United States Federal or state law or foreign law applicable to such Affected Party, (ii) regulation, interpretation, directive, requirement or request (whether or not having the force of law) applicable to such Affected Party of (A) any court or government authority charged with the interpretation or administration of any law referred to in clause (a)(i), or of (B) any fiscal, monetary or other authority having jurisdiction over such Affected Party, or (iii) GAAP or regulatory accounting principles applicable to such Affected Party and affecting the application to such Affected Party of any law, regulation, interpretation, directive, requirement or request referred to in clause (a)(i) or (a)(ii) above;

(b) any change in the application to such Affected Party of any existing law, regulation, interpretation, directive, requirement, request or accounting principles referred to in clause (a)(i), (a)(ii) or (a)(iii) above; or

(c) the issuance, publication or release of any regulation, interpretation, directive, requirement or request of a type described in clause (a)(ii) above to the effect that the obligations of any Liquidity Bank under the Liquidity Agreement are not entitled to be included in the zero percent category of off-balance sheet assets for purposes of any risk-weighted capital guidelines applicable to such Liquidity Bank or any related Affected Party.

"Related Security" has the meaning specified in the Receivables Sale Agreement.

"Required Capital Amount" has the meaning specified in the Receivables Sale Agreement.

"Requirements of Law" for any Person or any of its property shall mean the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person or any of its property, and any statute, law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or any of its property or businesses or to which such Person or any of its property or businesses is subject, whether federal, state or local.

"Reserve Floor" means for any Calculation Period, 22.1%.

"Reserve Percentage" means the percentage equal to the greater of (a) the sum of (i) the Loss Reserve, (ii) the Dilution Reserve, (iii) the Yield Reserve, and (iv) the Servicing Reserve" and (b) the Reserve Floor.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"Scheduled Commitment Termination Date" means May 2, 2002, as extended from time to time by mutual agreement of the parties hereto.

"Scheduled Interest Payment Date" means each Distribution Date hereafter commencing with April 12, 2001.

"Secured Obligations" has the meaning set forth in Section 5.1(b).

"Secured Parties" means Lender, Administrator and each Indemnified Party, and the successors and permitted assigns of each of the foregoing.

"Servicer" means Oxford, or any successor Servicer appointed as provided in Section 11.5.

"Servicer Event of Default" shall have the meaning specified in Section 11.7.

"Servicing Fee" means, as to any Calculation Period, the fee payable to the Servicer which, so long as Oxford is the Servicer, shall be equal to the Servicing Fee Rate divided by 12 multiplied by the Aggregate Unpaid Balance at the beginning of such Calculation Period. The Servicing Fee for any successor Servicer shall be equal to the fee reasonably agreed to by Administrator and such successor Servicer.

"Servicing Fee Rate" means 1.80%.

"Servicing Reserve" means, on any date of determination, the product of: (a) the highest Day Sales Outstanding Ratio during the 12 months ending on the most recent Calculation Date, (b) the Stress Factor, (c) 2.40%, and (d) 1/360.

"Significant Event" means any Amortization Event or Event of Default.

"Solvent" means with respect to any Person that as of the date of determination both (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including contingent liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Special Obligor" means, unless and until Administrator advises Borrower to the contrary upon not less than thirty (30) days' prior written notice, Lands End Corporation and its Affiliates.

"Stress Factor" means 2.0.

"Subordinated Note" has the meaning specified in the Receivables Sale Agreement.

"Subsidiary" means, with respect to any Person, a corporation of which such Person and/or its other Subsidiaries own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors.

"Support Provider" means and includes any entity now or hereafter extending credit or liquidity support or having a commitment to extend credit or liquidity support to or for the account of, or to make loans to or purchases from, Lender or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with the commercial paper program of Lender.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities (including but not limited to interest and penalties) with respect to the foregoing, imposed by any Governmental Authority.

"Telerate Page 3750" shall mean the display designated as "Page 3750" on the Telerate Service (or such other page as may replace "Page 3750" on that service or another service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rate for Dollars).

"Transaction Documents" means this Agreement, the Receivables Sale Agreement, the Lender Note, the Fee Letter, the Subordinated Note, and the other instruments, certificates, agreements, reports and documents to be executed and delivered under or in connection with this Agreement or the Receivables Sale Agreement (except the Program Documents), as any of the foregoing may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with this Agreement.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Unmatured Servicer Event of Default" means any event that, if it continues uncured, will, with lapse of time or notice or lapse of time and notice, constitute a Servicer Event of Default.

"Unmatured Significant Event" means any event that, if it continues uncured, will, with lapse of time or notice or lapse of time and notice, constitute a Significant Event.

"Unpaid Balance" means, with respect to any Receivable, the sum of (a) the Outstanding Balance thereof, plus (without duplication), (b) the aggregate amount required to repay in full all interest, finance, prepayment and other fees or charges of any kind payable in respect of, such Outstanding Balance.

"Voluntary Advance Agreement" means the Voluntary Advance Agreement, dated as of March 11, 1999, among Lender, Administrator and Bank, as it may be amended, supplemented, restated or otherwise modified from time to time.

"Yield Reserve" means, on any date of determination, the product of (a) the highest Day Sales Outstanding Ratio during the 12 months ending on the most recent Calculation Date, (b) the Stress Factor, (c) the Prime Rate as in effect on such Calculation Date and (d) 1/360.

1. Other Definitional Provisions.

- a. Unless otherwise specified therein, all terms defined in this Agreement have the meanings as so defined herein when used in the Lender Note or any other Transaction Document, certificate, report or other document made or delivered pursuant hereto.

- b. Each term defined in the singular form in Section 1.1 or elsewhere in this Agreement shall mean the plural thereof when the plural form of such term is used in this Agreement, the Lender Note or any other Transaction Document, certificate, report or other document made or delivered pursuant hereto, and each term defined in the plural form in Section 1.1 shall mean the singular thereof when the singular form of such term is used herein or therein.
- c. The words "**hereof**," "**herein**," "**hereunder**" and similar terms when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references herein are references to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified.

1. Other Terms

. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC and not specifically defined herein, are used herein as defined in such Article 9.

2. Computation of Time Periods

. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" each means "**to but excluding**."

I.

THE LENDER'S COMMITMENT, BORROWING PROCEDURES AND LENDER NOTE

1. Lender's Commitment

. On the terms and subject to the conditions set forth in this Agreement, Lender agrees to make loans to Borrower on a revolving basis from time to time (the "**Lender's Commitment**") before the Commitment Termination Date in such amounts as may be from time to time requested by Borrower pursuant to Section 2.2; **provided, however**, that the aggregate principal amount of all Loans from time to time outstanding hereunder shall not exceed the lesser of (a) the Facility Limit and (b) the Borrowing Base. Within the limits of the Lender's Commitment, Borrower may borrow and (subject to Section 4.1(a)) prepay and reborrow under this Section 2.1.

2. Borrowing Procedures

. Borrower (or the Servicer on its behalf) may request a Loan hereunder by giving notice to Administrator of a proposed borrowing not later than 2:00 p.m. (New York City time), two (2) Business Days prior to the proposed date of such borrowing (or such lesser period of time as Lender may consent); **provided** that Borrower shall not request, and Lender shall not make, Loans more than once per calendar week. Each such notice (herein called a "**Borrowing Request**") shall be in the form of Exhibit A (or, if acceptable to Administrator, the information required therein may be given by telephone) and shall include the date and amount of such proposed borrowing. Any Borrowing Request given by Borrower (or the Servicer on its behalf) pursuant to this Section 2.2 shall be irrevocable and binding on Borrower.

3. Funding

. Subject to the satisfaction of the conditions precedent set forth in Article VII with respect to such Loan and the limitations set forth in Section 2.1, Lender shall make the proceeds of such requested Loan available to Administrator at its office in Atlanta, Georgia in immediately available funds on the proposed date of borrowing. Upon receipt by Administrator of such funds, Administrator will make such funds available to Borrower at such office on such date. Each borrowing shall be on a Business Day and shall be in an amount of at least \$1,000,000 and in integral multiples of \$500,000 (or in such other amounts as Lender or Administrator may approve).

4. Representation and Warranty

. Each request for a borrowing pursuant to Section 2.2 shall automatically constitute a representation and warranty by Borrower to Administrator and Lender that on the requested date of such borrowing (a) the representations and warranties contained in Article VIII will be true and correct as of such requested date as though made on such date, (b) no Significant Event or Unmatured Significant Event has occurred and is continuing or will result from such borrowing, and (c) after giving effect to such requested borrowing, the aggregate principal balance of the outstanding Loans hereunder will not exceed the lesser of the Borrowing Base and the Facility Limit.

5. Extension of Lender's Commitment

. The Lender's Commitment shall terminate on the Commitment Termination Date. Notwithstanding the foregoing:

(a) Lender or Administrator, on Lender's behalf, shall use reasonable effort to give Borrower not less than 60 days' prior notice of any scheduled termination of the Credit Banks' commitments under the Credit Agreement

and shall promptly notify Borrower of any extension thereof,

(b) Not more than 90 days prior to the Liquidity Termination Date in effect from time to time, Borrower may request that Lender or Administrator, on Lender's behalf, seek the Liquidity Banks' consent to extend the Liquidity Termination Date for a period which, when aggregated with the number of days remaining until the existing Liquidity Termination Date would not cause the Liquidity Banks' commitments under the Liquidity Agreement as so extended to exceed 364 days *in toto*, and

(c) Not more than 90 days prior to the Scheduled Commitment Termination Date in effect from time to time, Borrower may request that Lender consent to extend the Scheduled Commitment Termination Date for an additional 364-day period.

Administrator shall advise Borrower in writing whether each request made pursuant to the foregoing clause (b) or clause (c) has been granted within thirty (30) days after such request has been made and whether such consent is subject to satisfaction of any conditions precedent. If any such request is not granted within thirty (30) days after such request has been made, the Liquidity Termination Date or Scheduled Commitment Termination Date, as the case may be, shall remain unchanged. If any such request is granted within thirty (30) days after such request has been made, the Liquidity Termination Date or Scheduled Commitment Termination Date, as the case may be, shall be extended as provided in Administrator's written notice upon satisfaction of any conditions precedent specified therein.

6. Voluntary Termination of Lender's Commitment; Reduction of Facility Limit

. Borrower may, in its sole discretion for any reason upon at least 10 days' notice to Administrator (with a copy to Lender), terminate the Lender's Commitment in whole, or, reduce in part the unused portion of the Facility Limit; **provided, however** that (a) each such partial reduction will be in a minimum amount of \$5,000,000 or a higher integral multiple of \$1,000,000 and shall not reduce the Facility Limit below \$40,000,000, and (b) in connection therewith Borrower shall comply with Section 3.2(b) and Section 4.1(b).

7. Note

. Each Loan from Lender shall be evidenced by a single promissory grid note (herein, as amended, modified, extended or replaced from time to time, called the "**Lender Note**") substantially in the form set forth in Exhibit B, with appropriate insertions, payable to the order of Lender. Borrower hereby irrevocably authorizes Administrator in connection with the Lender Note to make (or cause to be made) appropriate notations on the grid attached to the Lender Note (or on any continuation of such grid, or at Administrator's option, in its records), which notations, if made, shall evidence, *inter alia*, the date of, the outstanding principal of, and the interest rate and Interest Period applicable to the Loans evidenced thereby. Such notations shall be rebuttably presumptive evidence of the subject matter thereof, absent manifest error; **provided, however**, that the failure to make any such notations shall not limit or otherwise affect any Obligations of Borrower.

8. Collection Account

. On or before the Closing Date, Borrower will establish the Collection Account and ensure that all available funds from each of the LockBox Accounts are swept on a daily basis into the Collection Account.

II.

INTEREST, FEES, ETC.

1. Interest Rates

. Borrower hereby promises to pay interest on the unpaid principal amount of each Loan (or each portion thereof) for the period commencing on the date of such Loan until such Loan is paid in full, as follows:

- a. at all times while the making or maintenance of such Loan (or the applicable portion thereof) by Lender is funded by the issuance of Commercial Paper Notes of Lender, during each Interest Period, at a rate *per annum* equal to the sum of (i) the Commercial Paper Rate applicable to such Interest Period, plus (ii) the Applicable Margin;
- b. at all times while the making or maintenance of such Loan (or the applicable portion thereof) by Lender is funded during each Interest Period pursuant to the Liquidity Agreement or the Voluntary Advance Agreement, at a rate *per annum* equal to the sum of (i) the Alternative Rate applicable to such Interest Period, plus (ii) the Applicable Margin; and
- c. notwithstanding the provisions of the preceding clauses (a) and (b), in the event that a Significant Event or an Unmatured Significant Event has occurred and is continuing, at a rate *per annum* (the "**Default Rate**") equal to the Base Rate applicable from time to time (but not less than the interest rate in effect for such Loan as at the date of such Significant Event), plus a margin of 2.00%. After the date any principal amount of any Loan is due and payable (whether on the Scheduled Commitment Termination Date, upon acceleration or otherwise) or after any other monetary Obligation of Borrower arising under this Agreement shall become due and payable, Borrower shall pay (to the extent permitted by law, if in respect

of any unpaid amounts representing interest) interest (after as well as before judgment) on such amounts at a rate per annum equal to the Default Rate. No provision of this Agreement or the Lender Note shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable law.

1. Interest Payment Dates

. Interest accrued on each Allocation shall be payable, without duplication:

- a. on each Scheduled Interest Payment Date prior to the Scheduled Commitment Termination Date, for the period since the creation of such Allocation (in the case of the first Scheduled Interest Payment Date thereafter) or since the prior Scheduled Interest Payment Date (in the case of any subsequent Scheduled Interest Payment Date);
- b. on the date of any payment or prepayment (in whole or in part) of principal outstanding in such Allocation, on the amount paid or prepaid (it being understood that any prepayment shall be accompanied by any amounts owing under Section 6.2);
- c. in full, on the Scheduled Commitment Termination Date (whether at scheduled maturity or upon acceleration thereof pursuant to Section 10.3); and
- d. from and after the Scheduled Commitment Termination Date, upon demand.

1. Interest Allocations

. Administrator shall from time to time and in its sole discretion determine whether interest in respect of the Loans then outstanding, or any portion thereof, shall be calculated by reference to the Commercial Paper Rate (such portion being herein called a "**CP Allocation**") or an Alternative Rate (such portion being herein called an "**Alternative Rate Allocation**", and together with a CP Allocation individually called an "**Allocation**", and collectively, "**Allocations**"); **provided, however**, that, Administrator shall use its reasonable efforts to allocate all or substantially all of the Loans from Lender to a CP Allocation (it being understood that if Lender is not able to issue sufficient Commercial Paper Notes to fund all of its assets at such time and no Significant Event or Unmatured Significant Event has occurred and is continuing, Lender and Administrator shall, at least, fund the Loans *pro rata* with its other non-defaulted assets with Commercial Paper Notes); **provided further, however**, that Administrator may determine, at any time and in its sole discretion, that the Commercial Paper Rate is unavailable or otherwise not desirable, in which case the Loans from Lender will be allocated to an Alternative Rate Allocation (unless the Default Rate is in effect).

2. Fees

. Borrower agrees to pay Administrator and Lender certain Fees in the amounts and on the dates set forth in the letter agreement executed in connection herewith between Borrower, Administrator and Lender (as the same may be amended, supplemented, restated or otherwise modified, the "**Fee Letter**").

3. Computation of Interest and Fees

. All interest, Fees and Servicing Fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or Fee is payable over a year comprised of 360 days.

I. **REPAYMENTS AND PREPAYMENTS; DISTRIBUTION OF COLLECTIONS**

1. Repayments and Prepayments

. Borrower shall repay in full the unpaid principal amount of each Loan on the Scheduled Commitment Termination Date. Prior thereto, Borrower:

- a. may, from time to time on any Business Day, make a prepayment, in whole or in part, of the outstanding principal amount of any Loans; **provided, however**, that, (i) unless otherwise consented to by Administrator, all such voluntary prepayments shall require at least two (2) Business Days' (or, in the case of a voluntary prepayment of \$10,000,000 or more, at least seven (7) Business Days') prior written notice to Administrator, (ii) unless otherwise consented to by Administrator, all such voluntary partial prepayments shall be in a minimum amount of \$1,000,000 and an integral multiple of \$100,000, and (iii) unless and until the aggregate outstanding principal balance of the Loans hereunder is less than 10% of the highest amount ever borrowed hereunder, no such prepayment may be made with any funds other than (A) Collections and (B) the Borrower's initial paid-in cash capital (if any then remains);
- b. shall, on each date when any reduction in the Facility Limit shall become effective pursuant to Section 2.6, make a prepayment of the Loans in an amount equal to the excess, if any, of the aggregate outstanding principal amount of the Loans over the Facility Limit as so reduced;
- c. shall, immediately upon any acceleration of the Scheduled Commitment Termination Date of any Loans pursuant to Section 10.3, repay all Loans, unless, pursuant to Section 10.3(a), only a portion of all Loans is so accelerated, in which event Borrower shall repay the accelerated portion of the Loans; and

d. shall, immediately upon discovering that a Borrowing Base Deficit exists, make a prepayment of the Loans in an amount equal to such Borrowing Base Deficit. Each such prepayment shall be subject to the payment of any amounts required by Section 6.2.

1. Application of Collections.

(a) All Collections deposited in the Collection Account shall be distributed by the Servicer at such times and in the order of priority set forth in this Section 4.2.

(b) On each Distribution Date, prior to payment in full of all Secured Obligations, the Servicer shall distribute from Collections on deposit in the Collection Account on such Distribution Date, if any, the following amounts, without duplication in the following order of priority:

first, to the extent due and owing under this Agreement or any other Transaction Document, the accrued Servicing Fee payable for the prior Calculation Period (plus, if applicable, the amount of Servicing Fee payable for any prior Calculation Period to the extent such amount has not been distributed to Servicer);

second, interest accrued on the Loans during the period from the most recent Distribution Date to the current Distribution Date (plus, if applicable, the amount of interest on the Loans accrued for any prior period to the extent such amount has not been paid, and to the extent permitted by law, interest thereon);

third, to the extent due and owing under any Transaction Document, all Fees accrued during the prior Calculation Period (plus, if applicable, the amount of Fees accrued for any prior Calculation Period to the extent such amount has not been distributed to Lender or Administrator);

fourth, as a repayment of principal of the Loans, an amount equal to the Borrowing Base Deficit, if any;

fifth, to the extent due and owing under any Transaction Document on such Distribution Date, all other Secured Obligations owed to any Secured Party;

sixth, to the extent due and owing under this Agreement or any other Transaction Document on such Distribution Date, all other obligations then payable by Borrower to Administrator or Lender; and

seventh, the balance, if any, to Borrower.

(c) On and after the Commitment Termination Date and the payment in full of all Secured Obligations, the Servicer shall distribute from Collections on deposit in the Collection Account on such Distribution Date, if any, the following amounts, without duplication in the following order of priority:

first, the accrued but unpaid Servicing Fee due and owing on such Distribution Date;

second, all other obligations payable by Borrower under this Agreement due and owing on such Distribution Date; and

third, once all amounts described in clauses **first** and **second** above have been paid in full, the balance, if any, to Borrower.

2. Application of Certain Payments

. Each payment of principal of the Loans shall be applied to such Loans as Borrower shall direct or, in the absence of such notice or during the existence of a Significant Event or after the Commitment Termination Date, as Administrator shall determine in its discretion.

3. Due Date Extension

. If any payment of principal or interest with respect to any Loan falls due on a day which is not a Business Day, then such due date shall be extended to the next following Business Day, and additional interest shall accrue at the applicable interest rate and be payable for the period of such extension.

4. Making of Payments

. All payments of principal of, or interest on, the Loans and of all Fees, and all amounts to be deposited by Borrower or Servicer hereunder, shall be made by Borrower or Servicer, as applicable, no later than 12:00 noon (New York City time), on the day when due in lawful money of the United States of America in immediately available funds to Bank, as Administrator, Reference: Three Pillars Funding Corporation/Oxford Receivables Company Transaction, Account No. 880171236, ABA No. 061000104, at Bank's office at 25 Park Place, in Atlanta, Georgia, Attn: Mary Hinsberg (the "**Administrator's Account**"). Funds received by Administrator after 12:00 noon (New York City time), on the date when due, will be deemed to have been received by Administrator on its next following Business Day.

I.

SECURITY INTEREST

1. Grant of Security.

a. Borrower hereby assigns and pledges to Administrator (for the benefit of the Secured Parties), and hereby grants to Administrator (for the benefit of the Secured Parties) a security interest in all of Borrower's right, title and interest in and to the following, whether now or hereafter existing and wherever located:

(i) all Receivables, Related Security and Receivable Files;

(ii) all of Borrower's rights, remedies, powers and privileges in respect of the Receivables Sale Agreement, including, without limitation, its rights to receive Purchase Price Credits and indemnity payments thereunder;

(iii) the LockBox Accounts and the Collection Account and all funds on deposit therein, together with all certificates and instruments, if any, from time to time evidencing such accounts and funds on deposit; and

(iv) all products and proceeds (including, without limitation, insurance proceeds) of, and additions, improvements and accessions to, and books and records describing or used in connection with, all and any of the property described above (items (i) through (iv) are collectively referred to as the "**Collateral**").

b. This grant of security secures the payment and performance of all Obligations of Borrower now or hereafter existing or arising under, or in connection with, this Loan Agreement, the Lender Note and each other Transaction Document, whether for principal, interest, costs, Fees, Indemnified Amounts, expenses or otherwise (all such Obligations of Borrower being called the "**Secured Obligations**").

c. This grant of security shall create a continuing security interest in the Collateral and shall:

(i) remain in full force and effect until Administrator's (for the benefit of the Secured Parties) interest in the Collateral shall have been released in accordance with Section 5.4;

(ii) be binding upon Borrower, its successors, transferees and assigns; and

(iii) inure, together with the rights and remedies of Administrator (for the benefit of the Secured Parties) hereunder, to the benefit of Administrator and each Secured Party and their respective successors, transferees and assigns.

1. Administrator Appointed Attorney-in-Fact

. Borrower hereby irrevocably appoints Administrator (for the benefit of the Secured Parties) as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, from time to time in Administrator's discretion, after the occurrence and during the continuation of a Significant Event to take any action and to execute any instrument which Administrator may deem necessary or advisable to accomplish the purposes of the Transaction Documents, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings which Administrator may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Administrator (for the benefit of the Secured Parties) with respect to any of the Collateral;

(d) to sell, transfer, assign or otherwise deal in or with the Collateral or any part thereof pursuant to the terms and conditions hereunder; and

(e) to perform the affirmative obligations of Borrower under the Transaction Documents. Administrator agrees to give Borrower and Servicer written notice of the taking of any such action, but the failure to give such notice shall not affect the rights, power or authority of Administrator with respect thereto. Borrower hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section 5.2 is irrevocable and coupled with an interest.

2. Administrator May Perform

. If Borrower fails to perform any agreement contained herein, Administrator (for the benefit of the Secured Parties) may itself perform, or cause performance of such agreement, and the expenses of Administrator incurred in connection therewith shall be payable by Borrower.

3. Release of Collateral

. Administrator's (for the benefit of the Secured Parties) right, title and interest in the Collateral shall be released effective on the date occurring after the Commitment Termination Date on which all Secured Obligations shall have been finally and fully paid and performed.

I. INCREASED COSTS, ETC.

1. Increased Costs

. If any change in Regulation D of the Board of Governors of the Federal Reserve System, or any Regulatory Change, in each case occurring after the date hereof:

(a) shall subject any Affected Party to any tax, duty or other charge with respect to any Loan made or funded by it, or shall change the basis of taxation of payments to such Affected Party of the principal of or interest on any Loan owed to or funded by it or any other amounts due under this Agreement in respect of any Loan made or funded by it (except for changes in the rate of tax on the overall net income of such Affected Party imposed by the jurisdiction in which such Affected Party's principal executive office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any reserve imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve included in the determination of interest rates pursuant to Section 3.1), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Affected Party;

(c) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Party; or

(d) shall impose on any Affected Party any other condition affecting any Loan made or funded by any Affected Party;

and the result of any of the foregoing is or would be to (i) increase the cost to or to impose a cost on (I) an Affected Party funding or making or maintaining any Loan (including extensions of credit under the Liquidity Agreement, the Voluntary Advance Agreement or any Credit Advance, or any commitment of such Affected Party with respect to any of the foregoing), or (II) Administrator for continuing its or Borrower's relationship with Lender, (ii) to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, the Lender Note, the Liquidity Agreement, the Voluntary Advance Agreement or the Credit Agreement with respect thereto, or (iii) in the good faith determination of such Affected Party, to reduce the rate of return on the capital of an Affected Party as a consequence of its obligations hereunder, or under the Liquidity Agreement, the Voluntary Advance Agreement or Credit Agreement, or arising in connection herewith or therewith to a level below that which such Affected Party could otherwise have achieved, then after demand by such Affected Party to Borrower (which demand shall be accompanied by a written statement setting forth the basis of such demand), Borrower shall pay such Affected Party such additional amount or amounts as will (in the reasonable determination of such Affected Party) compensate such Affected Party for such increased cost or such reduction. Such written statement (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be rebuttably presumptive evidence of the subject matter thereof.

2. Funding Losses

. Borrower hereby agrees that upon demand by any Affected Party (which demand shall be accompanied by a statement setting forth the basis for the calculations of the amount being claimed), Borrower will indemnify such Affected Party against any net loss or expense which such Affected Party may sustain or incur (including, without limitation, any net loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Affected Party to fund or maintain any Allocation made by Lender to Borrower), as reasonably determined by such Affected Party, as a result of (a) any payment or prepayment (including any mandatory prepayment) of any Allocation on a date other than the last day of the Interest Period for such Allocation, or (b) any failure of Borrower to borrow any Loan on a date specified therefor in a related Borrowing Request. Such written statement shall, in the absence of manifest error, be rebuttably presumptive evidence of the subject matter thereof.

3. Withholding Taxes.

(a) All payments made by Borrower hereunder (or by Servicer, on behalf of Borrower, hereunder) shall be made free and clear of, and without reduction or withholding for or on account of, any present or future Covered Taxes, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority or other taxing authority. If any Covered Taxes are required to be withheld from any amounts payable to Administrator or Lender, the amounts so payable to Administrator or Lender shall be increased to the extent necessary to yield to Administrator or Lender (after payment of all such Covered Taxes) all such amounts payable hereunder at the rates or in the amounts specified herein. Whenever any Covered Taxes are payable by Borrower, as promptly as possible thereafter, Borrower shall send to Administrator for its own account or for the account of Lender, as the case may be, a certified copy of an original official receipt received by Borrower showing payment thereof. If Borrower fails to pay any Covered Taxes when due to the appropriate taxing authority or fails

to remit to Administrator the required documentary evidence, Borrower shall indemnify Administrator and Lender for such Covered Taxes and any incremental taxes that may become payable by Administrator or Lender as a result of any such failure.

(b) At least five (5) Business Days prior to the first date on which any payments, including discount or Fees, are payable hereunder for the account of Lender, if Lender is not incorporated under the laws of the United States, Lender agrees to deliver to each of Borrower and Administrator two (2) duly completed copies of (i) United States Internal Revenue Service Form W-8BEN or W-8ECI (or successor applicable form) certifying that such Lender is entitled to receive payments hereunder without deduction or withholding of any United States federal income taxes or (ii) United States Internal Revenue Service Form W-8 or W-9 (or successor applicable form) to establish an exemption from United States backup withholding tax. Lender shall replace or update such forms as is necessary or appropriate to maintain any applicable exemption or as is requested by Administrator or Borrower. If Lender does not deliver the forms described in this Section 6.3(b), Borrower or Administrator shall withhold United States federal income taxes from any payments made hereunder at the statutory rate applicable to payments made to Lender. Lender agrees to indemnify and hold Borrower and Administrator harmless for any United States federal income taxes, penalties, interest and other costs and losses incurred or payable by Borrower or Administrator as a result of either (x) Lender's failure to submit any form required to be provided pursuant to this Section 6.3(b) or (y) Borrower's or Administrator's reliance on any form that Lender has provided pursuant to this Section 6.3(b).

II.

CONDITIONS TO BORROWING

1. Initial Loan

. The obligation of Lender to make the initial Loan hereunder is subject to the conditions precedent that Administrator shall have received all of the following, each duly executed and dated the date of such Loan (or such earlier date as shall be satisfactory to Administrator), in form and substance satisfactory to Administrator:

1. Resolutions

. Certified copies of resolutions of the Board of Directors of Borrower and Originator authorizing or ratifying the execution, delivery and performance, respectively, of the Transaction Documents to which it is a party, together with a certified copy of its articles or certificate of incorporation and by-laws.

2. Consents, etc

. Certified copies of all documents evidencing any necessary corporate action, consents and governmental approvals (if any) with respect to the Transaction Documents.

3. Incumbency and Signatures

. A certificate of the Secretary or an Assistant Secretary of each of Borrower and Originator certifying the names of its officer or officers authorized to sign the Transaction Documents to which it is a party.

4. Good Standing Certificates

. Good standing certificates for Borrower and Originator issued as of a recent date acceptable to Administrator by (a) the Secretary of State of the jurisdiction of such Person's incorporation or organization, and (b) the Secretary of State of the jurisdiction where such Person's chief executive office and principal place of business are located.

5. Financing Statements

. (i) Acknowledgment copies of proper financing statements (Form UCC-1), filed on or prior to the date of the initial Loan, naming Borrower as debtor and Administrator (for the benefit of the Secured Parties) as the secured party as may be necessary or, in the opinion of Administrator, desirable under the UCC to perfect Administrator's (for the benefit of the Secured Parties) security interest in the Collateral, (ii) acknowledgment copies of proper financing statements, filed on or prior to the date of the initial Loan, naming Oxford as seller/debtor, Borrower as purchaser/secured party and Administrator as assignee as may be necessary or, in the opinion of Administrator, desirable under the UCC to perfect Borrower's ownership interest in the Receivables, and (iii) executed copies of proper Uniform Commercial Code Form UCC-3 termination statements, if any, necessary to release all liens and other Adverse Claims of any Person in the Collateral granted by Borrower or Originator.

6. Search Reports

. A written search report provided to Administrator by a search service acceptable to Administrator listing all effective financing statements that name Borrower or Originator as debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to Section 7.1.5 above and in such other jurisdictions that Administrator shall reasonably request, together with copies of such financing statements

(none of which shall cover any Collateral or interests therein or proceeds of any thereof), and tax and judgment lien search reports from a Person satisfactory to Administrator showing no evidence of such lien filed against Borrower or Originator.

7. Fee Letter; Payment of Fees

. The Fee Letter, together with all outstanding Fees payable pursuant to the Fee Letter.

8. Receivables Sale Agreement

. (i) Duly executed and delivered counterparts of each of the Receivables Sale Agreement and all documents, agreements and instruments contemplated thereby, and (ii) evidence that each of the conditions precedent to the execution and delivery of the Receivables Sale Agreement has been satisfied to Administrator's satisfaction, and that the initial assignments and transfers under the Receivables Sale Agreement have been consummated.

9. Opinions of Counsel

. Opinions of counsel to Borrower, Servicer and Originator in form and substance satisfactory to Administrator.

10. Lender Note

. The Lender Note, duly executed by Borrower.

11. Borrowing Base Certificate

. A Borrowing Base Certificate, duly executed by an officer of Servicer on Borrower's behalf showing a calculation of the Borrowing Base as of the date of such initial Loan.

12. Lock Box Account and Collection Account Agreements

. The Lock Box Agreements, duly executed by all of the parties thereto, and the Collection Account Agreement, duly executed by all of the parties thereto.

13. Releases

. Releases and termination statements duly executed by each Person, other than Borrower, that has an interest in the Receivables.

14. Other

. Such other documents, certificates and opinions as Administrator may request.

2. All Loans

. The making of each Loan, including without limitation, the initial Loan, is subject to the conditions precedent that:

1. No Default, etc.

(i) No Significant Event, Unmatured Significant Event or Servicer Event of Default has occurred and is continuing or will result from the making of such Loan, (ii) the representations and warranties of Borrower contained in Article VIII are true and correct as of the date of such requested Loan, with the same effect as though made on the date of such Loan, and (iii) after giving effect to such Loan, the aggregate unpaid balance of the Loans will not exceed the Borrowing Base or the Facility Limit. By making a Borrowing Request, Borrower shall be deemed to have represented and warranted that items (i), (ii) and (iii) in the preceding sentence are true and correct.

2. Borrowing Request, etc.

Administrator shall have received a Borrowing Request for such Loan in accordance with Section 2.2, together with all items required to be delivered in connection therewith.

3. Commitment Termination Date

. The Commitment Termination Date shall not have occurred.

4. Collateral Review

. Administrator shall have received the most-recent Collateral Review pursuant to Section 9.1.5(c).

5. Accounts

. The Collection Account and the LockBox Accounts shall have been established and shall be subject to valid and perfected first priority security interests in favor of Administrator for the benefit of the Secured Parties.

III.

REPRESENTATIONS AND WARRANTIES

In order to induce Lender and Administrator to enter into this Agreement and, in the case of Lender, to make Loans hereunder, Borrower hereby represents and warrants to Administrator and Lender as to itself as follows, and Servicer hereby represents and warrants to Administrator and Lender as to itself as follows:

1. Existence and Power

. Servicer is a corporation duly organized under the laws of the State of Georgia. Borrower is a corporation duly organized under the laws of the State of [Delaware]. Each of Servicer and Borrower is validly existing and in good standing under the laws of its state of incorporation and is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted except where the failure to so qualify or so hold could not reasonably be expected to have a Material Adverse Effect.

2. Power and Authority; Due Authorization, Execution and Delivery

. The execution and delivery by each of Servicer and Borrower of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder, and Borrower's use of the proceeds of the Loans made hereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which Servicer or Borrower is a party has been duly executed and delivered by Servicer or Borrower, as the case may be.

3. No Conflict

. The execution and delivery by each of Borrower and Servicer of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its Organizational Documents, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on its assets (except as created under the Transaction Documents) except, in any case, where such contravention or violation could not reasonably be expected to have a Material Adverse Effect; and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

4. Governmental Authorization

. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by Servicer or Borrower of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

5. Actions, Suits

. Except as disclosed in the SEC Filings, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting Borrower, Servicer or any of Servicer's Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making or repayment of any Loans. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, Servicer and its Subsidiaries have no material contingent obligations not provided for or disclosed in the SEC Filings.

6. Binding Effect

. This Agreement and each other Transaction Document to which Servicer or Borrower is a party constitute the legal, valid and binding obligations of Servicer or Borrower, as the case may be, enforceable against it in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

7. Accuracy of Information

. All information heretofore furnished by Borrower, Servicer or any of their respective Affiliates for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by Borrower, Servicer or any of their respective Affiliates will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein, taken as a whole, not misleading.

8. Margin Regulations; Use of Proceeds

. Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Loans, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time. No portion of the proceeds of any Loan hereunder will be used for a purpose that violates, or would be inconsistent with, any other law, rule or regulation applicable to Borrower.

9. Good Title

. Borrower (i) is the legal and beneficial owner of the Receivables and (ii) is the legal and beneficial owner of the Related Security with respect thereto or possesses a valid and perfected security interest therein, in each case, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Borrower's ownership interest in each such Receivable, its Collections and the Related Security except for Excluded Items.

10. Perfection

. This Agreement is effective to create a valid security interest in the Collateral favor of Administrator, for the benefit of the Secured Parties. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Administrator's security interest, for the benefit of the Secured Parties, in the Collateral (except for Excluded Items). The Collateral is free of any Adverse Claim except as created under the Transaction Documents.

11. Places of Business and Locations of Records

. The principal place of business and chief executive office of each of Borrower and Servicer is located at its address referred to on Schedule 15.3 to this Agreement (or at such other locations, notified to Administrator in jurisdictions where all action required to perfect or maintain the perfection of Administrator's security interest in the Collateral has been taken). Borrower's Federal Employer Identification Number is 58-2605145.

12. Accounts

. Borrower represents and warrants that (a) Schedule 8.12 hereto is a complete and accurate listing, as of the Closing Date, of the LockBoxes and LockBox Accounts, (b) each of the LockBox Accounts has been established in, or transferred into, Borrower's name, and (c) each of the banks maintaining a LockBox Account has been instructed to sweep all available cash in such LockBox Account to the Collection Account each Business Day. Neither Servicer nor Borrower has granted any interest in the Collection Account, any LockBox or any LockBox Account to any Person other than Administrator, and Administrator has exclusive control of the Collection Account and the LockBox Accounts.

13. No Material Adverse Effect

. Since [December 31, 2000], no event has occurred that could reasonable be expected to have a Material Adverse Effect.

14. Names

. The name in which Borrower has executed this Agreement is identical to the name of Borrower as indicated on the public record of the State of [Delaware]. Borrower has not used any corporate name, trade name or assumed name other than the name in which it has executed this Agreement.

15. Ownership of Borrower; No Subsidiaries

. All of the issued and outstanding equity interests of Borrower are owned beneficially and of record by Oxford, free and clear of any Adverse Claim. Such equity interests are validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of Borrower. Borrower has no Subsidiaries.

16. Not a Holding Company or an Investment Company

. Neither Borrower nor Servicer is a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor

statute. Neither Borrower nor Servicer is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

17. Compliance with Credit and Collection Policy

. Each of Borrower and Servicer has complied in all material respects with the Credit and Collection Policy with regard to each Receivable and the related Contract, and has not made any change to such Credit and Collection Policy, except such material change as to which Administrator has given its prior written consent.

18. Solvency

. Both before and after giving effect to each Loan, Borrower is Solvent.

19. Eligible Receivables

. Each Receivable included in the Borrowing Base as an Eligible Receivable as of the date of (a) any Borrowing Base Certificate, (c) any Monthly Report or (c) the making of any Loan, is an Eligible Receivable on such date.

20. Accuracy of Information

. All information heretofore furnished by, or on behalf of, Borrower or Servicer to Administrator or Lender in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

21. Sales by Originator

. Each sale of Receivables by Originator to Borrower shall have been effected under, and in accordance with the terms of, the Receivables Sale Agreement, including the payment by Borrower to Originator of an amount equal to the purchase price therefor as described in the Receivables Sale Agreement, and each such sale shall have been made for "reasonably equivalent value" (as such term is used under Section 548 of the United States Bankruptcy Code) and not for or on account of "antecedent debt" (as such term is used under Section 547 of the United States Bankruptcy Code) owed by Borrower to Originator.

IV.

COVENANTS OF BORROWER AND SERVICER

1. Affirmative Covenants

. From the date hereof until the first day, following the Commitment Termination Date, on which all Obligations shall have been finally and fully paid and performed, each of Borrower and Servicer hereby covenants and agrees with Lender and Administrator that as to itself, as follows:

1. Compliance with Laws, Etc.

Each of Borrower and Servicer will comply in all material respects with all applicable laws, rules, regulations and orders of all governmental authorities (including those which relate to the Receivables).

2. Preservation of Corporate Existence

. Each of Borrower and Servicer will preserve and maintain its existence rights, franchises and privileges in the jurisdiction of its incorporation or organization, and qualify and remain qualified in good standing as a foreign entity in the jurisdiction where its principal place of business and its chief executive office are located and in each other jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a Material Adverse Effect.

3. Performance and Compliance with Receivables

. Each of Borrower and Servicer will timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Receivables and all other agreements related to such Receivables.

4. Credit and Collection Policy

. Each of Borrower and Servicer will comply in all material respects with the Credit and Collection Policy.

5. Reporting Requirements

. Each of Borrower and Servicer will furnish to Administrator and Lender:

a. Financial Statements.

(i) as soon as available, and in any event within 95 days after the end of each year, a copy of the balance sheet of Borrower, in each case, as at the end of such year, together with the related statement of earnings for such year, certified by the chief executive officer, chief financial officer or controller of Borrower (which certification shall state that such balance sheet and statement or earnings fairly present the financial condition and results of operations for such year in accordance with GAAP except for the absence of footnotes), together with a certificate of such officer stating that such officer has obtained no knowledge that a Significant Event or Unmatured Significant Event has occurred and is continuing, or if, in the opinion of such officer, such a Significant Event or Unmatured Significant Event has occurred and is continuing, a statement as to the nature thereof;

(ii) as soon as available and in any event within 95 days after the end of each year, a balance sheet of Oxford as of the end of such year and statements of income and retained earnings and of source and application of funds of Oxford, along with consolidating statements, for the period commencing at the end of the previous year and ending with the end of such year, in each case setting forth comparative figures for the previous year, certified without material qualification in a manner satisfactory to Administrator by nationally recognized independent public accountants (it being understood that delivery of Oxford's Form 10-K for such year filed with the Securities and Exchange Commission will satisfy the foregoing requirement); and

(iii) as soon as available and in any event within 50 days after the end of each fiscal quarter, quarterly balance sheets and quarterly statements of source and application of funds and quarterly statements of income and retained earnings of Oxford, certified by the chief executive or financial officer or controller of Oxford (which certification shall state that such balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter, subject to year-end audit adjustments) (it being understood that delivery of Oxford's Form 10-Q filed with the Securities and Exchange Commission for such fiscal quarter will satisfy the foregoing requirement), delivery of which balance sheets and statements shall be accompanied by a certificate of such chief financial officer or controller to the effect that no Significant Event or Unmatured Significant Event has occurred and is continuing.

b. Borrowing Base Certificates and Monthly Reports.

(i) On or before Monday of each week after the Closing Date (or if any such day is not a Business Day, the next succeeding Business Day), Servicer shall prepare and deliver to Administrator and Lender a Borrowing Base Certificate as of the last Business Day of the week then most recently ended, signed by an authorized officer of Servicer; and

(ii) On or before the third Business Day preceding each Distribution Date, Servicer shall prepare and deliver to Administrator and Lender a Monthly Report as of the last day of the month then most recently ended, signed by an authorized officer of Servicer.

c. Significant Events

. As soon as possible but in any event within one (1) Business Day after any officer of Borrower or Servicer becomes aware of the occurrence of a Significant Event or an Unmatured Significant Event, Borrower or Servicer, as the case may be, will deliver to Administrator and Lender an officer's certificate of Borrower setting forth details of such event and the action that Borrower or Servicer, as the case may be, proposes to take with respect thereto.

d. Servicing Certificate

. Servicer shall deliver, or cause to be delivered, to Administrator, on or before the date that is 95 days after the end of each year, an officer's certificate signed by the president, chief executive officer or any vice president of Servicer, dated as of the last day of the preceding year, stating that (a) a review of the activities of Servicer during the preceding 12-month period and of its performance under this Agreement has been made under such officer's supervision and (b) to the best of such officer's knowledge, based on such review, Servicer has fulfilled its obligations under the Agreement throughout such year and has complied in all respects with the Credit and Collection Policy, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof.

e. Collateral Review

. As soon as possible, and in any event within thirty (30) days after the Closing Date, and after each semi-annual period thereafter, a report of the independent certified public accountants of Oxford (each such report, a "**Collateral Review**") which satisfies the requirements set forth on Schedule 9.1.5.

f. Other

. Promptly, from time to time, such other information, documents, records or reports respecting the Collateral, the Receivables or the condition or operations, financial or otherwise, of Borrower or Originator as Administrator may from time to time reasonably request in order to protect the interests of Administrator or Lender under or as contemplated by this Agreement or the other Transaction Documents.

6. Use of Proceeds

. Borrower will use the proceeds of the Loans made hereunder solely in connection with the acquisition or funding of Receivables or the repayment of amounts owed under the Subordinated Note in connection therewith.

7. Separate Legal Entity

. Borrower hereby acknowledges that Lender and Administrator are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon Borrower's identity as a legal entity separate from any other Person. Therefore, from and after the date hereof, Borrower shall take all reasonable steps to continue Borrower's identity as a separate legal entity and to make it apparent to third Persons that Borrower is an entity with assets and liabilities distinct from those of any other Person, and is not a division of any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the covenant set forth in Section 9.1.2, Borrower shall take such actions as shall be required in order that:

(a) Borrower will be a limited purpose corporation whose primary activities are restricted in its certificate of incorporation to owning financial assets and financing the acquisition thereof and conducting such other activities as it deems necessary or appropriate to carry out its primary activities;

(b) Not less than one member of Borrower's Board of Directors (each, an "**Independent Director**") shall be an individual who is not, and during the past five (5) years has not been, a director, officer, employee or 5% beneficial owner of the outstanding common stock of any Person or entity beneficially owning any outstanding shares of common stock of Oxford or any Affiliate thereof; **provided, however**, that an individual shall not be deemed to be ineligible to be an Independent Director solely because such individual serves or has served in the capacity of an "independent director" or similar capacity for special purpose entities formed by Oxford or any of its Affiliates. The certificate of incorporation of Borrower shall provide that (i) the Board of Directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to Borrower unless the Independent Directors shall approve the taking of such action in writing prior to the taking of such action, and (ii) such provision cannot be amended without the prior written consent of the Independent Directors;

(c) Any employee, consultant or agent of Borrower will be compensated from funds of Borrower, as appropriate, for services provided to Borrower;

(d) Borrower will allocate and charge fairly and reasonably overhead expenses shared with any other Person. To the extent, if any, that Borrower and any other Person share items of expenses such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered; Borrower's operating expenses will not be paid by any other Person except as permitted under the terms of this Agreement or otherwise consented to by Administrator and Lender;

(e) Borrower's books and records will be maintained separately from those of any other Person;

(f) All audited financial statements of any Person that are consolidated to include Borrower will contain detailed notes clearly stating that (A) all of Borrower's assets are owned by Borrower, and (B) Borrower is a separate corporate entity;

(g) Borrower's assets will be maintained in a manner that facilitates their identification and segregation from those of any other Person;

(h) Borrower will strictly observe corporate formalities in its dealings with all other Persons, and funds or other assets of Borrower will not be commingled with those of any other Person;

(i) Borrower shall not, directly or indirectly, be named or enter into an agreement to be named, as a direct or contingent beneficiary or loss payee, under any insurance policy with respect to any amounts payable due to occurrences or events related to any other Person; and

(j) Any Person that renders or otherwise furnishes services to Borrower will be compensated thereby at market rates for such services it renders or otherwise furnishes thereto. Borrower will not hold itself out to

be responsible for the debts of any other Person or the decisions or actions respecting the daily business and affairs of any other Person.

8. Adverse Claims on Receivables

. Each of Borrower and Servicer will, and will require Originator to, defend each Receivable against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to Administrator and the Secured Parties.

9. Further Assurances

. At its expense, each of Borrower and Servicer will perform all acts and execute all documents reasonably requested by Administrator at any time to evidence, perfect, maintain and enforce the title or the security interest of Administrator in the Receivables and the priority thereof. Each of Borrower and Servicer will, at the reasonable request of Administrator, execute and deliver financing statements relating to or covering the Collateral and, where permitted by law, Borrower shall authorize Administrator to file one or more financing statements signed only by Administrator. Borrower shall, and shall cause Originator to, cause its computer records, master data processing records and other books and records relating to the Receivables to be marked, with a legend stating that the Receivables have been sold to Borrower and that the Collateral has been pledged to Administrator for the benefit of the Secured Parties.

10. Servicing

. Servicer shall use all reasonable measures to prevent or minimize any loss being realized on a Receivable and shall take all reasonable steps to recover the full amount of such loss. Borrower and Servicer shall, at their own expense, take such steps as are necessary to maintain perfection of the security interest created by each Receivable in the related goods and merchandise subject thereto. Servicer shall use its best efforts, consistent with prudent servicing procedures, to repossess or otherwise convert the ownership of the goods or merchandise securing any Receivable which becomes a Defaulted Receivable. Servicer shall follow such practices and procedures for servicing the Receivables as would be customary and usual for a prudent servicer under similar circumstances, including using reasonable efforts to realize upon any recourse to the Obligors and selling the goods securing a Receivable at a public or private sale.

11. Inspection

. Each of Borrower and Servicer shall permit Lender, Administrator or their duly authorized representatives, attorneys or auditors to inspect the Receivables, the Receivable Files, Documents and the related accounts, records and computer systems, software and programs used or maintained by Borrower or Servicer at such times as Lender or Administrator may reasonably request. Upon instructions from Lender or Administrator, each of Borrower and Servicer shall release any document in its possession related to any Receivables to Lender or Administrator, as the case may be, or to the Servicer, if requested by Lender or Administrator.

12. Cooperation

. Each of Borrower and Servicer shall provide such cooperation, information and assistance, and prepare and supply Administrator with such data regarding the performance by the Obligors of their obligations under the Receivables and the performance by Borrower and Servicer of their respective obligations under the Transaction Documents, as may be reasonably requested by Administrator from time to time.

13. Facility

. Servicer shall maintain its facility from which it services the Receivables in its present condition, ordinary wear and tear excepted, or such other facility of similar quality, security and safety as Servicer may select from time to time. Servicer shall make all property tax payments, lease payments and all other payments with respect to such facility. Servicer shall (i) ensure that Administrator shall have complete and unrestricted access, at Servicer's expense, to such facility and all computers and other systems relating to the servicing of the Receivables and all persons employed at such facility, (ii) use its best efforts to retain the employees based at such facility to provide assistance to Administrator and (iii) continue to store on a daily basis all back-up files relating to the Receivables and the servicing of the Receivables at Servicer's facilities, or such other storage facility of similar quality, security and safety as Servicer may select from time to time, in the case of each of clauses (i), (ii) and (iii) until the receipt of all Collections in respect of all Receivables or all Receivables have been written off in accordance with the Credit and Collection Policy.

14. Accounts

. Borrower shall not maintain any bank accounts other than the accounts described on Schedule 8.12. Except as set forth in the last sentence of Section 11.2.3(b), neither Borrower nor Servicer shall make, nor will either of

them permit Originator to make, any change in its instructions to Obligors regarding payments to be made to a LockBox. Neither Borrower nor Servicer will, nor will either of them permit Originator to (a) close the Collection Account or (b) add any LockBox Account Bank or Lock Box Account to those listed on Schedule 8.12 unless Administrator shall have consented thereto and received a copy of any new duly executed LockBox Account Agreement. Neither Borrower nor Servicer will, nor will either of them permit Originator to, change any LockBox Account Bank or close any LockBox or LockBox Account unless Administrator shall have received at least thirty (30) days' prior notice of such termination and (i) in the case of a closed LockBox, all applicable Obligors have been notified to make payments to another LockBox that clears through a LockBox Account which is subject to a LockBox Account Agreement, or (ii) in the case of termination of a LockBox Bank or closing of a LockBox Account, a new LockBox Account Agreement is entered into with respect to any new or replacement LockBox Account or LockBox Account Bank.

2. Negative Covenants

. From the date hereof until the first day, following the Commitment Termination Date, on which all Obligations shall have been finally and fully paid and performed, each of Borrower and Servicer hereby covenants and agrees as to itself as follows:

1. Sales, Liens, Etc

. Except pursuant to, or as contemplated by, the Transaction Documents, Borrower shall not sell (and shall not permit Servicer, acting on Borrower's behalf to), assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist voluntarily or involuntarily any Adverse Claims upon or with respect to any of its assets, including, without limitation, the Collateral, any interest therein or any right to receive any amount from or in respect thereof.

2. Mergers, Acquisitions, Sales, Subsidiaries, etc

. Borrower shall not:

(a) be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, except for Permitted Investments, or sell, transfer, assign, convey or lease any of its property and assets (or any interest therein) other than pursuant to, or as contemplated by, this Agreement or the other Transaction Documents;

(b) make, incur or suffer to exist an investment in, equity contribution to, loan or advance to, or payment obligation in respect of the deferred purchase price of property from, any other Person, except for Permitted Investments or pursuant to the Transaction Documents;

(c) create any direct or indirect Subsidiary or otherwise acquire direct or indirect ownership of any equity interests in any other Person other than pursuant to the Transaction Documents; or

(d) enter into any transaction with any Affiliate except for the transactions contemplated by the Transaction Documents and other transactions upon fair and reasonable terms materially no less favorable to Borrower than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

3. Change in Business; Change in Credit and Collection Policy

. Borrower will not make any change in the character of its business. Neither Borrower nor Servicer will make any change in the Credit and Collection Policy that could adversely affect the collectibility of any Receivable.

4. Other Debt

. Borrower will not incur any Debt to any Person other than pursuant to this Agreement, the Receivables Sale Agreement or otherwise in connection with a transaction involving Lender, Bank, any Credit Bank, any Liquidity Bank or any other Persons providing liquidity or credit support to Lender.

5. Certificate of Incorporation and By-Laws

. Borrower shall not amend its certificate of incorporation or by-laws.

6. Chief Executive Office

. Borrower shall not move its chief executive office or permit the documents and records evidencing the Receivables to be moved unless (i) Borrower or Servicer, as the case may be, shall have given to Administrator prior written notice thereof, clearly describing the new location, and (ii) Borrower shall have taken such action, satisfactory to Administrator, to maintain the title or ownership of Borrower and

any security interest of Administrator in the Collateral at all times fully perfected and in full force and effect. Servicer shall not, in any event, move the location where it conducts the servicing and collection of the Receivables from the address referred to on Schedule 15.3 to this Agreement, without the prior written consent of Administrator, which consent shall not be unreasonably withheld or delayed.

7. Financing Statements

. Borrower shall not execute any effective financing statement (or similar statement or instrument of registration under the laws of any jurisdiction) or statements relating to any Receivables other than the financing statements described in Section 7.1.5.

8. Business Restrictions

. Borrower shall not (i) engage in any business other than the acquisition, financing and collection of Receivables and other Collateral, (ii) engage in any transactions or be a party to any documents, agreements or instruments, other than the Transaction Documents and those incidental to the purposes thereof, or (iii) incur any trade payables (other than for professional fees incurred in the ordinary course of business) or other liabilities not constituting Debt permitted under Section 9.2.4 if such the aggregate outstanding balance of such trade payables and other liabilities would at any time exceed \$10,700.

V. SIGNIFICANT EVENTS AND THEIR EFFECT

1. Events of Default

. Each of the following shall constitute an "**Event of Default**" under this Agreement:

1. Non-Payment of Loans, Etc

. Borrower shall fail to make any payment when due of any principal of or interest on any Loan, or payment of any other Obligation payable by Borrower hereunder or under the other Transaction Documents, including, without limitation, any Fees and Indemnified Amounts, or shall fail to make any deposit required to be made hereunder when due and, in each of the foregoing cases, such failure shall continue for three (3) Business Days.

2. Non-Compliance with Other Provisions

. Borrower shall:

(a) fail to perform or observe any covenant contained in Section 9.2 of this Agreement and such failure shall remain unremedied for three (3) days after the earlier to occur of (i) Borrower's having knowledge thereof and (ii) Borrower's having received written notice thereof from the Lender or Administrator, or

(b) fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for thirty (30) days after the earlier to occur of (i) Borrower's having knowledge thereof and (ii) Borrower's having received written notice thereof from the Lender or Administrator.

3. Breach of Representations and Warranties

. Any representation, warranty, certification or statement made by Borrower in this Agreement, any other Transaction Document to which Borrower is a party or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; **provided that** the materiality threshold in the preceding clause shall not be applicable with respect to any representation or warranty which itself contains a materiality threshold.

4. Bankruptcy

. An Event of Bankruptcy shall have occurred and remained continuing with respect to Borrower or Servicer.

5. Tax Liens

. The Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Internal Revenue Code with regard to any of the assets of Borrower, and such lien shall not have been released within fifteen (15) Business Days.

2. Amortization Events

. Each of the following shall constitute an "**Amortization Event**" under this Agreement:

1. Servicer Event of Default

. A Servicer Event of Default shall have occurred and remained continuing.

2. Borrowing Base Deficit

. A Borrowing Base Deficit shall exist and such condition shall continue unremedied for three (3) Business Days.

3. Default Ratio

. The Default Ratio shall equal or exceed 1.5% on a rolling three-month average basis.

4. Delinquency Ratio

. The Delinquency Ratio shall equal or exceed 2.5% on a rolling three-month average basis.

5. Dilution Ratio

. The Dilution Ratio shall equal or exceed 9.5% on a rolling three-month average basis.

6. Accounts Receivable Turnover Ratio

. The Accounts Receivable Turnover Ratio shall be less than 6.5 to 1 for any Calculation Period.

7. Event of Default

. An Event of Default shall have occurred and be continuing.

8. Validity of Transaction Documents

. (a) Any Transaction Document, or any lien or security interest granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of Borrower, Servicer or Originator party to such Transaction Document, (b) Borrower, Originator or Servicer shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability or (c) any security interest securing any Secured Obligation shall, in whole or in part, cease to be a perfected first priority security interest.

9. Termination Date

. The "Termination Date" under and as defined in the Receivables Sale Agreement shall occur.

3. Effect of Significant Event.

(a) Optional Termination

. Upon the occurrence of a Significant Event (other than an Event of Default described in Section 10.1.4), Administrator may, and at the request of Lender shall, by notice to Borrower (a copy of which shall be promptly forwarded by Administrator to each Rating Agency), declare all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable and/or the Lender's Commitment (if not theretofore terminated) to be terminated by declaring the Commitment Termination Date to have occurred, whereupon the full unpaid amount of such Loans and other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and/or, as the case may be, the Lender's Commitment shall terminate.

(b) Automatic Termination

. Upon the occurrence of an Event of Default described in Section 10.1.4), the Commitment Termination Date shall be deemed to have occurred automatically, and all outstanding Loans and all other Obligations shall become immediately and automatically due and payable, all without presentment, demand, protest, or notice of any kind.

(c) Notice to Rating Agencies

. Administrator shall notify each Rating Agency of the occurrence of any continuing Significant Event, promptly following its actual knowledge thereof.

(d) Limitation on Funds Available for Payments

. Unless and until the aggregate outstanding principal balance of the Loans hereunder is less than 10% of the highest amount ever borrowed hereunder, no repayment of the Obligations may be made with any funds other than (A) Collections and (B) the Borrower's initial paid-in cash capital (if any then remains).

THE SERVICER1. Oxford as Initial Servicer

. The servicing, administering and collection of the Receivables shall be conducted by the Person designated from time to time as Servicer under the Servicing Agreement. Until such time following the occurrence of a Servicer Default or an Amortization Event as Administrator shall notify Oxford and Borrower in writing of the revocation of such power and authority, Borrower, Lender and Administrator hereby appoint Oxford to act as Servicer under the Transaction Documents.

2. Certain Duties of the Servicer.1. Authorization to Act as Borrower's Agent

. Borrower hereby appoints Servicer as its agent for the following purposes: (i) selecting the amount of each requested Loan and executing Borrowing Requests on behalf of Borrower, (ii) making transfers among, deposits to and withdrawals from all deposit accounts of Borrower for the purposes described in the Transaction Documents, (iii) arranging payment by Borrower of all Fees, expenses, other Obligations and other amounts payable under the Transaction Documents, (iv) causing the repayment and prepayment of the Loans as required and permitted pursuant to Section 4.1 and (v) executing and preparing the Monthly Reports; **provided, however**, that Servicer shall act in such capacity only as an agent of Borrower and shall incur thereby no additional obligations with respect to any Loan, and nothing herein shall be deemed to authorize Servicer to take any action as Borrower's agent which Borrower is precluded from taking itself. Borrower irrevocably agrees that (A) it shall be bound by all proper actions taken by Servicer pursuant to the preceding sentence, and (B) Lender, Administrator and the banks holding all deposit accounts of Borrower are entitled to accept submissions, determinations, selections, specifications, transfers, deposits and withdrawal requests, and payments from Servicer on behalf of Borrower.

2. Servicer to Act as Servicer.

(a) Servicer shall service and administer the Receivables on behalf of Borrower and Administrator (for the benefit of the Secured Parties) and shall have full power and authority, acting alone and/or through subservicers as provided in Section 11.2.2(c), to do any and all things which it may deem reasonably necessary or desirable in connection with such servicing and administration and which are consistent with this Agreement. Consistent with the terms of this Agreement, Servicer may waive, modify or vary any term of any Receivable or consent to the postponement of strict compliance with any such term or in any manner, grant indulgence to any Obligor if, in Servicer's reasonable determination, such waiver, modification, postponement or indulgence is not materially adverse to the interests of Borrower or Administrator (for the benefit of the Secured Parties); **provided, however**, that Servicer may not permit any modification with respect to any Receivable that would reduce the Unpaid Balance (except for actual payments thereof), or extend the due date thereof, except that Servicer may take such actions with respect to Defaulted Receivables if such actions will, in Servicer's reasonable business judgment, maximize the Collections thereof. Without limiting the generality of the foregoing, Servicer in its own name or in the name of Borrower is hereby authorized and empowered by Borrower when Servicer believes it appropriate in its best judgment to execute and deliver, on behalf of Borrower, any and all instruments of satisfaction or cancellation, or of partial or full release or discharge and all other comparable instruments, with respect to the Receivables.

(b) Servicer shall service and administer the Receivables by employing such procedures (including collection procedures) and degree of care, in each case consistent with applicable law, with the Credit and Collection Policy and with prudent industry standards, as are customarily employed by Servicer in servicing and administering receivables owned or serviced by Servicer comparable to the Receivables. Servicer shall not take any action to impair Administrator's (for the benefit of the Secured Parties) security interest in any Receivable, except to the extent allowed pursuant to this Agreement or required by law.

(c) Servicer may perform any of its duties pursuant to this Agreement, including those delegated to it pursuant to this Agreement, through subservicers appointed by Servicer, **provided** that such subservicing arrangements may be terminated, at Administrator's discretion, upon the replacement of Oxford as Servicer. Such subservicers may include Affiliates of Servicer. Notwithstanding any such delegation of a duty, Servicer shall remain obligated and liable for the performance of such duty as if Servicer were performing such duty.

(d) Servicer may take such actions as are necessary to discharge its duties as Servicer in accordance with this Agreement, including the power to execute and deliver on behalf of Borrower such instruments and documents as may be customary, necessary or desirable in connection with the performance of Servicer's duties under this Agreement (including consents, waivers and discharges relating to the Receivables).

(e) Servicer shall keep separate records covering the transactions contemplated by this Agreement, including the identity and collection status of each Receivable purchased by Borrower from Originator and the Purchase Price Credits.

3. Collections.

(a) On or prior to the Closing Date, Borrower and Servicer shall have established and shall maintain thereafter the following system of collecting and processing Collections of Receivables. The Obligor shall be instructed to make payments of Receivables only by check, draft or money order mailed to a LockBox listed on Schedule 8.12 (such payments, upon receipt in such a LockBox, being referred to herein as "**Mail Payments**"), or by wire transfer or ACH to a LockBox Account.

(b) On or prior to the Closing Date, Administrator shall have received a LockBox Agreement with respect to each LockBox Account. Servicer's right of access to any LockBox Account shall be revocable at the option of Administrator upon the occurrence of Unmatured Significant Event or Significant Event. In addition, after the occurrence of any Unmatured Significant Event or any Significant Event, Servicer agrees that it shall, upon the written request of Administrator, notify all Obligor under Receivables to make payment thereof to (i) one or more bank accounts and/or post-office boxes designated by Administrator and specified in such notice or (ii) any successor Servicer appointed hereunder.

(c) Servicer shall remove all Mail Payments, or cause all Mail Payments to be removed, from each LockBox by the close of business on each Business Day and deposited into a LockBox Account. Servicer shall process all such Mail Payments, and all wire transfers, ACH payments and other payments on the date received by recording the amount of the payment received from the Obligor and the applicable account or invoice number.

(d) All Collections received by Originator or Servicer in respect of Receivables will, pending remittance to the Collection Account as provided in Section 11.2.4, be held by Originator or Servicer in trust for the exclusive benefit of Administrator, and shall not be commingled with any other funds or property of Originator or Servicer.

(e) Borrower and Servicer hereby irrevocably waive any right to set-off or otherwise deduct any amount owing by or to them from any Collections received by them prior to remittance thereof in accordance with this Agreement.

(f) In performing its duties and obligations hereunder, Servicer (i) shall not impair the rights of Borrower or Administrator in any Receivable, (ii) shall not amend the terms of any Receivable other than in accordance with the Credit and Collection Policy and this Agreement, (iii) shall not release any goods securing a Receivable from the lien created by such Receivable except as specifically provided for herein, and (iv) shall be entitled to commence or settle any legal action to enforce collection of any Receivable or to foreclose upon or repossess any goods securing such Receivable. In the event that Servicer shall breach any of its covenants set forth in clause (i), (ii) or (iii) of this Section 11.2.3(f), Servicer shall pay the Unpaid Balance of each Receivable affected thereby on the Distribution Date following the Calculation Period in which such event occurs. For the purposes of Section 11.7 hereof, Servicer shall not be deemed to have breached its obligations under this Section 11.2.3(f) unless it shall fail to make such payment with respect to any Receivable affected by Servicer's noncompliance with clause (i), (ii) or (iii) of this Section 11.2.3(f).

(g) All payments or other amounts collected or received by Servicer in respect of a Receivable shall be applied to the Unpaid Balance of such Receivable.

4. Collection Account.

(a) On any Business Day, Borrower may withdraw, or permit Servicer to withdraw, funds that are on deposit in the Collection Account, **provided** that (i) no Significant Event or Unmatured Significant Event has occurred and is continuing, (ii) the Commitment Termination Date has not occurred, and (iii) after giving effect to such withdrawal, no Borrowing Base Deficit has occurred or will result therefrom and there are funds in the Collection Account at least equal to the interest on the Loans and the Fees accrued through such date.

(b) Prior to 3:00 p.m., New York time, on the Business Day preceding each Distribution Date (a "**Deposit Date**"): (i) Servicer shall deposit or cause to be deposited in the Collection Account, to the extent not already on deposit therein, an amount equal to, without duplication, the lesser of (A) the sum of (1) the aggregate amount of all Collections received during the immediately preceding Calculation Period, **plus** (2) the aggregate amounts due from Servicer on such Distribution Date pursuant to Section 11.2.3(f) hereof, **plus** (3) the aggregate amount of Purchase Price Credits, if any, required to be made in cash on such Distribution Date in accordance with the Receivables Sale Agreement, and (B) the amounts due on such Distribution Date pursuant to clauses **first** through **seventh** of Section 4.2(b), **provided** that if a Significant Event or Unmatured Significant Event shall exist on such Distribution Date or the Commitment Termination Date has occurred, then the Servicer shall deposit all of the amounts described in the foregoing clause (A) in the Collection Account on such Deposit Date.

(c) Servicer shall distribute the amounts on deposit in the Collection Account in accordance with Section 4.2 hereof.

(d) Funds deposited in the Collection Account may be invested by Servicer in Permitted Investments that mature not later than the Business Day next preceding the Distribution Date. All income, gain or losses realized from any such investment shall be credited or debited (as applicable) to the balance of the Collection Account. Servicer shall have no obligation to reimburse the Collection Account for any losses realized by reason of such investments.

3. Servicing Compensation

. Servicer, as compensation for its activities hereunder, shall be entitled to receive the Servicing Fee, which shall be payable by Borrower on each Distribution Date from funds on deposit in the Collection Account in accordance with Section 4.2. Servicer shall be required to pay all expenses incurred by it in connection with its servicing activities hereunder (including payment of the fees and expenses of any subservicer) and shall not be entitled to reimbursement therefor except as specifically provided herein.

4. Agreement Not to Resign

. Oxford acknowledges that Lender and Administrator have relied on Oxford's agreement to act as Servicer hereunder in their respective decisions to execute and deliver the respective Transaction Documents to which they are parties. In recognition of the foregoing, Oxford agrees not to resign as Servicer voluntarily, except as required by law (as evidenced by the delivery of an outside opinion of counsel to Administrator, in form and substance satisfactory to Administrator), without the prior written consent of Administrator.

5. Designation of Servicer

. Borrower agrees not to designate any Person other than Oxford as Servicer without the prior written consent of Administrator.

6. Termination

. The authorization of Servicer to act on behalf of Borrower under this Agreement and the other Transaction Documents shall terminate at the sole discretion of Administrator upon the replacement of Servicer by a successor Servicer selected by Administrator.

7. Servicer Events of Default

. Each of the following shall constitute a "***Servicer Event of Default***" under this Agreement:

1. Failure to Make Payments and Deposits

. Servicer shall fail to make any payment or deposit required to be made by it hereunder on the date when due and, in each of the foregoing cases, such failure shall continue for three (3) Business Days.

2. Non-Compliance with Other Provisions

. Servicer shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Transaction Document on its part to be performed or observed and any such failure shall remain unremedied for thirty (30) days after the earlier to occur of (i) Servicer's having knowledge thereof and (ii) Servicer's having received written notice thereof from the Lender or Administrator.

3. Delegation

. Servicer shall delegate any of its duties hereunder, except as expressly permitted in accordance with the terms hereof.

4. Breach of Representations and Warranties

. Any representation, warranty, certification or statement made by Servicer in this Agreement, any other Transaction Document to which Servicer is a party or in any Borrowing Base Certificate, Monthly Report or other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; ***provided that*** the materiality threshold in the preceding clause shall not be applicable with respect to any representation or warranty which itself contains a materiality threshold.

5. Consolidated Tangible Net Worth

. So long as Oxford shall be the Servicer, the Consolidated Tangible Net Worth of Oxford shall be less than or equal to \$150,000,000;

6. Bankruptcy

. An Event of Bankruptcy shall have occurred and remained continuing with respect to Servicer.

7. Judgments

. A final judgment or judgments for the payment of money in excess of \$10,700 in the aggregate shall have been rendered against Borrower, or in excess of \$5,000,000 in the aggregate shall have been rendered against Servicer, and the same shall have remained unsatisfied and in effect, without stay of execution, for a period of thirty (30) consecutive days after the period for appellate review shall have elapsed.

8. Cross-Default to Material Debt

. Failure of Servicer to pay any Debt in excess of \$5,000,000 in aggregate principal amount ("**Material Debt**") when due; or the default by Servicer in the performance of any term, provision or condition contained in any agreement under which any Material Debt was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Material Debt to cause, such Indebtedness to become due prior to its stated maturity; or any Material Debt of Servicer shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof.

At any time during the continuance of any Servicer Event of Default, Administrator may, in its sole discretion, notify Servicer in writing of the revocation of its appointment as Servicer hereunder. Upon revocation of Servicer's appointment hereunder, Administrator shall appoint a successor Servicer. Servicer agrees that upon receipt of written notification from Administrator of the revocation of Servicer's appointment as Servicer hereunder, Servicer shall upon the written request of Administrator (which request may be contained in the notification of revocation) (i) notify all Obligor(s) under the Receivables to make payment thereof to a bank account(s) or post office box designated by Administrator and specified in such notice, and (ii) pay to Administrator (or its designee) immediately all Collections then held or thereafter received by Servicer or Originator of Receivables, together with all other payment obligations of the Servicer hereunder owing to Lender or Administrator. Servicer shall, at its sole cost and expense, cooperate with and assist the successor Servicer (including, without limitation, providing access to, and transferring, all Receivable Files and all records (including data-processing records) relating thereto (which shall be held in trust for the benefit of the parties hereto in accordance with their respective interests)) and allowing the successor Servicer to use all licenses, hardware or software necessary or desirable to collect the Receivables). Oxford irrevocably agrees to act (if requested to do so) as the data-processing agent for the successor Servicer (in substantially the same manner as Oxford conducted such data-processing functions while it acted as Servicer).

VII.

ADMINISTRATOR

1. Authorization and Action

. Lender hereby appoints SunTrust Equitable Securities Corporation as its Administrator for purposes of the Transaction Documents and authorizes SunTrust Equitable Securities Corporation in such capacity to take such action on its behalf under each Transaction Document and to exercise such powers hereunder and thereunder as are delegated to SunTrust Equitable Securities Corporation, as Administrator, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto.

2. Administrator and Affiliates

. Bank and any of its Affiliates may generally engage in any kind of business with Borrower, Bank, Servicer, any Obligor, any of their respective Affiliates and any Person who may do business with or own securities of Borrower, Bank, Servicer, any Obligor or any of their respective Affiliates, all as if SunTrust Equitable Securities Corporation were not Administrator and without any duty to account therefor to Lender.

VIII.

ASSIGNMENTS

1. Restrictions on Assignments

. Neither Borrower nor Servicer may assign its rights hereunder or any interest herein without the prior written consent of Administrator and Lender. Lender may not assign all or any portion of Lender's Commitment to any Person other than the Liquidity Bank(s) without the prior written consent of Borrower and Administrator. Nothing herein shall be deemed to preclude Lenders from pledging or assigning all or any portion of any Loan or the Lender Note:

(a) to Credit Bank, any Liquidity Bank (or any successor of any thereof by merger, consolidation or otherwise), any Affiliate of Credit Bank or any Liquidity Bank in connection with a draw under the Liquidity Agreement or

a Credit Advance (which may then assign all or any portion thereof so assigned or any interest therein to such party or parties as it may choose); or

(b) to any other Person proposed by Lender and consented to by Administrator.

Administrator shall promptly provide notice of any assignment to each Rating Agency. Subject to Section 13.2, all of the aforementioned assignments shall be upon such terms and conditions as Lender and the assignee may mutually agree.

2. Documentation

. Lender shall deliver to each assignee an assignment, in such form as Lender and the related assignee may agree, duly executed by Lender, assigning any such Loan to the assignee, and Lender shall promptly execute and deliver all further instruments and documents, and take all further action, that the assignee may reasonably request, in order to perfect, protect or more fully evidence the assignee's right, title and interest in and to such Loan, and to enable the assignee to exercise or enforce any rights hereunder or under the Lender Note evidencing such Loan.

3. Rights of Assignee

. Upon the foreclosure of any assignment of any Loans made for security purposes, or upon any other assignment of any Loan from Lender pursuant to this Article XIII, the respective assignee receiving such assignment shall have all of the rights of Lender hereunder to the extent of such assignment with respect to such Loans and all references to Lender in Section 6.1 shall be deemed to apply to such assignee to the extent of such assignment.

4. Notice of Assignment

. Lender shall provide notice to Borrower of any assignment hereunder by Lender to any assignee. Lender authorizes Administrator to, and Administrator agrees that it shall, endorse the Lender Note to reflect any assignments made pursuant to this Article XIII or otherwise.

IX.

INDEMNIFICATION

1. General Indemnity of Borrower

. Without limiting any other rights which any such Person may have hereunder or under applicable law, Borrower hereby agrees to indemnify Administrator, Lender, Servicer, each Liquidity Bank, each Credit Bank, Bank, each of Bank's Affiliates and each of their respective successors, transferees, participants and assigns and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called an "**Indemnified Party**"), forthwith on demand, on an after-tax basis, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "**Indemnified Amounts**") awarded against or incurred by any of them arising out of or relating to any Transaction Document or the transactions contemplated thereby, any commingling of funds (whether or not permitted hereunder), or the use of proceeds therefrom by Borrower, including (without limitation) in respect of the funding of any Loan or in respect of any Receivable; **excluding, however**, (a) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification, and (b) Excluded Taxes.

2. Indemnity of Servicer

. Without limiting any other rights which any such Person may have hereunder or under applicable law, Oxford as Servicer, hereby agrees to indemnify each Indemnified Party forthwith on demand, on an after-tax basis, from and against any and all Indemnified Amounts awarded against or incurred by any of them arising from, or related to, the negligence or willful misconduct of Oxford, the inaccuracy of any representation or warranty of Oxford, or the failure of Oxford to perform its obligations under any Transaction Document; **excluding, however**, (a) Indemnified Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of such Indemnified Party, (b) Indemnified Amounts to the extent solely due to non-payment by any Obligor of an amount due and payable with respect to a Receivable for credit reasons, and (c) any tax upon or measured by net income on any Indemnified Party. Anything contained in this Section 14.2 to the contrary notwithstanding: (1) the foregoing indemnification is not intended to, and shall not, constitute a guarantee of the collectibility or payment of the Receivables, and (2) nothing in this Section 14.2 shall require the Servicer to indemnify any Indemnified Party for Receivables which are not collected, not paid or are otherwise uncollected on account of the insolvency, bankruptcy, lack of creditworthiness or financial inability to pay of the applicable Obligor.

X. MISCELLANEOUS

1. No Waiver; Remedies

. No failure on the part of Lender, Administrator, any Indemnified Party or any Affected Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by any of them of any right, power or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Without limiting the foregoing, each of Bank, each Credit Bank and each Liquidity Bank is hereby authorized by Borrower at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by Bank, such Credit Bank or such Liquidity Bank to or for the credit or the account of Borrower, now or hereafter existing under this Agreement, to Administrator, any Affected Party, any Indemnified Party, or Lender or their respective successors and assigns.

2. Amendments, Etc.

No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement and any Schedules hereto, or the Lender Note shall in any event be effective unless the same shall be in writing and signed and delivered by (i) Borrower, Servicer, Administrator and Lender (with respect to an amendment), or (ii) Administrator and Lender (with respect to a waiver or consent by them) or Servicer or Borrower (with respect to a waiver or consent by them), as the case may be, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; **provided, however**, that no material amendment of this Agreement (other than an amendment to extend the Scheduled Commitment Termination Date) shall be effective unless the Lender (or Administrator on its behalf) shall have received written confirmation by the Rating Agencies that such amendment shall not cause the rating on the then outstanding Commercial Paper Notes to be downgraded or withdrawn. Administrator shall provide each Rating Agency with a copy of each amendment to or consent or waiver under this Agreement promptly following the effective date thereof.

3. Notices, Etc.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by certified mail, postage prepaid, or by facsimile, to the intended party at the address or facsimile number of such party set forth opposite its name on Schedule 15.3 hereto or at such other address or facsimile number as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, (a) if personally delivered, when received, (b) if sent by certified mail, three Business Days after having been deposited in the mail, postage prepaid, (c) if sent by overnight courier, one Business Day after having been given to such courier, and (d) if transmitted by facsimile, when sent, receipt confirmed by telephone or electronic means, except that notices and communications pursuant to Section 2.2 shall not be effective until received .

4. Costs, Expenses and Taxes.

In addition to its obligations under Section 14.1, Borrower agrees to pay on demand:

(a) all costs and expenses incurred by Administrator, Lender, each Liquidity Bank, each Credit Bank and Servicer in connection with (i) the preparation, execution, delivery, administration and enforcement of, or any breach of, this Agreement, the Lender Note, the other Transaction Documents, the Liquidity Agreement and, to the extent directly related to this Agreement, the Program Documents (including any amendments or modifications of or supplements to the Program Documents directly related to this Agreement), including, without limitation, the reasonable fees and expenses of counsel to any of such Persons incurred in connection therewith, (ii) the perfection of Administrator's security interest in the Collateral, (iii) the maintenance of the Collection Account and the LockBox Accounts, (iv) the audit of the books, records and procedures of Originator, Servicer and Borrower by Administrator's auditors (which may be employees of Administrator), and (v) Rating Agency fees related to the transactions contemplated by this Agreement; and

(b) all stamp and other transactional or filing taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Lender Note, the other Transaction Documents, or (to the extent directly related to this Agreement) the Program Documents, and agrees to indemnify each Indemnified Party against any liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

5. Binding Effect; Survival

. This Agreement shall be binding upon and inure to the benefit of Borrower, Bank, Lender, Administrator, and their respective successors and assigns, and the provisions of Article VI and Article XIV shall inure to the benefit of the Affected Parties and the Indemnified Parties, respectively, and their respective successors and assigns; **provided, however**, nothing in the foregoing shall be deemed to authorize any assignment not permitted by Article XIII. This Agreement shall create and constitute the continuing obligations of the parties hereto in

accordance with its terms, and shall remain in full force and effect until such time, after the Commitment Termination Date, when all Obligations have been finally and fully paid and performed. The rights and remedies with respect to any breach of any representation and warranty made by Borrower or Servicer pursuant to Article VIII and the indemnification and payment provisions of Article XIV and Article VI, Sections 15.4, 15.11 and 15.12 shall be continuing and shall survive any termination of this Agreement and any termination of Oxford's rights to act as Servicer hereunder or under any other Transaction Document.

6. Captions and Cross References

. The various captions (including, without limitation, the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement. Unless otherwise indicated, references in this Agreement to any Section, Appendix, Schedule or Exhibit are to such Section of or Appendix, Schedule or Exhibit to this Agreement, as the case may be, and references in any Section, subsection, or clause to any subsection, clause or subclause are to such subsection, clause or subclause of such Section, subsection or clause.

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 of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

8. Governing Law

. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) EXCEPT TO THE EXTENT THAT THE LAWS OF ANOTHER JURISDICTION GOVERN THE PERFECTION, OR THE EFFECT OF PERFECTION OR NONPERFECTION, OF THE SECURITY INTERESTS OF THE ADMINISTRATOR, FOR THE BENEFIT OF THE SECURED PARTIES.

9. Counterparts

. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original but all of which shall constitute together but one and the same agreement.

10. Submission to Jurisdiction; Waiver of Trial by Jury.

(a) Each of Borrower and Servicer hereby submits to the nonexclusive jurisdiction of any United States District Court for the Southern District of New York and of any New York state court sitting in New York, New York for purposes of all legal proceedings arising out of, or relating to, the Transaction Documents or the transactions contemplated thereby. Each of Borrower and Servicer hereby irrevocably waives, to the fullest extent possible, any objection it may now or hereafter have to the venue of any such proceeding and any claim that any such proceeding has been brought in an inconvenient forum. Nothing in this Section 15.10 shall affect the right of Administrator or Lender to bring any action or proceeding against Borrower or Servicer or their respective properties in the courts of other jurisdictions.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF, OR IN CONNECTION WITH, ANY TRANSACTION DOCUMENT OR ANY MATTER ARISING THEREUNDER.

11. No Recourse Against Lender

. The obligations of the Lender under this Agreement are solely the corporate obligations of Lender. No recourse shall be had for any obligation, covenant or agreement (including, without limitation, the payment of any amount owing in respect to this Agreement or the payment of any Fee hereunder or for any other obligation or claim) arising out of or based upon this Agreement or any other agreement, instrument or Transaction Document entered into pursuant hereto or in connection herewith against any stockholder, employee, officer, director, manager, administrator, partner or incorporator of Lender, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise.

12. No Proceedings

. Each of the parties hereto hereby agree that it will not institute against Lender, or join any other Person in instituting against Lender, any insolvency proceeding (namely, any proceeding of the type referred to in the definition of Event of Bankruptcy) so long as any Commercial Paper Notes issued by Lender shall be

outstanding and there shall not have elapsed one year plus one day since the last day on which any such Commercial Paper Notes shall be outstanding. The provisions of this Section 15.12 shall survive the termination hereof.

13. Confidentiality.

(a) Unless otherwise consented to by Administrator or required by any applicable law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings, each of Borrower and Servicer hereby agrees that it shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Fee Letter and the other confidential or proprietary information with respect to Administrator and Lender and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each of Borrower, Servicer and their respective officers and employees may disclose such information to their external accountants, attorneys and other advisors and as required by any applicable law, rule, direction, request or order of any judicial, administrative or regulatory authority or proceeding (whether or not having the force or effect of law). The restrictions in this Section 15.13(a) shall not apply to any information which is or becomes generally available to the public other than as a result of disclosure by Borrower, Servicer or one of their respective Affiliates.

(b) Each of Borrower and Servicer hereby consents to the disclosure of any nonpublic information with respect to it (i) to Administrator, the Liquidity Banks or Lender by each other, (ii) as required by or pursuant to any applicable law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law), (iii) to any prospective or actual assignee or participant of any of the Persons described in clause (i), and (iv) to any Rating Agency, Commercial Paper Note dealer, Credit Bank or Support Provider to Lender or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which Administrator acts as the administrative agent or administrator and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, **provided** each Person described in the foregoing clauses (iii) and (iv) is informed of the confidential nature of such information.

14. Entire Agreement

. This Agreement and the other Transaction Documents executed and delivered herewith represent the final agreement among the parties hereto and thereto and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties.

[signature pages begin on next page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

Oxford Receivables Company, *as Borrower*

By: _____
Name:
Title:

OXFORD INDUSTRIES, INC., *as initial Servicer*

By: _____
Name:
Title:

THREE PILLARS FUNDING CORPORATION, *as Lender*

By: _____
Name:
Title:

SUNTRUST EQUITABLE SECURITIES CORPORATION, *as Administrator*

By: _____
Name:
Title:

Exhibit A

BORROWING REQUEST

[Date]

To: Three Pillars Funding Corporation ("**Lender**")

From: Oxford Receivables Company ("**Borrower**")

Re: Loan Agreement dated as of May 3, 2001, among Borrower, Lender and SunTrust Equitable Securities Corporation, as Administrator (the "**Agreement**").

A (i) Pursuant to Section 2.2 of the Agreement, the undersigned hereby requests a Loan from Lender in an amount equal to the following (at least \$1,000,000 or a larger integral multiple of \$500,000):

\$ _____

(ii) The date such Loan is requested is:

(iii) The aggregate principal amount of Loans outstanding under the Agreement, after giving effect to the requested Loan under (i) above, will equal:

\$ _____

(iv) The amount in (iii) above does not exceed the Facility Limit which equals:

\$90,000,000

B. As of the date hereof and the date of making of such Loan, each of the representations and warranties contained in Article VIII of the Agreement shall be true and correct on and as of the date hereof and, if applicable, the date of such Loan, and no Significant Event or Unmatured Significant Event has occurred and is continuing or shall exist after giving effect to the Loan requested hereby.

Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

The undersigned certifies to the accuracy of the foregoing.

Oxford Receivables Company

Date:

By:

Title:

Exhibit B

LENDER NOTE

\$90,000,000.00 May 3, 2001

FOR VALUE RECEIVED, Oxford Receivables Company, a Delaware corporation (the "**Borrower**"), promises to pay to the order of THREE PILLARS FUNDING CORPORATION, a Delaware corporation (the "**Lender**") on or before the Scheduled Commitment Termination Date, the principal sum of Ninety Million and no/100 Dollars (\$90,000,000.00) or, if less, the aggregate unpaid principal amount of all Loans shown on the schedule attached hereto (and/or any continuation thereof and/or in the records

Funding Corporation, as Lender and SunTrust Equitable Securities Corporation, as Administrator, the Servicer is required, on or before Monday of each week, to prepare and deliver to Administrator and Lender a Borrowing Base Certificate as of the last Business Day of the week then most recently ended. The undersigned, a duly authorized representative of the Servicer, does hereby certify:

I.	Capitalized terms used in this Borrowing Base Certificate have their respective meanings set forth in the Loan Agreement. References herein to certain sections and subsections are references to their respective sections and subsections of the Loan Agreement.
II.	This Report is being delivered pursuant to Section 9.1.5.b.i of the Loan Agreement.
III.	Oxford is the Servicer under the Loan Agreement. The undersigned is an authorized officer of the Servicer.
IV.	No Amortization Event, Event of Default, or Unmatured Significant Event has occurred under the Loan Agreement.
V.	As of the date hereof, to the best knowledge of the undersigned, the Servicer has performed in all material respects all of its obligations under the Loan Agreement.

	<u>Aging Report (Unpaid Balances as of the end of the last Business Day of the previous week.)</u>	
--	---	--

1	Current:			
2	Receivables 1-30 days past due			
3	Receivables 31-60 days past due			
4	Receivables 61-90 days past due			
5	Receivables 91-120 days past due			
6	Receivables 121+ days past due			
7	Total Receivables:			\$ -
8	Receivables from customers in bankruptcy included in Lines 1 - 3:			\$ -

	<u>Eligible Receivables Information</u>	
--	--	--

9	Unpaid Balance of all Receivables as of the end of most recent weekly period: (Line 7)			\$ -
10	Unpaid Balance of Receivables over 60 days past due: (sum (Line 4 - Line 6))			\$ -
11	Unpaid Balance of Receivables for non-Delinquent customers in Bankruptcy: (Line 8)			\$ -
12	Unpaid Balance of remaining Receivables with Affiliated or Governmental Obligors:			\$ -
13	Unpaid Balance of remaining non-U.S. Dollar denominated Receivables:			\$ -
14	Unpaid Balance of Foreign Receivables other than Canadian and English Receivables:			\$ -
15	Unpaid Balance of Receivables of all Obligors for which more than 25% of the aggregate balance of all Receivables for such Obligor are Defaulted Receivables:			\$ -
16	Unpaid Balance of remaining Receivables failing to satisfy clauses (a), (b), (d), (e), (j), (k), (l), (m), (n), (o), (p), (q), (r) and (t) of Loan Agreement:			\$ -
17	Aggregate Unpaid Balance: (Line 9 - Sum(Lines 10 - 16))			\$ -

	<u>Concentration Limits (List all obligors in excess of 3% along with their allowable %)</u>	
--	---	--

	Credit Rating	Concentration Limit		
	A-1+/P-1 (AA+/Aa1 to AAA/Aaa)	15.0%		
	A-1/P-1 (AA-/Aa3 to AA/Aa2)	14.0%		
	A-2/P-2 (A-/A3 to A+/A1)	12.0%		
	A-3/P-3 (BBB-/Baa3 to BBB+/Baa1)	6.0%		
	NIG/NR	3.0%		
	Lands End	6.0%		
	Canadian and English A/R Allowance	5.0%		

	Net 31 - 60 Terms Allowance	45.0%			
	Net 61 - 81 Terms Allowance	5.0%			
		<i>Credit</i>	<i>Concentration</i>	<i>Eligible Rec</i>	
	<u>Obligor Name</u>	<u>Rating</u>	<u>Limit</u>	<u>Balance</u>	<u>Excess Amount</u>
a.	Wal-Mart	A-1+/P-1	15.0%	\$ -	\$ -
b.	Target Corp.	A-1/P-1	14.0%	\$ -	\$ -
c.	J C Penney	BBB-/Ba2	3.0%	\$ -	\$ -
d.	Lands End	NR	6.0%	\$ -	\$ -
e.	May Company	A-1/P-1	14.0%	\$ -	\$ -
f.	K-Mart	NR/P-3	3.0%	\$ -	\$ -
g.	Blair	NR	3.0%	\$ -	\$ -
h.	Dillard's	A-3/NR	3.0%	\$ -	\$ -
i.	Federated	A-2/P-2	12.0%	\$ -	\$ -
j.	Allowable Canadian and English	N/A	3.0%	\$ -	\$ -
k.	Receivables with Terms Net 31-60	N/A	45.0%	\$ -	\$ -
m.	Receivables with Terms Net 61-81	N/A	5.0%	\$ -	\$ -
18	Total Excess Concentration Amount:				\$ -
	<u>Borrowing Base Deficit Test</u>				
19	Aggregate Unpaid Balance: (Line 17)				\$ -
20	Excess Concentration Amount: (Line 18)				\$ -
21	Advance Rate as of the most recent Calculation Date:				%
22	Borrowing Base: ((Line 19 - Line 20) * Line 21)				\$ -
23	Collections currently on deposit in the Collection Account:				\$ -
24	Maximum Borrowing Amount: (Line 118 + Line 119)				\$ -
25	Commercial Paper Outstanding:				\$ -
26	Difference:				\$ -
27	Compliance: (Yes if zero or positive)				
28	If NO, the Amount of the Borrowing Base Deficit				\$ -
29	Additional cash to be deposited in the Collection Account within three (3) Business Days:				\$ -
30	Will the Borrowing Base Deficit be cured within three (3) Business Days? (Yes if Line 28 > Line 28)				
		IN WITNESS WHEREOF, the undersigned has duly executed this Borrowing Base Certificate.			
		Oxford Industries			
		By: _____		Date:	
		J. Reese Lanier, Jr.			

Exhibit E

[FORM OF] COLLECTION ACCOUNT AGREEMENT

May 3, 2001

SunTrust Bank

303 Peachtree Street

MC 1904

Atlanta, Georgia 30308

Attention: David Penter

Re: Collection Account Agreement (this "Agreement") for Collection Account No. 8800599501

Ladies and Gentlemen:

Oxford Industries, Inc., a Georgia corporation ("*Oxford*"), hereby notifies you that it has transferred to Oxford Receivables Company, a Delaware corporation ("*Borrower*"), all of Oxford's right, title and interest in and to collection account no. 8800599501 maintained with you (the "*Collection Account*"). Borrower hereby notifies you that in connection with certain transactions involving the accounts receivables of Borrower, Borrower hereby transfers exclusive dominion and control of the Collection Account to SunTrust Equitable Securities Corporation in its capacity as administrator for and on behalf of Three Pillars Funding Corporation ("*Administrator*"). You hereby acknowledge, however, that Oxford has agreed to act as initial servicer of Borrower's accounts receivable (Oxford, or any successor servicer, the "*Servicer*"), and agree that except in its capacity as Servicer, Oxford shall not have any ownership of, or rights in, the Collection Account or any funds therein.

In connection with the foregoing, Borrower, Oxford and Administrator hereby jointly instruct you, beginning on the date hereof until you are otherwise notified by Administrator in writing: (i) to name the Collection Account the "*Oxford Receivables Company Collection Account*"; (ii) to follow your usual operating procedures for the handling of any checks, except as modified by this Agreement; (iii) to follow your usual procedures in the event the Collection Account or any check should be or become the subject of any writ, levy, order or other similar judicial or regulatory order or process, except as modified by this Agreement; and (iv) to transfer available funds in the Collection Account in accordance with the instructions of the Servicer or, if Administrator has exercised its rights with respect to the Collection Account as described below, pursuant to instructions given to you by Administrator from time to time.

You are hereby further instructed to permit the Servicer and Administrator to obtain upon request any information relating to the Collection Account, including, without limitation, any information regarding the balance or activity of the Collection Account.

Borrower and Oxford also hereby jointly notify you that beginning on the date hereof, notwithstanding anything herein or elsewhere to the contrary, Administrator, or any party designated in writing by Administrator, shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Collection Account, including, without limitation, the right to specify when payments are to be made out of or in connection with the Collection Account. The funds deposited into the Collection Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than Administrator (except that you may set off the face amount of any checks returned unpaid because of uncollected or insufficient funds).

By executing this Agreement, you (a) irrevocably waive and agree not to assert, claim or endeavor to exercise, (b) irrevocably bar and estop yourself from asserting, claiming or exercising and (c) acknowledge that you have not heretofore received a notice, writ, order or any form of legal process from any other party asserting, claiming or exercising, any right of set-off, banker's lien, security interest or other purported form of claim with respect to the Collection Account or any funds from time to time therein (except for security interests which have been terminated on or prior to the date hereof). Except for your right to payment of your service charges and fees from Borrower and to make deductions for returned items, you shall have no rights in the Collection Account or funds therein. To the extent you may ever have such rights, you hereby expressly subordinate all such rights to all rights of Administrator.

To the extent that funds in the Collection Account are insufficient, each of Borrower and Oxford, jointly and severally, shall indemnify you for such returned checks and for any fees or charges associated with the Collection Account or this Agreement.

Each of Borrower and Oxford, jointly and severally, hereby authorizes you, without prior notice, from time to time to debit any other account that Borrower or Oxford may have with you for the amount or amounts due you under the preceding paragraph.

In addition, as collateral security for Borrower's obligations to Administrator and certain other persons in connection with the transactions referenced in the first paragraph of this Agreement, Borrower hereby grants to Administrator a present and continuing security interest in (a) the Collection Account, (b) all contract rights and privileges in respect of the Collection Account, and (c) all cash, checks, money orders and other items of value of Borrower now or hereafter paid, deposited, credited, held (whether for collection, provisionally or otherwise) or otherwise, in the possession or under the control of, or in transit to you or any agent, bailee or custodian thereof in respect of the Collection Account, and all

proceeds of the foregoing (collectively, "*Receipts*"), and you acknowledge that this Agreement constitutes notice, in accordance with Section 9-305 (or any successor section thereto) of the Uniform Commercial Code of all applicable jurisdictions of Administrator's security interest in such collateral. Administrator hereby appoints you as Administrator's bailee for the Collection Account and all Receipts for the purpose of perfecting Administrator's security interest in such collateral, and you hereby accept such appointment and agree to be bound by the terms of this Agreement. Borrower hereby agrees to such appointment and further agrees that you, on behalf of Administrator, shall be entitled to exercise, as directed in accordance with the terms of this Agreement, any and all rights which Administrator may have in connection with the transactions referenced in the first paragraph of this Agreement or under applicable law with respect to the Collection Account, all Receipts and all other collateral described in this paragraph.

You may terminate this Agreement upon thirty (30) days' prior written notice to Borrower and Administrator. Administrator may terminate this Agreement upon thirty (30) days' prior written notice to Borrower and you. Borrower may not terminate this Agreement, except with the written consent of Administrator and upon thirty (30) days' prior written notice to you and Administrator. Oxford may not terminate this Agreement. Incoming mail addressed to the Collection Account (including, without limitation, any direct funds transfer to the Collection Account) received after any such termination shall be forwarded in accordance with Administrator's instructions.

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and may not be altered, modified or amended in any respect, nor may any right, power or privilege of any party hereunder be waived or released or discharged, except upon execution by you, Borrower and Administrator of a written instrument so providing. The terms and conditions of any agreement between Oxford and/or Borrower and you (each, a "*Service Agreement*") (whether now existing or executed hereafter) with respect to any lock-box arrangements, to the extent not inconsistent with this Agreement, are made part of this Agreement with respect to matters not explicitly covered in this Agreement. In the event that any provision in this Agreement is in conflict with, or inconsistent with, any provision of any such Service Agreement, this Agreement will exclusively govern and control. Each party agrees to take all actions reasonably requested by any other party to carry out the purposes of this Agreement or to preserve and protect the rights of each party hereunder.

You shall not assign or transfer your rights or obligations hereunder (other than to Administrator) without the prior written consent (which consent shall not be unreasonably withheld) of Administrator and Borrower. Subject to the preceding sentence, this Agreement shall be binding upon each of the parties hereto and their respective successors and assigns, and shall inure to the benefit of, and be enforceable by, Administrator, each of the parties hereto and their respective successors and assigns.

You hereby represent that the person signing this Agreement on your behalf is duly authorized by you to so sign.

You agree to give Administrator and Borrower prompt notice if the Collection Account becomes subject to any writ, judgment, warrant of attachment, execution or similar process.

Any notice, demand or other communication required or permitted to be given hereunder shall be in writing and may be (a) personally served, (b) sent by courier service, (c) telecopied or (d) sent by United States mail and shall be deemed to have been given when (a) delivered in person, (b) delivered by courier service, (c) upon receipt of the facsimile or (d) three business days after deposit in the United States mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name below, or, as to each party, at such other address as may be designated by such party in a written notice to the other parties.

You will not be liable to the Servicer, Borrower or Administrator for any expense, claim, loss, damage or cost ("*Damages*") arising out of or relating to your performance under this Agreement other than those Damages which result directly from your acts or omissions constituting gross negligence or intentional misconduct. In no event will you be liable for any special, indirect, exemplary or consequential Damages, including but not limited to lost profits.

Each of Borrower and Oxford, jointly and severally, shall indemnify you against, and hold you harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including but not limited to allocated costs of staff counsel, other reasonable attorneys' fees and any fees and expenses incurred in enforcing this Agreement) in any way arising out of or relating to disputes or legal actions concerning your provision of any Service Agreement, this Agreement, or the Collection Account. This section does not apply to any cost or damage attributable to your gross negligence or intentional misconduct. Borrower's and Oxford's joint and several obligations under this section shall survive termination of this Agreement.

Each of Borrower and Oxford, jointly and severally, agrees to pay to you, upon receipt of your invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by you in connection with the preparation and administration (including any amendments) and enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, or motion regarding entitlement to rights or rights of action, or other action to enforce your rights in a case arising under Title 11, United States Code.

By your signature below, you, solely in your capacity as Collection Account Bank, hereby covenant and agree that, prior to the day that is one year and one day after the payment in full of the Senior Claim (as defined in the Subordinated Note), you will not, solely in your capacity as Collection Account Bank, institute against, or join any other Person in instituting against,

Borrower any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law. This paragraph shall survive the termination of this Agreement.

Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Borrower, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Borrower, you may act as you deem necessary to comply with all applicable provisions of governing statutes and shall be held harmless from any claim of any of the parties for so doing, provided that you shall not release any funds other than in accordance with (i) this Agreement or (ii) an order of a court of competent jurisdiction.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER WILL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same agreement. Delivery of an executed counterpart of the signature pages of this Agreement by telecopier shall be equally effective as delivery of a manually executed counterpart.

Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Loan Agreement, dated as of May 3, 2001, among Borrower, Oxford, Three Pillars Funding Corporation and Administrator.

<Signature pages follow>

Please evidence your agreement to the terms of, and acknowledge receipt of, this Agreement by signing in the space provided below.

Very truly yours,

Oxford Receivables Company

OXFORD INDUSTRIES, INC.

By:

By:

Title:

Title:

Oxford Receivables Company
222 Piedmont Avenue

Oxford Industries, Inc.
222 Piedmont Avenue

Atlanta, Georgia 30308

Atlanta, Georgia 30308

Attn: Thomas C. Chubb, III, Secretary

Attn: Thomas C. Chubb, III, Secretary

and

and

J. Reese Lanier, Jr., Treasurer

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

Telephone: (404) 659-2424

SUNTRUST EQUITABLE SECURITIES

CORPORATION, as Administrator

By:

Title:

**SunTrust Equitable Securities Corporation
24th Floor, MC3950
303 Peachtree Street
Atlanta, Georgia 30308**

Attention: Berkley Jolly
Facsimile: (404) 230-1344
Telephone: (404) 588-7607

ACKNOWLEDGED AND AGREED:

SUNTRUST BANK

By:

Title:

Date:

SunTrust Bank

303 Peachtree Street

MC 1904

Atlanta, Georgia 30308

Attention: David Penter

Facsimile: (404) 575-2594

Telephone: (404) 588-8658

Exhibit F

[FORM OF] LOCKBOX ACCOUNT AGREEMENT

May 3, 2001

SunTrust Bank

303 Peachtree Street

MC 1904

Atlanta, Georgia 30308

Attention: David Penter

Re: LockBox Account Agreement (this "Agreement") for LockBox Account No. 102262

Ladies and Gentlemen:

You currently maintain a lockbox, P.O. Box 102262, Atlanta, GA 30303 (the "LockBox"), for the purpose of collecting payments on accounts receivable originated by Oxford Industries, Inc., a Georgia corporation ("Oxford"). Items received in the LockBox are deposited for collection by you into account no. 102262 maintained with you (the "LockBox Account"). Oxford hereby notifies you that it has sold its accounts receivable and all right, title and interest in and to the LockBox and the LockBox Account to Oxford Receivables Company, a Delaware corporation ("Borrower"). In connection with the financing for its acquisition of Oxford's accounts receivable, Borrower hereby transfers exclusive dominion and control of

the LockBox Account to SunTrust Equitable Securities Corporation, in its capacity as administrator for and on behalf of Three Pillars Funding Corporation and its assigns ("*Administrator*"). Notwithstanding the foregoing, you hereby acknowledge that Oxford has agreed to act as initial servicer of such receivables for Borrower and Administrator (Oxford, or any successor servicer, the "*Servicer*"), but that, except in its capacity as Servicer, Oxford shall not have any ownership of, or rights in, the LockBox Account or any funds therein.

In connection with the foregoing, Borrower, Oxford and Administrator hereby jointly instruct you, beginning on the date hereof until you are otherwise notified by Administrator in writing: (i) to continue depositing items received in the LockBox into the LockBox Account for collection; (ii) to name the LockBox Account the "*Oxford Receivables Company LockBox Account*"; (iii) to follow your usual operating procedures for the handling of any checks, except as modified by this Agreement; (iv) to follow your usual procedures in the event the LockBox, the LockBox Account or any check should be or become the subject of any writ, levy, order or other similar judicial or regulatory order or process, except as modified by this Agreement; and (v) to transfer available funds in the LockBox Account in accordance with the instructions of the Servicer or, if Administrator has exercised its rights with respect to the LockBox Account as described below, pursuant to instructions given to you by Administrator from time to time.

You are hereby further instructed to permit the Servicer and Administrator to obtain upon request any information relating to the LockBox and/or the LockBox Account, including, without limitation, any information regarding the balance or activity of the LockBox Account.

Borrower and Oxford also hereby jointly notify you that beginning on the date hereof, notwithstanding anything herein or elsewhere to the contrary, Administrator, or any party designated in writing by Administrator, shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the LockBox and the LockBox Account, including, without limitation, the right to specify when payments are to be made out of or in connection with the LockBox Account. The funds deposited into the LockBox Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than Administrator (except that you may set off the face amount of any checks returned unpaid because of uncollected or insufficient funds).

By executing this Agreement, you (a) irrevocably waive and agree not to assert, claim or endeavor to exercise, (b) irrevocably bar and estop yourself from asserting, claiming or exercising, and (c) acknowledge that you have not heretofore received a notice, writ, order or any form of legal process from any other party asserting, claiming or exercising, any right of set-off, banker's lien, security interest or other purported form of claim with respect to the LockBox Account or any funds from time to time therein (except for security interests which have been terminated on or prior to the date hereof). Except for your right to payment of your service charges and fees from Borrower and to make deductions for returned items, you shall have no rights in the LockBox Account or funds therein. To the extent you may ever have such rights, you hereby expressly subordinate all such rights to all rights of Administrator.

To the extent that funds in the LockBox Account are insufficient, each of Borrower and Oxford, jointly and severally, shall indemnify you for such returned checks and for any fees or charges associated with the LockBox, the LockBox Account or this Agreement.

Each of Borrower and Oxford, jointly and severally, hereby authorizes you, without prior notice, from time to time to debit any other account that Borrower or Oxford may have with you for the amount or amounts due you under the preceding paragraph.

In addition, as collateral security for Borrower's obligations to Administrator and certain other persons in connection with the transactions referenced in the first paragraph of this Agreement, Borrower hereby grants to Administrator a present and continuing security interest in (a) the LockBox Account, (b) all contract rights and privileges in respect of the LockBox Account, and (c) all cash, checks, money orders and other items of value of Borrower now or hereafter paid, deposited, credited, held (whether for collection, provisionally or otherwise) or otherwise, in the possession or under the control of, or in transit to you or any agent, bailee or custodian thereof in respect of the LockBox Account, and all proceeds of the foregoing (collectively, "*Receipts*"), and you acknowledge that this Agreement constitutes notice, in accordance with Section 9-305 (or any successor section thereto) of the Uniform Commercial Code of all applicable jurisdictions of Administrator's security interest in such collateral. Administrator hereby appoints you as Administrator's bailee for the LockBox Account and all Receipts for the purpose of perfecting Administrator's security interest in such collateral, and you hereby accept such appointment and agree to be bound by the terms of this Agreement. Borrower hereby agrees to such appointment and further agrees that you, on behalf of Administrator, shall be entitled to exercise, as directed in accordance with the terms of this Agreement, any and all rights which Administrator may have in connection with the transactions referenced in the first paragraph of this Agreement or under applicable law with respect to the LockBox Account, all Receipts and all other collateral described in this paragraph.

You may terminate this Agreement upon thirty (30) days' prior written notice to Borrower and Administrator. Administrator may terminate this Agreement upon thirty (30) days' prior written notice to Borrower and you. Borrower may not terminate this Agreement, except with the written consent of Administrator and upon thirty (30) days' prior written notice to you and Administrator. Oxford may not terminate this Agreement. Incoming mail addressed to the LockBox Account (including, without limitation, any direct funds transfer to the LockBox Account) received after any such termination shall be forwarded in accordance with Administrator's instructions.

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and may not be altered, modified or amended in any respect, nor may any right, power or privilege of any party hereunder be waived or released or discharged, except upon execution by you, Borrower and Administrator of a written instrument so providing. The terms and conditions of any agreement between Oxford and/or Borrower and you (each, a "Service Agreement") (whether now existing or executed hereafter) with respect to any lock-box arrangements, to the extent not inconsistent with this Agreement, are made part of this Agreement with respect to matters not explicitly covered in this Agreement. In the event that any provision in this Agreement is in conflict with, or inconsistent with, any provision of any such Service Agreement, this Agreement will exclusively govern and control. Each party agrees to take all actions reasonably requested by any other party to carry out the purposes of this Agreement or to preserve and protect the rights of each party hereunder.

You shall not assign or transfer your rights or obligations hereunder (other than to Administrator) without the prior written consent (which consent shall not be unreasonably withheld) of Administrator and Borrower. Subject to the preceding sentence, this Agreement shall be binding upon each of the parties hereto and their respective successors and assigns, and shall inure to the benefit of, and be enforceable by, Administrator, each of the parties hereto and their respective successors and assigns.

You hereby represent that the person signing this Agreement on your behalf is duly authorized by you to so sign.

You agree to give Administrator and Borrower prompt notice if the LockBox Account becomes subject to any writ, judgment, warrant of attachment, execution or similar process.

Any notice, demand or other communication required or permitted to be given hereunder shall be in writing and may be (a) personally served, (b) sent by courier service, (c) telecopied or (d) sent by United States mail and shall be deemed to have been given when (a) delivered in person, (b) delivered by courier service, (c) upon receipt of the facsimile or (d) three business days after deposit in the United States mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name below, or, as to each party, at such other address as may be designated by such party in a written notice to the other parties.

You will not be liable to Oxford, the Servicer, Borrower or Administrator for any expense, claim, loss, damage or cost ("*Damages*") arising out of or relating to your performance under this Agreement other than those Damages which result directly from your acts or omissions constituting gross negligence or intentional misconduct. In no event will you be liable for any special, indirect, exemplary or consequential Damages, including but not limited to lost profits.

Each of Borrower and Oxford, jointly and severally, shall indemnify you against, and hold you harmless from, any and all liabilities, claims, costs, expenses and damages of any nature (including but not limited to allocated costs of staff counsel, other reasonable attorneys' fees and any fees and expenses incurred in enforcing this Agreement) in any way arising out of or relating to disputes or legal actions concerning your provision of any services described in any Service Agreement or concerning this Agreement, the LockBox or the LockBox Account. This section does not apply to any cost or damage attributable to your gross negligence or intentional misconduct. Borrower's and Oxford's joint and several obligations under this section shall survive termination of this Agreement.

Each of Borrower and Oxford, jointly and severally, agrees to pay to you, upon receipt of your invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by you in connection with the preparation and administration (including any amendments) and enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, or motion regarding entitlement to rights or rights of action, or other action to enforce your rights in a case arising under Title 11, United States Code.

By your signature below, you, solely in your capacity as the depository maintaining the LockBox Account and the provider of services associated with the LockBox (in such capacity, hereinafter, the "*LockBox Account Bank*"), hereby covenant and agree that, prior to the day that is one year and one day after the payment in full of the Senior Claim (as defined in the Subordinated Note), you will not, solely in your capacity as LockBox Account Bank, institute against, or join any other Person in instituting against, Borrower any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law. This paragraph shall survive the termination of this Agreement.

Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Borrower, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Borrower, you may act as you deem necessary to comply with all applicable provisions of governing statutes and shall be held harmless from any claim of any of the parties for so doing, provided that you shall not release any funds other than in accordance with (i) this Agreement or (ii) an order of a court of competent jurisdiction.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER WILL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed shall be deemed to be an original and all of which counterparts, taken

together, shall constitute one and the same agreement. Delivery of an executed counterpart of the signature pages of this Agreement by telecopier shall be equally effective as delivery of a manually executed counterpart.

Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Loan Agreement, dated as of May 3, 2001, among Borrower, Oxford, Three Pillars Funding Corporation and Administrator.

<Signature pages follow>

Please evidence your agreement to the terms of, and acknowledge receipt of, this Agreement by signing in the space provided below.

Very truly yours,

Oxford Receivables Company

OXFORD INDUSTRIES, INC.

By:

By:

Title:

Title:

Oxford Receivables Company
222 Piedmont Avenue

Oxford Industries, Inc.
222 Piedmont Avenue

Atlanta, Georgia 30308

Atlanta, Georgia 30308

Attn: Thomas C. Chubb, III, Secretary

Attn: Thomas C. Chubb, III, Secretary

and

and

J. Reese Lanier, Jr., Treasurer

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

Telephone: (404) 659-2424

SUNTRUST EQUITABLE SECURITIES

CORPORATION, as Administrator

By:

Title:

SunTrust Equitable Securities Corporation

24th Floor MC3950

303 Peachtree Street

Atlanta, Georgia 30308

Attention: Berkley Jolly

Facsimile: (404) 230-1344

Telephone: (404) 588-7607

ACKNOWLEDGED AND AGREED:

SUNTRUST BANK

By:

Title:

Date:

SunTrust Bank

303 Peachtree Street

MC 1904

Atlanta, Georgia 30308

Attention: David Penter

Facsimile: (404) 575-2594

Telephone: (404) 588-8658

Schedule 8.12

LOCKBOXES AND LOCKBOX ACCOUNTS

LockBox	LockBox Account
P.O. Box 102262 Atlanta, GA 30303	Account # 102262 at SunTrust Bank in Atlanta, Georgia

Schedule 9.1.5

COLLATERAL REVIEW REQUIREMENTS

I. Initial Report of Independent Accountants

(a) shall be titled the *"Initial Report of Independent Accountants on Agreed Upon Procedures"*;

(b) shall be addressed to Oxford Industries, Inc. as Servicer and to SunTrust Equitable Securities Corporation as Administrator:

J. Reese Lanier, Jr., Treasurer and

Thomas C. Chubb, III, Secretary

Oxford Industries, Inc.

222 Piedmont Avenue

Atlanta, Georgia 30308

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

**Berkley Jolly
SunTrust Equitable Securities Corp.
Mail Code 3950
303 Peachtree Street, 24th Floor
Atlanta, GA 30308**

- (c) the review and subsequent report shall be conducted by Arthur Andersen LLP;
- (d) the report shall be delivered within thirty (30) days after this transaction's Closing Date; and
- (e) randomly select a sample of 100 accounts included in the receivable schedule delivered by Borrower pursuant to the initial funding and perform the following:
 - (i) agree account information including: receivables balance and repayment terms to the receivable servicing system;
 - (ii) verify that the Receivable Files and Oxford's computer records have been marked or stamped as required by the Loan Agreement (Section 9.1.9); and
 - (iii) verify that the Receivable Files have been segregated and stored as required by the Loan Agreement.

II. Reports of Independent Accountants

- (a) shall be titled "Report of Independent Accountants on Agreed Upon Procedures";
- (b) shall be addressed as detailed in item I above;
- (c) the reviews and subsequent reports shall be conducted by Arthur Andersen, LLP;
- (d) the reports shall be delivered within thirty (30) days after each annual period following this transaction's Closing Date; and
- (e) each report will verify the following:
 - (i) agree data from three (3) randomly selected Borrowing Base Certificates over the most recent semi-annual period to the system reports and accounting records used in the compilation of those Borrowing Base Certificates;
 - (ii) verify mathematical accuracy of calculations in the Borrowing Base Certificates in item (i) above and ensure that calculations comply with the requirements specified in the Loan Agreement;
 - (iii) randomly select a sample of 100 accounts included in the receivable schedules delivered by Borrower pursuant to the subsequent findings during the most recent semi-annual period and perform the following:
 - (A) agree account information including: receivable balance and repayment terms to the receivable servicing system;
 - (B) verify that the receivable files and Oxford's computer records have been marked or stamped as required by the Loan Agreement;
 - (C) verify that the receivable files have been segregated and stored as required by the Loan Agreement;
 - (D) verify data included in Dilutions;
 - (iv) confirm that the LockBox Account Agreements remain in place and are in effect;
 - (v) randomly select a sample of 15 Business Days during the most recent semi-annual period and verify that the Collections are being received by or being directed by the Servicer in the LockBox Accounts on each Business Day such Collected are received; and
 - (vi) confirm that the Servicer has transferred all Collections to the Collection Account as required by the Loan Agreement.

Schedule 15.3

NOTICE ADDRESSES

Borrower:

Oxford Receivables Company
222 Piedmont Avenue

Atlanta, Georgia 30308

Attention: Thomas C. Chubb, III, Secretary

and

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

Servicer:

**Oxford Industries, Inc.
222 Piedmont Avenue**

Atlanta, Georgia 30308

Attention: Thomas C. Chubb, III, Secretary

and

J. Reese Lanier, Jr., Treasurer

Facsimile: (404) 653-1545

Telephone: (404) 659-2424

Lender:

**Three Pillars Funding Corporation
c/o AMACAR Group, L.L.C.
6525 Morrison Boulevard
Suite 318
Charlotte, North Carolina 28211
Attention: Susan Burdick-Brennan
Facsimile: (704) 365-1362
Telephone: (704) 365-0569**

Administrator:

**SunTrust Equitable Securities Corporation
24th Floor, MC3950
303 Peachtree Street
Atlanta, Georgia 30308
Attention: Berkley Jolly
Facsimile: (404) 230-1344
Telephone: (404) 588-7607**

LIQUIDITY ASSET PURCHASE AGREEMENT

among

THE PURCHASERS FROM TIME TO TIME PARTY HERETO,

THREE PILLARS FUNDING CORPORATION,

SUNTRUST BANK,

as Liquidity Agent,

and

SUNTRUST EQUITABLE SECURITIES CORPORATION,

as Administrator

Dated as of May 3, 2001

(Oxford Receivables Company)

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LIQUIDITY ASSET PURCHASE AGREEMENT

This Liquidity Asset Purchase Agreement (as amended, supplemented or otherwise modified from time to time, this "Agreement") is entered into as of May 3, 2001 among SUNTRUST BANK, a Georgia banking corporation (in its individual capacity, "SunTrust Bank"), and each of the parties who has executed as an "Assignee" an Assignment of Liquidity Asset Purchase Commitment in the form of Exhibit A hereto (each, an "Assignment") (SunTrust Bank and each such other party being referred to collectively as the "Purchasers" and individually as a "Purchaser"), SUNTRUST BANK, as agent for the Purchasers under this Agreement (in such capacity, together with its successors and permitted assigns in such capacity, the "Liquidity Agent"), THREE PILLARS FUNDING CORPORATION, a Delaware corporation (together with its successors and permitted assigns, the "Company"), and SUNTRUST EQUITABLE SECURITIES CORPORATION, a Tennessee corporation, as the administrator for the Company (in such capacity, together with its successors and permitted assigns in such capacity, the "Administrator").

PRELIMINARY STATEMENTS

(1) Reference is made to the Loan Agreement dated as of May 3, 2001 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions thereof and in effect, the "Loan Agreement"), among Oxford Receivables Company (the "Borrower"), Oxford Industries, Inc., as initial Servicer, the Company and the Administrator, a copy of which has been delivered to each Purchaser.

(2) The Company has made Loans to the Borrower, and may from time to time in the future increase or decrease the outstanding principal amount of such Loans. The Administrator may in the future determine from time to time to sell undivided interests in the Loans ("Percentage Interests") to the Purchasers. The Company may fund the Loans (and increases therein) by using proceeds of commercial paper notes (the "Notes") issued or to be issued by the Company or by borrowing funds or obtaining other extensions of credit from various banks and other financial institutions, or by selling Percentage Interests to the Purchasers.

(3) Each Purchaser, by becoming a party hereto, agrees to purchase from the Company Percentage Interests on the terms and conditions set forth in this Agreement (its "Purchase Commitment") when put to such Purchaser for sale by the Administrator.

NOW, THEREFORE, the parties agree as follows:

1. Certain Defined Terms.

a. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Administrator" has the meaning set forth in the preamble.

"Agent-Related Person" has the meaning specified in Section 6(c).

"Agreement" has the meaning set forth in the preamble.

"Assignment" has the meaning set forth in the preamble.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. Section 101, et seq.), as amended from time to time.

"Borrower" has the meaning set forth in paragraph (1) of the Preliminary Statements.

"Company" has the meaning set forth in the preamble.

"Defaulted Borrowing Base" means, with respect to any purchase of a Percentage Interest hereunder, an amount equal to the aggregate Outstanding Balance of all Receivables, if any, which became Defaulted Receivables since the occurrence of the relevant Borrowing Base Deficit under Section 2(a)(3).

"Downgrade Collateral Account" has the meaning set forth in Section 12(i)(ii).

"Eligible Agent" means an Eligible Institution whose short-term debt is rated by each Relevant Rating Agency not lower than the respective current ratings assigned by the Relevant Rating Agencies to the Notes.

"Eligible Assignee" means any Eligible Institution (i) whose short-term debt is rated by each Relevant Rating Agency not lower than the respective current ratings assigned by the Relevant Rating Agencies to

the Notes or (ii) if a written statement is obtained by the Administrator from each of the Relevant Rating Agencies that the rating of the Notes will not be downgraded or withdrawn solely as a result of the assignment of rights and obligations under this Agreement to such Eligible Institution (notice of which shall be provided by the Administrator to the Placement Agents).

"Eligible Institution" means a commercial bank having a combined capital and surplus of at least \$250,000,000.

"Face Amount" means, with respect to outstanding Notes or Voluntary Advance Loans, (i) the face amount of any such Notes issued on a discount basis, and (ii) the principal amount of, plus the amount of all interest accrued and to accrue thereon to the stated maturity date of, any such Notes issued on an interest-bearing basis or any such Voluntary Advance Loans.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including without limitation any court, and any Person owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Indemnified Liabilities" has the meaning specified in Section 6(h).

"Insolvency Proceeding" means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors of a Person, composition, marshalling of assets for creditors of a Person, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in the case of each of clauses (a) and (b) undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

"Liquidity Agent" has the meaning set forth in the *preamble*.

"Liquidity Downgrade Draw" has the meaning set forth in Section 12(i)(ii).

"Liquidity Funded Percentage" at any time means a percentage representing the portion of the Loans which has been sold to the Purchasers hereunder. Such percentage shall be calculated from time to time as provided in paragraph (6) of Section 2(a).

"Liquidity Purchase Price" has the meaning set forth in Section 2(a).

"Liquidity Tranche Percentage" means, in respect of any purchase of Percentage Interests on any day hereunder, a percentage representing the portion of the Loans so purchased by the Purchasers on such day hereunder. Such percentage shall be calculated as provided in paragraph (5) of Section 2(a).

"Loan Agreement" has the meaning set forth in paragraph (1) of the Preliminary Statements.

"Majority Purchasers" means at any time Purchasers whose Purchaser Percentages aggregate more than 50%.

"Maximum Liquidity Purchase" means, with respect to each Purchaser, the maximum amount which such Purchaser is obligated to pay hereunder on account of the Liquidity Purchase Price of Percentage Interests, as set forth below its signature to this Agreement or in the Assignment pursuant to which it became a Purchaser, as such amount may be modified in connection with any subsequent Assignment pursuant to Section 9(b) or in connection with a change in the Facility Limit pursuant to Section 11 or in connection with a termination of such Purchaser's Purchase Commitment pursuant to Section 12(i).

"Notes" has the meaning set forth in paragraph (2) of the Preliminary Statements.

"Percentage Interest" has the meaning set forth in paragraph (2) of the Preliminary Statements.

"Placement Agent" means at any time any Person who has agreed to act as a placement agent for the Notes pursuant to a commercial paper placement agreement which is in effect at such time.

"Pool-Specific Liquidity Event" means the occurrence of a Significant Event described in Section 10.1.4 or 10.2.2 of the Loan Agreement.

"Purchase Commitment" has the meaning set forth in paragraph (3) of the Preliminary Statements.

"Purchase Termination Date" has the meaning set forth in Section 11.

"Purchaser" has the meaning set forth in the *preamble*.

"Purchaser Percentage" means, with respect to each Purchaser, the percentage representing such Purchaser's Maximum Liquidity Purchase divided by the aggregate Maximum Liquidity Purchases of all Purchasers, as set forth below such Purchaser's signature to this Agreement or in the Assignment pursuant to which it became a Purchaser, as such percentage may be modified in connection with any subsequent Assignment pursuant to Section 9(b) or reallocation pursuant to Section 11.

"Rating Agencies" means, collectively, Fitch, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, and their respective successors that are nationally recognized rating agencies.

"Register" has the meaning set forth in Section 3(a).

"Relevant Rating Agencies" means, collectively, each of the Rating Agencies then rating any of the Notes at the request of the Company thereof or the Administrator; *provided, however*, that the determination at any time of the short-term credit ratings from the Relevant Rating Agencies of any Purchaser hereunder shall not include any such rating from any Rating Agency other than Moody's Investors Service, Inc. and Standard & Poor's Ratings Services if such other Rating Agency does not then rate the short-term debt of such Purchaser.

"Unrecovered Liquidity Purchase Price" with respect to any Percentage Interest of any Purchaser, means the Liquidity Purchase Price initially paid by such Purchaser for such Percentage Interest less the amount of all payments from Collections received by such Purchaser for application to such Percentage Interest, or as otherwise reduced in accordance with the Loan Agreement and this Agreement.

"Voluntary Advance Loan" means each advance made pursuant to the Voluntary Advance Agreement.

"Withholding Tax" has the meaning set forth in Section 12(g).

- b. Unless otherwise defined herein, the terms defined in the Loan Agreement are used herein as therein defined.
- c. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

2. Purchase of Percentage Interests.

- a. (1) From time to time upon notice from the Liquidity Agent to each Purchaser, each of the Purchasers shall purchase from the Company, without recourse to the Company, on the terms and conditions herein set forth, in accordance with their respective Purchaser Percentages, Percentage Interests that the Administrator puts to such Purchaser for sale.

(2) The Administrator shall provide notice of the sale to the Liquidity Agent no later than 12:45 P.M. (New York City time) on the Business Day of such sale and shall specify the date of such purchase, the Liquidity Purchase Prices and the calculation of the Percentage Interests in reasonable detail. The Liquidity Agent shall provide notice of the sale to all Purchasers no later than 1:30 P.M. (New York City time) on the Business Day of such sale, which notice shall be made by telephone calls to all Purchasers, confirmed in writing sent by facsimile on the same day, and shall specify the date of such purchase, the Liquidity Purchase Prices and the calculation of the Percentage Interests as provided by the Administrator. Such notice shall also specify the Interest Period and interest rate applicable to the portion of Loans being funded in connection with such purchase of Percentage Interests, which Interest Period and interest rate shall be determined in accordance with the Loan Agreement. Prior to 2 :30 P.M. (New York City time) on the purchase date, each Purchaser shall pay to the Liquidity Agent for the account of the Company in immediately available funds in Dollars, by depositing to an account designated by the Liquidity Agent (and the Liquidity Agent shall transfer such funds to an account designated by the Company or the Administrator on its behalf, prior to 3:00 P.M. (New York City time) on the purchase date, to the extent necessary to pay maturing Notes or Voluntary Advance Loans on such purchase date), an amount (such Purchaser's "*Liquidity Purchase Price*") equal to such Purchaser's Purchaser Percentage of the aggregate Liquidity Purchase Price of such Percentage Interests, determined as set forth in the following paragraph.

(3) The aggregate Liquidity Purchase Price of the Percentage Interests to be sold to the Purchasers on any date shall be an amount, determined by the Administrator, equal to the least of (i) the portion of Loans (and any accrued and unpaid interest thereon and interest to accrue during the current Interest Period) being funded in connection with such purchase, (ii) the largest amount that would not cause the aggregate Unrecovered Liquidity Purchase Price of all outstanding Percentage Interests to exceed the aggregate of the Maximum Liquidity Purchases of all the Purchasers and (iii) the following amount:

$$AP \times (L - D)$$

Where:

AP = The portion of the Loans being sold to the Purchasers, expressed as a percentage;

L = The aggregate outstanding principal balance of the Loans, together with accrued and unpaid interest thereon and interest to accrue during the current Interest Period on that portion of the Loans funded or maintained by Notes or Voluntary Advance Loans; and

D = (i) If no Borrowing Base Deficit exists as of the date of computation of the Liquidity Purchase Price, zero dollars (\$0.00), or

(ii) If a Borrowing Base Deficit exists as of the date of computation of the Liquidity Purchase Price, the amount, if any, by which (a) the Defaulted Borrowing Base exceeded (b) the product of the Reserve Percentage multiplied by the Outstanding Balance of the Receivables other than Defaulted Receivables as of the last day covered by the most recent Borrowing Base Certificate or Monthly Report delivered prior to the occurrence of such Borrowing Base Deficit.

(4) Notwithstanding the foregoing provisions of this Section 2(a), a Purchaser shall not be obligated to make a purchase of a Percentage Interest:

- i. to the extent that, after giving effect to such purchase and the application of all amounts which are received by such Purchaser on or prior to the day of such purchase in respect of all Percentage Interests previously purchased by such Purchaser under this Agreement, the aggregate Unrecovered Liquidity Purchase Price of all Percentage Interests purchased by such Purchaser under this Agreement would exceed such Purchaser's Maximum Liquidity Purchase; or**
- ii. if, on the date of such purchase, any of the following events shall have occurred: the Company commences any Insolvency Proceeding with respect to itself; any involuntary Insolvency Proceeding is commenced or filed against the Company and continues undismissed for at least 30 days after commencement or filing; the Company admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or the Company acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business.**

(5) With respect to each purchase of Percentage Interests hereunder made on any date, the Liquidity Tranche Percentage shall equal the percentage equivalent of a fraction, (A) the numerator of which is the aggregate Liquidity Purchase Prices of the Percentage Interests purchased hereunder on such date, and (B) the denominator of which is the quantity "L-D", as described above in this Section 2(a), used to determine the Liquidity Purchase Price with respect to such purchase of Percentage Interests.

(6) At any time, the Liquidity Funded Percentage shall equal the sum of the Liquidity Tranche Percentages with respect to all Percentage Interests then held by the Purchasers hereunder; *provided, however,* that (i) the Liquidity Funded Percentage shall not exceed 100%, and (ii) at any time when no Purchase hereunder has been made, or when the aggregate Unrecovered Liquidity Purchase Price of all Percentage Interests hereunder has been reduced to zero and all accrued interest thereon has been paid in full to the Purchasers, the Liquidity Funded Percentage shall be zero.

- b. The Percentage Interests sold to the Purchasers for sale at any one time pursuant to Section 2(a) may constitute all or a portion of the Loans. Each Percentage Interest purchased by a Purchaser shall include the right to receive (x) a portion of the principal and interest payments on the Loans made to the Company and (y) certain related payments, as more fully described in Sections 4(a) and 4(d). In no event shall the Purchasers be entitled to the proceeds of fundings pursuant to any letter of credit issued by SunTrust Bank for the account of the Company or any other credit enhancement for the account of the Company.**
- c. Each Purchaser's obligation hereunder shall be several, such that the failure of any Purchaser to make payment to the Liquidity Agent in connection with any purchase hereunder shall not relieve any other Purchaser of its obligation hereunder to make payment for any purchase. Further, in the event any Purchaser fails to satisfy its obligation to purchase any Percentage Interest as required hereunder, then, upon receipt of notice of such failure from the Liquidity Agent, subject to the limitations provided in Section 2(a), the non-defaulting Purchasers shall purchase the defaulting Purchaser's Percentage Interest in the Loans *pro rata* in proportion to their relative Purchaser Percentages (determined without regard to the Purchaser Percentage of the defaulting Purchaser).**
- d. Unless the Liquidity Agent shall have received notice from a Purchaser prior to 2:30 P.M. (New York City time) on the date of any proposed sale of Percentage Interests that the Purchaser will not make available to the Liquidity Agent the amount of that Purchaser's Liquidity Purchase Price, the Liquidity Agent may assume that each Purchaser has made such amount available to the Liquidity Agent on the purchase date and the Liquidity Agent may (but shall not be so required), in reliance upon such assumption, make available to the Company on such date a corresponding amount. If and to the extent any Purchaser shall not have made the full amount of its Liquidity Purchase Price available to the Liquidity Agent, and the Liquidity Agent in such circumstances has made available to the Company the corresponding amount, that Purchaser shall on the next Business Day following the date of such sale make such amount available**

to the Liquidity Agent, together with interest at the Federal Funds Rate for each day during such period. A certificate of the Liquidity Agent submitted to any Purchaser with respect to amounts owing under this clause (d) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Liquidity Agent shall constitute such Purchaser's purchase on the date of sale for all purposes of this Agreement. If such amount is not made available to the Liquidity Agent on the next Business Day following the date of such purchase, the Liquidity Agent shall notify the Company of such failure to fund and, upon demand by the Liquidity Agent, the Company shall pay such amount to the Liquidity Agent for the Liquidity Agent's account, together with interest thereon for each day elapsed since the date of such purchase, at a rate per annum equal to the Federal Funds Rate.

- e. Each Purchaser's Purchase Commitment shall be irrevocable and, subject to the limitations provided in Section 2(a)(4), unconditional from the effective date of this Agreement or as set forth in the applicable Assignment, as the case may be, until the earliest of (i) the Purchase Termination Date, (ii) the date on which the Liquidity Agent notifies the Purchaser that the Loan Agreement has been terminated and all principal and interest on the Loans has been paid in full and (iii) the date on which the Purchaser's obligation to purchase Percentage Interests is terminated pursuant to Section 12(i).
- f. Within 10 Business Days after each purchase pursuant to Sections 2(a) or 2(c), the Liquidity Agent will deliver to each Purchaser a confirmation as to each Purchaser's ownership of the Percentage Interest so purchased, in substantially the form of Exhibit B attached hereto.
- g. Within 10 days after the first purchase of a Percentage Interest under this Agreement, the Liquidity Agent shall arrange for the filing of Uniform Commercial Code financing statements, in form and substance satisfactory to the Liquidity Agent, in all jurisdictions that the Liquidity Agent may deem necessary or desirable in order to perfect the interests of the Purchasers contemplated by this Agreement. Upon request, the Liquidity Agent shall furnish to any Purchaser copies of such financing statements (at such Purchaser's sole expense).
- h. This is a revolving purchase facility. Accordingly, notwithstanding that any Purchaser may have purchased Percentage Interests hereunder for an aggregate Liquidity Purchase Price equal to such Purchaser's Maximum Liquidity Purchase, if and to the extent that such Purchaser shall thereafter have received payments from Collections of Receivables, such Purchaser shall, subject to the limitations provided in Sections 2(a)(4), and the other terms and provisions of this Agreement, be obligated to purchase additional Percentage Interests until the Purchase Termination Date in an amount equal at any time to the excess of its Maximum Liquidity Purchase over its aggregate Unrecovered Liquidity Purchase Price.
- i. The Company shall pay to the Liquidity Agent for the account of each Purchaser a commitment fee on the average daily unused portion of such Purchaser's Maximum Liquidity Purchase, from the Business Day following the effective date of this Agreement or from the effective date specified in the Assignment pursuant to which such Purchaser became a party hereto, as the case may be, to and including the Commitment Termination Date, payable in arrears on the first Distribution Date following the most recent calendar quarter-end and on the Purchase Termination Date based upon the daily utilization for that quarter as calculated by the Liquidity Agent, in the amount set forth in a separate fee letter between the Liquidity Agent and the Company.
- j. The Company shall use the proceeds from the Liquidity Purchase Price for each Percentage Interest solely (x) to repay Notes or Voluntary Advance Loans, or to make provision for the payment of unmatured Notes (and any unsecured indebtedness constituting discretionary advances owed by the Company to the Administrator incurred to repay Notes), or (y) to fund or maintain the Loans. Any proceeds from the Liquidity Purchase Price for any Percentage Interest which are to be used to repay Notes or Voluntary Advance Loans which have not then matured shall be invested by the Administrator for the account of the Company in investments permitted pursuant to the documents governing the Company's securitization program.
- k. The Company shall have the right, upon not less than one Business Day's notice to the Liquidity Agent (with a copy to the Administrator), to terminate in whole or reduce ratably in part the unused portion of the Purchase Commitments; *provided* that no such reduction or termination shall be permitted if (i) after giving effect thereto and to any repurchase of Percentage Interests made on the effective date thereof, the then aggregate Unrecovered Liquidity Purchase Price of the Percentage Interests would exceed the aggregate amount of the Maximum Liquidity Purchases then in effect or (ii) such reduction or termination would violate the terms of the Loan Agreement or the Program Documents. All accrued commitment fees to, but not including, the effective date of any reduction or termination of the Purchase Commitments, shall be paid on the effective date of such reduction or termination.
- l. Any Purchaser may, if it so elects, fulfill its obligations to make Purchases or maintain Percentage Interests hereunder by causing one of its branches, agencies or Affiliates to make such Purchases or maintain such Percentage Interests; *provided, however*, that such election shall not relieve such Purchaser of its obligation to make and continue Purchases hereunder; and *provided further*, that such Purchase shall nonetheless be deemed to have been made and such Percentage Interest shall be deemed to be held by such Purchaser, and the obligation of the Company to distribute Collections with respect to such Percentage Interest shall nevertheless be to such Purchaser for the account of such branch, agency, Affiliate or international banking facility.

3. Register; Information Regarding Purchasers.

- a. The Liquidity Agent will maintain, at its address set forth on the signature page hereof, a copy of this Agreement and all counterpart signature pages hereto, each Assignment delivered to and accepted by it,

each notice of revision to the allocation of each Purchaser's Maximum Liquidity Purchase amount and a register (the "Register") for the recordation of the names and addresses of the Purchasers, their Purchaser Percentages, the Purchase Termination Date and, from time to time, the Liquidity Tranche Percentage and the aggregate Unrecovered Liquidity Purchase Price with respect to the Percentage Interests owned by each Purchaser. The entries in the Register shall be conclusive and binding for all purposes absent manifest error, and the Liquidity Agent, the Company, the Administrator and the Purchasers may treat each Person whose name is recorded in the Register as a Purchaser hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company, the Administrator, any Placement Agent or any Purchaser at any reasonable time and from time to time upon reasonable prior notice.

- b. Each Purchaser acknowledges that, in connection with the sale of the Notes, certain documents containing information relating to the Purchasers may be prepared and distributed to purchasers or prospective purchasers of the Notes. To provide the basis for the preparation of such documents and to assist the Placement Agents in their normal credit review procedures, each Purchaser agrees to provide the Administrator and the Liquidity Agent with the following documents, promptly upon request therefor by the Administrator: (i) such Purchaser's quarterly and fiscal-year-end financial statements for its last three years, and (ii) such Purchaser's publicly available quarterly and fiscal-year-end financial statements for any fiscal year ending during the term of this Agreement. In addition, each Purchaser agrees to provide to the Administrator and Liquidity Agent any other information that the Administrator or Liquidity Agent reasonably requests for the purpose of the ongoing review of the Company and such Purchaser.
- c. Each Purchaser agrees to deliver to the Administrator and the Liquidity Agent, on or before the date of effectiveness of this Agreement or the relevant Assignment, as applicable, an opinion of counsel for such Purchaser in form and substance satisfactory to the Administrator and the Liquidity Agent.

4. Distribution of Payments.

- a. Whenever any payment in respect of principal or interest on the Loans is remitted to the Company at a time when a Purchaser has any Unrecovered Liquidity Purchase Price with respect to any Percentage Interest hereunder or any interest on such Unrecovered Liquidity Purchase Price is accrued and unpaid,
 - 1. the Administrator shall promptly pay, or cause to be paid, to the Liquidity Agent an amount equal to the sum of
 - i. the lesser of (A) the product of (x) the amount of such payment in respect of principal on the Loans, times (y) the Liquidity Funded Percentage, expressed as a decimal, and (B) the aggregate Unrecovered Liquidity Purchase Price of such Percentage Interests hereunder, plus
 - ii. the lesser of (A) the product of (x) the amount of such payment in respect of interest on the Loans, times (y) the Liquidity Funded Percentage, and (B) the amount of accrued interest on the portions of the Loans funded by purchases of Percentage Interests hereunder, and
 - 2. the Liquidity Agent shall promptly pay, or cause to be paid, out of such funds received by it, to each Purchaser, its Purchaser Percentage of such amount;

provided, however, that solely for purposes of determining the accrued interest described in clause (1)(ii) (B) above, such interest shall be calculated at the rate provided in the Loan Agreement less 0.025%; and *provided further*, that each Purchaser shall be entitled to interest only which accrued from and after the date it purchased such Percentage Interest or which was included in the Liquidity Purchase Price of such Percentage Interest.

- b. If, after the Liquidity Agent has paid a Purchaser its Purchaser Percentage of any such amount pursuant to subsection (a) above, all or any portion of such amount must be returned for any reason (including any Insolvency Proceeding), such Purchaser will repay to the Liquidity Agent promptly the amount the Liquidity Agent paid to such Purchaser and required to be returned, together with such Purchaser's Purchaser Percentage of any related interest and penalties required to be paid by the Liquidity Agent in connection with such repayment.
- c. After the Unrecovered Liquidity Purchase Price of any Percentage Interest and accrued interest thereon has been paid to the applicable Purchaser (excluding any repayment referred to in subsection (b) above), such Purchaser acknowledges and agrees that any remaining amounts of principal or interest paid on the Loans to which such Purchaser would otherwise be entitled by reason of its Percentage Interest shall be paid to or retained by the Company for its own account.
- d. Each Purchaser shall also be entitled to the following payments made by the Borrower under the Loan Agreement, to the extent related to such Purchaser's Percentage Interests: increased capital costs, increased costs, reserves or taxes relating to the Alternative Rate, indemnities, and costs and expenses of enforcement. However, the Purchasers shall not be entitled to any of the fees set forth or referred to in of the Loan Agreement except as agreed in any separate fee letters among the Liquidity Agent, the Administrator and each Purchaser.
- e. If any Purchaser shall obtain any payment or distribution (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Percentage Interests held by it (other than any payment of a type described in subsection (d) above and any distribution in accordance with Section 11(b) in respect of Percentage Interests purchased by a non-renewing Purchaser pursuant to such Section 11(b)) in excess of its ratable share of payments or distributions on account of the Percentage Interests held by all the Purchasers, then such Purchaser shall forthwith (i) notify the Liquidity Agent (who shall promptly thereafter notify each of the other Purchasers) of such receipt, and (ii) purchase from the other

Purchasers such participations in Percentage Interests held by them as shall be necessary to cause such purchasing Purchaser to share the excess payment or distribution ratably with each of them; *provided, however,* that, if all or any portion of such excess payment or distribution is thereafter recovered from such purchasing Purchaser, such purchase from each Purchaser shall be rescinded and such Purchaser shall repay to the purchasing Purchaser the Liquidity Purchase Price to the extent of such recovery together with an amount equal to such Purchaser's ratable share (according to the proportion of (i) the amount of such Purchaser's required repayment to (ii) the total amount so recovered from the purchasing Purchaser) of any interest or other amount paid or payable by the purchasing Purchaser in respect of the total amount so recovered. The Company agrees that any Purchaser so purchasing a participation from another Purchaser pursuant to this Section 4(e) may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Purchaser were the direct owner of the Percentage Interest in the amount of such participation.

5. Representations and Warranties.

- a. None of the Liquidity Agent, the Administrator or the Company makes any representation or warranty or assumes any responsibility with respect to:
 - i. any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness or sufficiency of the Loan Agreement or any instrument or document furnished pursuant thereto;
 - ii. the value or collectibility of any Receivable or the Loans;
 - iii. the financial condition of the Borrower, Servicer or the Originator or the ability of the Borrower, Servicer or the Originator to perform its obligations under, or the performance or observance by the Borrower, Servicer or the seller of any of its obligations under, the Loan Agreement or any instrument or document furnished pursuant thereto; or
 - iv. the financial condition of the Servicer or the ability of the Servicer to perform its obligations under, or the performance or observance by the Servicer of any of its obligations under, the Loan Agreement or any instrument or document furnished pursuant thereto.
- b. The Company represents and warrants that:
 - i. the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business and is in good standing in every jurisdiction where the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its business, condition or operations;
 - ii. the execution, delivery and performance by the Company of this Agreement are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (A) the Company's charter or by-laws, (B) to the best knowledge of the Company, any law, rule or regulation applicable to the Company, (C) any contractual restriction binding on the Company or its property or, to the best knowledge of the Company, affecting the Company or its property or (D) any order, writ, judgment award, injunction or decree binding on the Company or its property or, to the best knowledge of the Company, affecting the Company or its property;
 - iii. there is no pending or, to the best knowledge of the Company, threatened action or proceeding affecting the Company before any court, governmental agency or arbitrator which may materially adversely affect the financial condition or operations of the Company or the ability of the Company to perform its obligations under this Agreement, or which purports to affect the legality, validity or enforceability of this Agreement;
 - iv. no consent of any other Person (including, without limitation, stockholders or creditors of the Company), and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with any Governmental Authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against the Company, except for (A) any of the same which have been obtained or made and are in full force and effect and (B) the filing of Uniform Commercial Code financing statements as contemplated by Section 2(g);
 - v. this Agreement has been duly executed and delivered on behalf of the Company; and
 - vi. this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, receivership, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.
- c. Each Purchaser represents and warrants that:
 - i. it is an Eligible Institution duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;
 - ii. the execution, delivery and performance by it of this Agreement are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (A) its charter, by-laws, or other organizational documents, or (B) any law, rule or regulation applicable to it (including, without limitation, any such law, rule or regulation regarding per customer lending limits);
 - iii. no consent, license, permit, approval or authorization of, or registration, filing or declaration with any Governmental Authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against it;

- iv. this Agreement has been duly executed and delivered by it; and
 - v. this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, receivership, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.
- d. Each Purchaser confirms that such Purchaser has received such documents and information as such Purchaser has deemed appropriate to make its own credit analysis and decision, independently and without reliance on the Liquidity Agent, the Administrator or the Company, to enter into this Agreement and will, independently and without reliance on SunTrust Bank, the Liquidity Agent, the Administrator or the Company and based on such documents and information as such Purchaser shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action hereunder. The Administrator shall furnish to the Liquidity Agent, and the Liquidity Agent shall thereafter furnish to each Purchaser, copies of any financial or other documents that the Administrator receives from time to time in connection with the Loan Agreement, but neither the Administrator nor the Liquidity Agent assumes any responsibility for the authenticity, validity, accuracy or completeness thereof.
- 6. The Liquidity Agent and the Administrator.**
- a. Each Purchaser hereby irrevocably appoints, designates and authorizes the Liquidity Agent and the Administrator to take such action on its behalf under the provisions of this Agreement and the Loan Agreement and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or the Loan Agreement, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in the Loan Agreement, neither the Liquidity Agent nor the Administrator shall have any duties or responsibilities, except those expressly set forth herein, and neither the Liquidity Agent nor the Administrator shall have or be deemed to have any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the Loan Agreement or otherwise exist against the Liquidity Agent.
 - b. The Liquidity Agent and the Administrator may execute any of their duties under this Agreement or the Loan Agreement by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties.
 - c. None of the Liquidity Agent, the Administrator or any of their respective Affiliates or any of the officers, directors, employees, agents or attorneys-in-fact of the Liquidity Agent, the Administrator or any of their respective Affiliates (each, an "*Agent-Related Person*") shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or the Loan Agreement or the transactions contemplated hereby or thereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Purchasers for any recital, statement, representation or warranty made by the Company or any Affiliate of the Company, or any officer thereof, contained in this Agreement or in the Loan Agreement, or in any certificate, report, statement or other document referred to or provided for in, or received by the Liquidity Agent or the Administrator under or in connection with, this Agreement or the Loan Agreement, or for the value of or title to the Loans, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Loan Agreement, or for any failure of the Company or any other party to the Loan Agreement to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or the Loan Agreement, or to inspect the properties, books or records of the Company or any of the Company's Affiliates.
 - d. Each of the Liquidity Agent and the Administrator shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected thereby. Each of the Liquidity Agent and the Administrator shall be fully justified in failing or refusing to take any action under this Agreement or the Loan Agreement with respect to the interests of the Purchasers unless it shall first receive such advice or concurrence of the Majority Purchasers as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Purchasers against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each of the Liquidity Agent and the Administrator shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or the Loan Agreement in accordance with a request or consent of the Majority Purchasers and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Purchasers.
 - e. Neither the Liquidity Agent nor the Administrator shall be deemed to have knowledge or notice of the occurrence of any Significant Event or Unmatured Significant Event, unless it shall have received written notice from a Purchaser or the Company referring to this Agreement, describing such Significant Event or Unmatured Significant Event and stating that such notice is a "notice of an Significant Event or Unmatured Significant Event, as applicable".
 - f. Each Purchaser acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Liquidity Agent or the Administrator hereinafter taken, including any review of the affairs of the Company, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Purchaser. Each Purchaser represents to the Liquidity Agent and the

Administrator that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company, the value of and title to the Loans, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend its purchase commitment to the Company hereunder. Each Purchaser also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Purchasers by the Liquidity Agent or the Administrator, neither the Liquidity Agent nor the Administrator shall have any duty or responsibility to provide any Purchaser with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of any of the Agent-Related Persons.

- g. None of the Liquidity Agent, the Administrator or the Company shall be liable to any Purchaser in connection with (x) the administration of the Loan Agreement or (y) this Agreement or any purchases hereunder (except in the case of the Company, pursuant to the Company's representations in Section 5(b)), in either case except for its own gross negligence or willful misconduct. Without limiting the foregoing, the Liquidity Agent, the Administrator and the Company:
- i. may consult with legal counsel (including counsel for the Company), independent public accountants or other experts and shall not be liable for any action taken or omitted to be taken in good faith in accordance with the advice of such counsel, accountants or other experts;
 - ii. shall not be responsible for the performance or observance by the Borrower or the Servicer of any of the terms, covenants or conditions of the Loan Agreement or any instrument or document furnished pursuant thereto;
 - iii. shall incur no liability by acting upon any notice, consent, certificate or other instrument or writing, or any other communication believed to be genuine and signed, sent or made by the proper party; and
 - iv. shall not be deemed to be acting as any Purchaser's trustee or otherwise in a fiduciary capacity hereunder or under or in connection with the Loan Agreement or the Loans.
- h. Whether or not the transactions contemplated hereby shall be consummated, the Purchasers shall indemnify upon demand the Agent-Related Persons ratably from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including attorney costs) of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Loan Agreement or any document contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, and with respect to any investigation, litigation or proceeding (including any insolvency proceeding or appellate proceeding) related to this Agreement, the purchases of Percentage Interests or the use of the proceeds thereof, whether or not any Agent-Related Person is a party thereto (all of the foregoing, collectively, the "*Indemnified Liabilities*"); *provided, however*, that no Purchaser shall be liable for the payment to the Agent-Related Persons of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Purchaser shall reimburse the Liquidity Agent and the Administrator upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney costs) incurred by the Liquidity Agent or the Administrator in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, the Loan Agreement or any document contemplated by or referred to herein to the extent that the Liquidity Agent or the Administrator, as the case may be, is not reimbursed for such expenses by or on behalf of the Company. The agreements in this subsection (h) shall survive termination of this Agreement, the reduction to zero of the Unrecovered Liquidity Purchase Price of all Percentage Interests and payment of all obligations hereunder.
- i. SunTrust Bank and its Affiliates (including, without limitation, SunTrust Equitable Securities Corporation) may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company, the Borrower, the Servicer and their respective Affiliates as though SunTrust Equitable Securities Corporation were not the Administrator hereunder and as though SunTrust Bank were not the Liquidity Agent hereunder and without notice to or consent of the Purchasers. The Purchasers acknowledge that, pursuant to such activities, SunTrust Bank or such Affiliates may receive information regarding the Company, the Borrower, the Servicer or their respective Affiliates (including information that may be subject to confidentiality obligations in favor of the Company, the Borrower, the Servicer or such Affiliate) and acknowledge that neither the Liquidity Agent nor the Administrator shall be under any obligation to provide such information to them. With respect to its purchases, SunTrust Bank shall have the same rights and powers under this Agreement as any other Purchaser and may exercise the same as though it were not the Liquidity Agent, and the terms "Purchaser" and "Purchasers" include SunTrust Bank in its individual capacity.

j. The Liquidity Agent may resign at any time by giving 30 days' prior written notice thereof to the Purchasers, the Administrator, the Company, the Relevant Rating Agencies and each Placement Agent. The Liquidity Agent may be removed at any time by the affirmative vote of the Majority Purchasers upon 30 days' prior written notice thereof to the Liquidity Agent, the Administrator, the Company, the Relevant Rating Agencies and each Placement Agent if the Liquidity Agent shall have engaged in willful misconduct or shall have been grossly negligent in the performance of its duties as Liquidity Agent. Such resignation or removal shall become effective upon the acceptance of appointment by a successor Liquidity Agent as set forth below. The Majority Purchasers shall have the right to appoint a successor Liquidity Agent, which shall be an Eligible Agent; *provided* that the Company shall have the right to approve the successor Liquidity Agent, such approval not to be unreasonably withheld. If no successor Liquidity Agent shall have been so appointed by the Majority Purchasers and approved by the Company, and shall have accepted such appointment, within 30 days after the prior Liquidity Agent's giving of notice of resignation or the Majority Purchasers' removal of the prior Liquidity Agent, then the prior Liquidity Agent may, on behalf of the Purchasers, appoint a successor Liquidity Agent, which shall be an Eligible Agent. In the event the Liquidity Agent ceases to be an Eligible Agent, the Administrator shall appoint an Eligible Agent to succeed such existing Liquidity Agent. Upon the acceptance of any appointment as Liquidity Agent hereunder by a successor Liquidity Agent, such successor Liquidity Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the prior Liquidity Agent, and the prior Liquidity Agent shall be discharged from its duties and obligations under this Agreement. After any Liquidity Agent's resignation or removal hereunder as Liquidity Agent, the provisions of this Section 6 and Section 13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Liquidity Agent under this Agreement. If no successor agent has accepted appointment as Liquidity Agent by the date that is 30 days following a retiring Liquidity Agent's notice of resignation, the retiring Liquidity Agent's resignation shall nevertheless thereupon become effective and the Purchasers shall perform all of the duties of the Liquidity Agent hereunder until such time, if any, as the Majority Purchasers appoint a successor agent as provided for above. The Company (or the Administrator on its behalf) shall promptly notify each Relevant Rating Agency of the effectiveness of any such resignation or removal. The Administrator may resign or be removed in accordance with the Transaction Documents.

7. Rights of the Company and the Administrator.

The Company (or the Administrator on behalf of the Company) shall retain the exclusive right, in its sole discretion (subject to the next sentence) to exercise any rights and remedies available under the Loan Agreement or pursuant to applicable law, including the right to approve any amendment, modification or waiver of the Loan Agreement or any instrument or document delivered pursuant thereto. Notwithstanding the foregoing, the Company agrees that it shall not (and the Administrator agrees that it shall not, on behalf of the Company) without the prior written consent of all Purchasers amend, modify or waive any provision of the Loan Agreement which would:

- i. reduce the amount of principal or interest that is payable on the Loans or delay any scheduled date for payment thereof; or
- ii. increase the Facility Limit thereunder; or
- iii. modify the Advance Rate; or
- iv. modify any yield protection or indemnity provision which expressly inures to the benefit of assignees or participants of the Company.

Further, upon and during the continuance of a Significant Event described in Section 10.2.1 or 10.2.2 of the Loan Agreement, the Company shall, if requested by the Majority Purchasers,

- v. cause the Administrator or such other Person as may be authorized to do so under the Loan Agreement to take such action as may be necessary to cause the earliest practical date permitted under the Loan Agreement to be the Commitment Termination Date thereunder, whereupon the Company will cease to make further Loans under the Loan Agreement; and/or
- vi. take steps to collect the Loans and enforce the rights of the Company;

provided, however, that the Company will take such actions to the extent, and only to the extent, it is permitted to do so under the terms of the Loan Agreement, and the Company may take such action through the Administrator or other authorized agents; and *provided further* that the Majority Purchasers shall use their best efforts to consult with the Administrator and (to the extent practicable) to address the concerns of the Company and the Administrator, before giving any such instructions.

The Company (or the Administrator on behalf of the Company) agrees to provide to the Liquidity Agent and the Liquidity Agent agrees to provide to the Purchasers notice of any amendment of or waiver or consent in connection with the Loan Agreement promptly after the effectiveness of the same.

8. Obligations of the Purchasers, Including Confidentiality.

Each Purchaser agrees to abide by any obligations set forth in the Loan Agreement that are applicable to any provider of the Loans, including, without limitation, any obligations to maintain confidentiality. Furthermore,

each Purchaser understands that the Loan Agreement itself is a confidential document and such Purchaser agrees that it will not disclose it to any other Person except (a) with the Administrator's prior written consent, (b) to such Purchaser's legal counsel or auditors if such counsel or auditors are advised as to its confidential nature, (c) to any regulatory authority having jurisdiction over such Purchaser or (d) as required by law or any court of law in connection with any litigation. Notwithstanding the foregoing, any Purchaser may, in connection with any assignment or proposed assignment pursuant to Section 9, disclose to the assignee or proposed assignee the Loan Agreement or any information relating to the Company, the Borrower, or the Servicer furnished to such Purchaser by or on behalf of the Borrower, the Servicer or by the Liquidity Agent or the Administrator; *provided that*, prior to any such disclosure, the assignee or proposed assignee agrees to preserve the confidentiality of any confidential information (including the Loan Agreement) relating to the Company, the Borrower, the Servicer or the Loan Agreement received by it from any of the foregoing entities. The agreements in this Section 8 shall survive termination of the Agreement, the reduction to zero of the Unrecovered Liquidity Purchase Price of all Percentage Interests and payment of all obligations hereunder.

9. Assignability.

- a. A Person (other than the Purchasers party hereto on the date hereof) shall become a party hereto and shall become a Purchaser hereunder upon satisfaction of the conditions set forth in Section 9(b), acceptance and recording of an Assignment by the Liquidity Agent in the Register and the occurrence of the effective date of such Purchaser's Purchase Commitment (as set forth in such Assignment) and subject to the approval of such Purchaser by the Liquidity Agent.
- b. Each Purchaser may assign to any Eligible Assignee all or a portion of its rights and obligations under this Agreement; *provided, however that*:
 - i. each such assignment shall be of a constant, and not a varying, percentage of the aggregate rights and obligations of the assigning Purchaser under this Agreement (including, without limitation, its Purchase Commitment and any Percentage Interests owned by it),
 - ii. the amount of the assigning Purchaser's Purchase Commitment being assigned pursuant to such assignment shall in no event be less than \$1,000,000 and shall be in an integral multiple of \$500,000, and, unless such assigning Purchaser is assigning its entire Purchase Commitment, such assigning Purchaser's retained Purchase Commitment after giving effect to such assignment shall in no event be less than \$1,000,000,
 - iii. the parties to each such assignment shall execute and deliver an Assignment to the Liquidity Agent, for its acceptance and recording in the Register, and
 - iv. if required by the Relevant Rating Agencies, the assignee shall deliver to the Liquidity Agent (A) not later than the effective date specified in the Assignment, an enforceability opinion of counsel (or, if acceptable to the Administrator and each Relevant Rating Agency, an officer's certificate) for such assignee, addressed to the Liquidity Agent, the Administrator, the Company and each Relevant Rating Agency (and a copy of which shall be given to each Placement Agent), in form and substance reasonably satisfactory to such addressees (and the Liquidity Agent shall promptly deliver copies of the same to each of such addressees), and (B) at least five days prior to the effective date specified in the applicable Assignment, the information and financial statements, if any, regarding such assignee described in Section 3(b) (i) and requested to be delivered by the Administrator.

Upon such execution, delivery, acceptance and recording, from and after the effective date specified in the Assignment, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to this Agreement, have the rights and obligations of a Purchaser hereunder and (y) the Purchaser which is the assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to this Agreement, relinquish its rights (other than the right to receive payments which accrued in favor of such Purchaser pursuant to Section 4(d) prior to such assignment) and be released from its obligations under this Agreement, other than those rights and obligations that expressly survive termination of this Agreement (and, if such Assignment provides for an assignment of all such assigning Purchaser's Purchase Commitment, such Purchaser shall cease to be a party hereto).

- c. Upon receipt by the Liquidity Agent of an Assignment executed by an assigning Purchaser and by an assignee who is an Eligible Assignee and the satisfaction of the other conditions set forth in Sections 9(a) and (b), the Liquidity Agent shall (i) accept such Assignment, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Administrator, the Company, each Relevant Rating Agency and each Placement Agent. The assigning Purchaser shall pay to the Liquidity Agent an assigning fee equal to \$2,500 for each assignment hereunder.

10. Participations; Reductions in Facility Limit.

No Purchaser may sell a participation in or to all or a portion of its rights and obligations under this Agreement.

If the Facility Limit shall be reduced, except as provided in Section 11(b), each Purchaser's Percentage shall remain the same and each Purchaser's Maximum Liquidity Purchase amount shall be deemed to be proportionately reduced. From and after the Commitment Termination Date under the Loan Agreement,

on each day that the outstanding principal amount of the Loans are reduced thereunder, each Purchaser's Maximum Liquidity Purchase shall be deemed to be proportionately reduced such that the aggregate Maximum Liquidity Purchases of all the Purchasers shall be equal to 102% of the then outstanding principal balance of the Loans.

11. Purchase Termination Date; Extension of Purchase Termination Date; Pool-Specific Liquidity Event.

- a. Subject to earlier termination of a Purchaser's Purchase Commitment pursuant to Section 2(e) or Section 12(i), the Purchasers' Purchase Commitments under this Agreement shall expire at the close of business on May 2, 2002 (such date being the "*Purchase Termination Date*"). If at any time the Company requests that the Purchasers renew their Purchase Commitments hereunder and less than all the Purchasers consent to such renewal within 30 days of the Company's request, the Company may arrange for an assignment to one or more Eligible Assignees of all the rights and obligations hereunder of each such non-consenting Purchaser in accordance with Section 9. Any such assignment shall become effective on the then current Purchase Termination Date. Each Purchaser which does not so consent to any renewal shall cooperate fully with the Company in effectuating any such assignment. The Liquidity Agent will provide written notice to the Purchasers of any proposed modifications to this Agreement requested in connection with any renewal hereof and the Purchasers shall each have the right to elect not to renew this Agreement in light of such modifications.
- b. If at any time the Company requests that the Purchasers renew their Purchase Commitments hereunder and less than all the Purchasers consent to such renewal within 30 days of the Company's request, and if none or less than all the Purchase Commitments of the non-renewing Purchasers are assigned to one or more Eligible Assignees as provided in subsection (a), then (without limiting the Company's right to sell Percentage Interests at any time prior to the Purchase Termination Date in accordance with the terms hereof) the Company may sell Percentage Interests hereunder for an aggregate Liquidity Purchase Price equal to the least of (i) the maximum aggregate Liquidity Purchase Price of Percentage Interests that the Company could sell at that time under Section 2(a), (ii) the aggregate Purchase Commitments of the non-renewing Purchasers and (iii) the excess, if any, of (A) the principal and accrued interest (and interest to accrue during the current Interest Period) of the Loans over (B) the aggregate Purchase Commitments other than those of the non-renewing Purchasers, which Percentage Interests shall be purchased solely by the non-renewing Purchasers, pro rata according to their respective Purchase Commitments. Following the sale of such Percentage Interests, this Agreement and the Purchase Commitments of the renewing Purchasers shall remain in effect in accordance with their terms notwithstanding the expiration of the Purchase Commitments of the non-renewing Purchasers. Otherwise, all amounts which, under the Loan Agreement, are received by the Company in reduction of the principal of the Loans, up to the aggregate Unrecovered Liquidity Purchase Price of the Percentage Interests sold as described above in this subsection (b), shall be distributed to the non-renewing Purchasers ratably according to the aggregate Unrecovered Liquidity Purchase Price of such Percentage Interests held by them, in reduction of such Unrecovered Liquidity Purchase Price. When (after the expiration of the Purchase Commitments of the non-renewing Purchasers) the aggregate Unrecovered Liquidity Purchase Price of the Percentage Interests described above in this subsection (b) shall have been reduced to zero and all accrued interest allocable thereto shall have been paid to such Purchasers in full, then such Purchasers shall cease to be parties to this Agreement for any purpose, provided they shall remain entitled to receive any payments under Section 4(d) accrued in favor of such Purchasers while they were Purchasers hereunder.
- c. If, at any time, a Pool-Specific Liquidity Event shall occur, the Company shall cease issuing any Notes to fund or maintain the Loans and shall fund the Loans upon the maturity of such Notes by the sale of Percentage Interests to the Purchasers hereunder, and shall continue to fund such Loans pursuant to this Agreement unless such Pool-Specific Liquidity Event shall no longer be continuing.

12. Miscellaneous.

- a. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless (1) the same shall be in writing and signed by the Majority Purchasers and, in the case of an amendment, the Company, and (2) unless such amendment only effects an extension of the Purchase Termination Date, the Company has received written confirmation from the Relevant Rating Agencies that such amendment shall not cause any rating on the then outstanding Notes to be downgraded or withdrawn, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by all the Purchasers and the Company, amend the last paragraph of Section 2(a), Section 4(a), Section 4(d) or Section 7 or amend the formula for calculating the Liquidity Purchase Price set forth in Section 2(a); and *provided further* that no amendment, waiver or consent shall affect the rights or duties of the Administrator or the Liquidity Agent under this Agreement unless the same is in writing and signed by the Administrator or the Liquidity Agent, as the case may be, in addition to the other parties required above to take such action. The Administrator shall provide each Placement Agent and each Relevant Rating Agency with a copy of each amendment to or waiver or consent under this Agreement promptly following the effective date thereof.
- b. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, telecopied or delivered, if to the Purchasers party hereto on the date hereof, the Liquidity Agent, the Company or the Administrator, at its address specified on Schedule 12(b) hereto; if to any other Purchaser, at its address specified in the Assignment pursuant to which it became a Purchaser; if to any Placement Agent, at its address specified in the commercial paper

placement agreement to which it is a party; or, as to the Purchasers party hereto on the date hereof, the Liquidity Agent, the Company or the Administrator, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Administrator and the Liquidity Agent. All such notices and communications shall, when mailed or telecopied (receipt confirmed), be effective when deposited in the mails or telecopied, respectively, except that notices and communications to the Liquidity Agent shall not be effective until received by the Liquidity Agent.

- c. **Costs and Expenses of the Administrator.** Each Purchaser will on demand reimburse the Administrator its Purchaser Percentage of any and all reasonable costs and expenses (including attorneys' fees and expenses), which may be incurred in connection with collecting payments relating to the Loans at a time when a Purchaser owns any Percentage Interest hereunder or enforcing related rights, for which the Administrator is not promptly reimbursed by the Borrower. Should the Administrator later be reimbursed by the Borrower or the Company for any such amount paid pursuant to the foregoing sentence, the Administrator shall immediately pay to each Purchaser its pro rata share of such amount.
- d. **Costs and Expenses of the Liquidity Agent.** Each Purchaser will on demand reimburse the Liquidity Agent its Purchaser Percentage of any and all reasonable costs and expenses (including attorneys' fees and expenses), which may be incurred by the Liquidity Agent in connection with administering or enforcing rights under this Agreement.
- e. **Compensation of the Liquidity Agent.** In consideration of and as compensation for all services to be rendered by the Liquidity Agent as described in this Agreement, the Company will pay such reasonable fees to the Liquidity Agent as may be mutually agreed upon from time to time.
- f. **Binding Effect.** This Agreement shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the Company, the Administrator, the Liquidity Agent and each Purchaser and their respective successors and assigns. The provisions of Section 12(n) shall also inure to the benefit of the Persons specified therein. The Company shall not assign any portion of the Loans to another Person, unless the Notes issued to fund or maintain the Loans shall concurrently be paid in full, and if any such assignment shall be made, the Purchase Commitments of the Purchasers hereunder shall not inure to the benefit of such other Person. In connection with any assignment by the Company of the Loans (or any portion thereof), the Company shall comply with any applicable legal requirements, including, if applicable, the Securities Act of 1933, as amended.
- g. **Taxes.** Any taxes due and payable on any payments to be made to any Purchaser hereunder shall be such Purchaser's sole responsibility. Each Purchaser warrants that it is not subject to any taxes, charges, levies or withholdings with respect to payments under this Agreement that are imposed by means of withholding by any applicable taxing authority ("*Withholding Tax*"). Each Purchaser agrees to provide the Liquidity Agent, from time to time upon the Liquidity Agent's request, completed and signed copies of any documents that may be required by an applicable taxing authority to certify such Purchaser's exemption from Withholding Tax with respect to payments to be made to such Purchaser under this Agreement; and each Purchaser agrees to hold the Liquidity Agent harmless from any Withholding Tax imposed due to such Purchaser's failure to establish that it is not subject to Withholding Tax.
- h. **Company's Annual Financial Statements; Etc.** The Administrator shall furnish to the Liquidity Agent, and the Liquidity Agent shall furnish to each Purchaser, until the later of (1) the Purchase Termination Date and (2) the date on which the Unrecovered Liquidity Purchase Price of all Percentage Interests purchased by such Purchaser has been reduced to zero, a copy of (x) the annual audited financial statements of the Company and (y) each Monthly Report, Borrowing Base Certificate or other periodic report summarizing the performance of the Receivables and furnished to the Administrator by the Borrower or the Servicer pursuant to the Loan Agreement, in each case, promptly upon the same becoming available.
- i. **Termination of a Purchaser's Rights and Obligations.**
 - i. The Majority Purchasers and the Company each shall have the right, in their or its sole discretion, to terminate the right and obligation of any Purchaser to purchase Percentage Interests hereunder in the event that either (x) the short-term debt ratings of such Purchaser by any Relevant Rating Agency shall cease to be at least equal to the ratings assigned by the Relevant Rating Agencies to the Notes or (y) such Purchaser shall claim any reimbursement or compensation pursuant to any provision of Section 6.1 or 6.2 of the Loan Agreement. Such termination shall be effective upon the delivery of written notice to such effect delivered by the Liquidity Agent to the Company and such Purchaser (in the case of a termination by the Majority Purchasers) or by the Company (or the Administrator on its behalf) to the Liquidity Agent and such Purchaser (in the case of a termination by the Company), subject to the next following sentence. Upon such termination, (i) such Purchaser shall cease to have any rights or obligations with respect to future purchases of Percentage Interests under this Agreement but shall continue to have the rights and obligations of a Purchaser (including, without limitation, rights to payments described in Section 4(d)) with respect to any Percentage Interests purchased by it pursuant to the terms of this Agreement prior to such termination and shall continue to be bound by the provisions of Section 8 and Sections 12(j) and 12(k), and (ii) effective on the date of termination, either (x) the Liquidity Agent shall arrange for such Purchaser's rights and obligations hereunder to be assigned to an Eligible Assignee pursuant to Section 9 or (y) if such an assignment cannot be arranged on or before such date, the

Purchase Commitment of such Purchaser hereunder shall be reduced to zero; **provided** that, after giving effect to such reduction, the aggregate of all Purchase Commitments hereunder shall at least equal the Facility Limit *multiplied* by 102%.

- ii. If the short-term debt ratings of a Purchaser by any Relevant Rating Agency shall cease to be at least equal to the ratings assigned by the Relevant Rating Agencies to the Notes, then the Company may, in its sole discretion, if such Purchaser's Commitment has not theretofore been terminated pursuant to clause (i) above, require such Purchaser to fund (and each Purchaser hereby agrees in such event to fund) any unused portion of its Purchase Commitment by payment of such amount to the Administrator (a "*Liquidity Downgrade Draw*") for deposit in an account in the name of the Company, maintained at the Liquidity Agent's office in Atlanta, Georgia or such other office of the Liquidity Agent as the Liquidity Agent may specify by notice to the Company (a "*Downgrade Collateral Account*").
- iii. If any Purchaser shall be required pursuant to clause (ii) above to fund a Liquidity Downgrade Draw, then the Company shall instruct the Administrator to apply the monies in the Downgrade Collateral Account applicable to such Purchaser's Purchaser Percentage of requested purchases of Percentage Interests at the times, in the manner and subject to the conditions precedent of such requested purchases. The deposit of monies in such Downgrade Collateral Account by any Purchaser shall not constitute a purchase of a Percentage Interest (and such Purchaser shall not be entitled to interest on such monies except as provided below in this clause (iii)) unless and until (and then only to the extent that) such monies are used to purchase Percentage Interests pursuant to the first sentence of this clause (iii)). Proceeds in such Downgrade Collateral Account shall be invested in Permitted Investments, as directed by the applicable Purchaser by written notice to the Company and the Administrator, the income of which shall be for the account of such Purchaser. The income that has accrued from such investments and received by the Company shall be released to such Purchaser on the last Business Day of each month. Unless required to be released by the following sentence, Collections received by the Company or the Liquidity Agent in respect of such Purchaser's Percentage Interests (other than interest thereon) shall be deposited in the Downgrade Collateral Account for such Purchaser. All amounts remaining in such Downgrade Collateral Account shall be released to such Purchaser no later than the Business Day immediately following the earliest of (x) the effective date of any replacement of such Purchaser or removal of such Purchaser as a party to this Agreement, (y) the date on which such Purchaser shall furnish the Liquidity Agent with confirmation that such Purchaser shall have short-term debt ratings by each Relevant Rating Agency at least equal to the ratings assigned by the Relevant Rating Agencies to the Notes, and (z) the Purchase Termination Date.
- j. **No Proceedings.** Each of the Liquidity Agent, the Administrator and each Purchaser hereby covenants and agrees that it shall not institute against, or join any other Person in instituting against, the Company, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law, for one year and a day after the latest maturing Note issued by the Company is paid. The agreements in this subsection (j) shall survive termination of this Agreement, the reduction to zero of the Unrecovered Liquidity Purchase Price of all Percentage Interests and payment of all obligations hereunder.
- k. **Limitation on Payments.** Notwithstanding any provisions contained in this Agreement to the contrary, the Company shall not, and shall not be obligated to, pay any amount pursuant to this Agreement unless (i) the Company has received funds which may be used to make such payment and which funds are not required to repay the Notes and Voluntary Advance Loans when due and (ii) after giving effect to such payment, either (x) there is sufficient liquidity availability (determined in accordance with the Program Documents), under all of the liquidity facilities for the Company's commercial paper program, to pay the Face Amount of all outstanding Notes and Voluntary Advance Loans when due or (y) all Notes and Voluntary Advance Loans are paid in full; *provided, however*, that the foregoing limitations on payments by the Company shall not apply to any distributions of funds received by the Company pursuant to Section 4. Any amount which the Company does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or corporate obligation of the Company for any such insufficiency unless and until such payment may be made in accordance with clauses (i) and (ii) above. The agreements in this subsection (k) shall survive termination of this Agreement, the reduction to zero of the Unrecovered Liquidity Purchase Price of all Percentage Interests and payment of all obligations hereunder.
- l. **GOVERNING LAW; JURISDICTION.** THIS AGREEMENT AND EACH ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW)).

ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY ASSIGNMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT AND ANY ASSIGNMENT, EACH OF THE COMPANY, THE ADMINISTRATOR, THE LIQUIDITY AGENT AND EACH PURCHASER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE

COURTS. EACH OF THE COMPANY, THE ADMINISTRATOR, THE LIQUIDITY AGENT AND EACH PURCHASER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT, ANY ASSIGNMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE COMPANY, THE ADMINISTRATOR, THE LIQUIDITY AGENT AND EACH PURCHASER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

- m. **Execution in Counterparts.** This Agreement and each Assignment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement or an Assignment by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement or an Assignment, as applicable.
- n. **No Recourse.** The obligations of the Company under this Agreement are solely the corporate obligations of the Company. No recourse shall be had for the payment of any amount owing by the Company under this Agreement, or for the payment by the Company of any other obligation or claim of or against the Company arising out of or based on this Agreement, against AMACAR or against the Company or any stockholder, employee, officer, director, agent or incorporator of the Company. For purposes of this Section, "AMACAR" shall mean and include AMACAR Group L.L.C., AMACAR Investments, L.L.C. and all Affiliates thereof and any employee, officer, director, incorporator, shareholder or beneficial owner of any of them; *provided, however*, that the Company shall not be considered an Affiliate of AMACAR; and *provided further* that nothing in this subsection (n) shall relieve any of the foregoing Persons from any liability which such Person may otherwise have in such capacity for his/her or its gross negligence or willful misconduct. The agreements in this subsection (n) shall survive the termination of this Agreement, the reduction to zero of the Unrecovered Liquidity Purchase Price of all Percentage Interests and payment of all obligations hereunder.
- o. **Purchase Obligation.** At any time when Percentage Interests aggregating 100% of the Company's interests in the Loans have been sold to the Purchasers hereunder, all the principal of the Loans has been funded by the sale of such Percentage Interests and no accrued and unpaid interest or other amount is owed to the Company under the Loan Agreement, other than in respect of such Percentage Interests, the Company may, by notice from the Company (or the Administrator on its behalf) to the Liquidity Agent and each of the Purchasers, elect to transfer to the Purchasers the Company's residual interest, if any, which transfer shall become effective immediately upon such notice. Upon request by the Company (or the Administrator on its behalf) given upon or after such transfer or at any time when no principal or accrued and unpaid interest on the Loans is outstanding, the Purchasers shall, at their own expense, promptly execute and deliver such instruments of transfer and other documents and take such other actions as may be necessary to effect a transfer by the Company to, and acceptance and assumption by, the Purchasers, ratably in accordance with their respective Purchaser Percentages, of all the Company's rights, interests and obligations under the Loan Agreement and the other Transaction Documents, so that the Company shall no longer be a party to this Agreement, the Loan Agreement and the other Transaction Documents. Any such transfer shall be without representation, warranty or recourse to the Company except that the Company shall represent and warrant to the Purchasers that the Company has not created any liens on the transferred interests, and so that all functions theretofore performed by the Administrator or the Liquidity Agent under the Transaction Documents shall be performed by the Liquidity Agent.
- p. **WAIVER OF JURY TRIAL. THE COMPANY, THE ADMINISTRATOR, THE LIQUIDITY AGENT AND EACH PURCHASER EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE COMPANY, THE ADMINISTRATOR, THE LIQUIDITY AGENT AND EACH PURCHASER EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, ANY ASSIGNMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY ASSIGNMENT.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

SUNTRUST BANK, *as Liquidity Agent*

By:

Name:

Title:

-

**SUNTRUST EQUITABLE SECURITIES
CORPORATION, *as Administrator***

By:

Name:

Title:

-

**THREE PILLARS FUNDING CORPORATION, *as
the Company***

By:

Name:

Title:

-

***THE PURCHASERS*
SUNTRUST BANK**

By:

Name:

Title:

-

Purchaser Percentage: 100%

Maximum Liquidity Purchase: \$91,800,000

Exhibit A

Assignment of Liquidity Asset Purchase Commitment

with respect to

Liquidity Asset Purchase Agreement

(regarding Oxford Receivables Company)

Dated _____, 20_

Section 1.

Purchaser Percentage assigned: _____%

Assignor's remaining Purchaser Percentage: _____%

Principal allocable to Percentage Interests

assigned: \$_____

Principal allocable to Assignor's remaining

Percentage Interests: \$_____

Interest (if any) allocable to Percentage

Interests assigned: \$_____

Interest (if any) allocable to Assignor's

remaining Percentage Interests: \$_____

Section 2.

Assignee's Maximum Liquidity Purchase: \$_____

Assignor's remaining Maximum

Liquidity Purchase: \$_____

Section 3.

Effective Date of this Assignment: _____, 20__

Upon execution and delivery of this Assignment by Assignor and Assignee, satisfaction of the other conditions to assignment specified in Section 9 of the Liquidity Asset Purchase Agreement referred to below and acceptance and recording of this Assignment by SunTrust Bank, as Liquidity Agent, from and after the effective date specified above, Assignee shall become a party to, and have the rights and obligations of a Purchaser under, the Liquidity Asset Purchase Agreement, (regarding Oxford Receivables Company), dated as of May 3, 2001, among the Purchasers referred to therein, SunTrust Equitable Securities Corporation, as Administrator, Three Pillars Funding Corporation and SunTrust Bank, as Liquidity Agent.

ASSIGNOR: [NAME OF ASSIGNOR]

By:

Title:

ASSIGNEE: [NAME OF ASSIGNEE]

By:

Name:

Title:

Address:

Attention:

Telephone:

Telecopy:

Accepted this _____ day of

_____, 200_:

SUNTRUST BANK, as Liquidity Agent

By:
Name:
Title:

Exhibit B

PURCHASE CONFIRMATION

[Date of Purchase]

(Name and Address of Purchaser)

Re: Oxford Receivables Company

Ladies and Gentlemen:

The undersigned hereby confirms that on the date hereof you have purchased for your account and risk, upon the terms and conditions of the Liquidity Asset Purchase Agreement, dated as of May 3, 2001 (as amended, supplemented or otherwise modified and in effect from time to time, the "*Liquidity Asset Purchase Agreement*"), among you, the undersigned and certain other parties, an undivided interest (your "*Percentage Interest*") to the extent of ___% in and to the Loans more fully identified in Annex 1 hereto and owned by Three Pillars Funding Corporation pursuant to the Loan Agreement, dated as of May 3, 2001, among Oxford Receivables Company, Oxford Industries, Inc., as initial Servicer, Three Pillars Funding Corporation and the undersigned, as Administrator. Capitalized terms which are used but not defined herein have the meanings attributed to them in the Liquidity Asset Purchase Agreement.

We acknowledge receipt from you of the sum of \$ _____ in payment of the Liquidity Purchase Price for your Percentage Interest in the Loans.

Very truly yours,

SUNTRUST EQUITABLE SECURITIES
CORPORATION, as Administrator

By:

Name:

Title:

Annex 1 to Purchase Confirmation

List of Percentage Interests

Purchased in the Loans

Start of Current Fixed Period for <u>Loans</u>	Original Principal (and Interest) of <u>Portion of Loans</u>	Outstanding Principal (and Interest) of Portion of Purchased Interest as of Date of <u>Purchase</u>	Accrued Discount of Purchased Interest as of <u>Date of Purchase</u>	End of Current Fixed Period for <u>Loans</u>
--	--	---	--	--

1.				
2.				
3.				
4.				

SCHEDULE 12(b)

Notice Addresses

Company: AMACAR Group, L.L.C.

**6525 Morrison Boulevard
Suite 318
Charlotte, North Carolina 28211
Attention: Susan Burdick-Brennan
Telephone: 704/365-0569
Facsimile: 704/365-1362**

Administrator: SunTrust Equitable Securities Corporation

**303 Peachtree Street, NE
24th Floor
MC 3950
Atlanta, Georgia 30308
Attention: Berkley Jolly
Telephone: 404/588-7607
Facsimile: 404/230-1344**

Purchaser: SunTrust Bank

**303 Peachtree Street, NE
3rd Floor
MC 1904
Atlanta, Georgia 30308
Attention: David Penter
Telephone: 404/588-8658
Facsimile: 404/575-2594**

Exhibit 13**Oxford Industries, Inc. and Subsidiaries
Selected Financial Highlights**

\$ in thousands, except per share amounts Year ended:	June 1, 2001	June 2, 2000	May 28, 1999	2001/2000 % change
Net sales	\$812,495	\$839,533	\$862,435	-3.22%
Net earnings	15,346	23,441	26,393	-34.53%
Basic earnings per share	2.06	3.04	3.15	-32.24%
Diluted earnings per share	2.05	3.02	3.11	-32.12%
Dividends per share	0.84	0.84	0.82	0.00%
Stockholders' equity	168,940	164,314	154,351	2.82%
Book value per share at year-end	22.81	21.48	19.46	6.19%
Return on average stockholders' equity	9.2%	14.7%	16.8%	-37.41%

The \$0.21 per share dividend paid on June 2, 2001 was the 164th consecutive quarterly dividend paid by the company since it became publicly owned in July 1960.

**Oxford Industries, Inc. and Subsidiaries
SELECTED FINANCIAL DATA**

\$ and shares in thousands, except per share amounts					
Year ended:	June 1, 2001	June 2, 2000	May 28, 1999	May 29, 1998	May 30, 1997
Net Sales	\$812,495	\$839,533	\$862,435	\$774,518	\$703,195
Cost of goods sold	663,484	685,841	698,170	619,690	566,182
Selling, general and administrative expenses	119,390	112,056	116,284	111,041	100,691
Interest, net	4,870	3,827	4,713	3,421	4,114
Earnings before income taxes	24,751	37,809	43,268	40,366	32,208
Income taxes	9,405	14,368	16,875	15,743	12,561
Net earnings	15,346	23,441	26,393	24,623	19,647
Basic earnings per common share	2.06	3.04	3.15	2.79	2.25
Basic number of shares outstanding	7,466	7,718	8,369	8,829	8,744
Diluted earnings per common share	2.05	3.02	3.11	2.75	2.23
Diluted number of shares outstanding	7,485	7,751	8,477	8,957	8,816
Dividends	6,249	6,444	6,801	7,063	6,988
Dividends per share	0.84	0.84	0.82	0.80	0.80
Total assets	263,240	334,058	335,322	311,490	287,117
Long-term obligations	399	40,513	40,689	41,428	41,790
Stockholders' equity	168,940	164,314	154,351	159,769	141,517
Capital expenditures	4,332	5,927	7,063	8,801	7,622
Book value per share at year-end	22.81	21.48	19.46	18.11	16.12
Return on average stockholders' equity	9.2%	14.7%	16.8%	16.3%	14.5%
Return on average total assets	5.1%	7.0%	8.2%	8.2%	6.9%

Oxford Industries, Inc. and Subsidiaries
MANAGEMENT' DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth items in the Consolidated Statements of Earnings as a percent of net sales and the percentage change of those items as compared to the prior year. FY 2000 included a 14-week fourth quarter and the total year contained 53 weeks. FY 2001 and 1999 included a 13-week fourth quarter and both years contained 52 weeks. All dollar amounts are expressed in thousands. (Percentages are calculated based on actual data, but percentage columns may not add due to rounding.) . Certain prior year information has been restated to be consistent with the current presentation.

	Fiscal Years Percent of Sales			Percent Change	
	2001	2000	1999	00-01	99-00
NET SALES	100.0%	100.0%	100.0%	-3.2%	-2.7%
Cost of Goods Sold	81.7%	81.7%	81.0%	-3.3%	-1.8%
GROSS PROFIT	18.3%	18.3%	19.0%	-3.0%	-6.4%
Selling, general and administrative	14.7%	13.3%	13.5%	6.5%	-3.6%
EBIT	3.6%	5.0%	5.6%	-28.9%	-13.2%
Interest, Net	0.6%	0.5%	0.5%	27.3%	-18.8%
EARNINGS BEFORE INCOME TAXES	3.0%	4.5%	5.0%	-34.5%	-12.6%
Income Taxes	1.2%	1.7%	2.0%	-34.5%	-14.9%
NET EARNINGS	1.9%	2.8%	3.1%	-34.5%	-11.2%

SEGMENT DEFINITION

The Company's business segments are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group. The Shirt Group operations encompass dress and sport shirts, golf and children's apparel. Lanier Clothes produces suits, sportcoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress and casual slacks and shorts. The Oxford Womenswear Group is a producer of budget and moderate priced private label women's apparel. Corporate and other is a reconciling category for reporting purposes and includes the Company's corporate offices, and other costs and services that are not allocated to operating groups. All data with respect to the Company's specific segments included within "Management's Discussion and Analysis" is presented before applicable intercompany eliminations. See Note L of Notes to Consolidated Financial Statements for additional segment information.

				Percent Change	
	2001	2000	1999	00-01	99-00
\$ in thousands					
Net Sales					
Oxford Shirt Group	\$ 220,949	\$ 240,228	\$ 313,171	-8.0%	-23.3%
Lanier Clothes	175,062	174,805	173,924	0.1%	0.5%
Oxford Slacks	103,096	99,880	100,516	3.2%	-0.6%
Oxford Womenswear Group	312,973	324,352	271,786	-3.5%	19.3%
Corporate and Other	415	268	3,038	54.9%	-91.2%
Total Net Sales	\$ 812,495	\$ 839,533	\$ 862,435	-3.2%	-2.7%

\$ in thousands							Percent Change	
		2001		2000		1999	00-01	99-00
EBIT								
Oxford Shirt Group	\$	(1,385)	\$	13,313	\$	20,455	-110.4%	-34.9%
Lanier Clothes		12,557		11,602		9,128	8.2%	27.1%
Oxford Slacks		6,054		3,931		6,811	54.0%	-42.3%
Oxford Womenswear Group		15,455		20,830		9,418	-25.8%	121.2%
Corporate and Other		(3,060)		(8,040)		2,169	NM	NM
Total EBIT	\$	29,621	\$	41,636	\$	47,981	-28.9%	-13.2%

2001 Compared to 2000

Total Company

Net sales decreased 3.2% in 2001 from 2000. The decline was due to a 2.2% decline in the average selling price per unit and a 1.1% decline in the number of units shipped. Despite heavy price promotions at retail, sales have been lackluster across most product lines. The take-out rate on most of the Company's core in-stock replenishment items has been below plan.

Cost of goods sold remained constant at 81.7% of net sales in 2001 and 2000. Increased manufacturing efficiency was offset by increased markdowns required to keep inventories in line. The Company completed the transition to offshore manufacturing with the disposition of its three remaining domestic sewing facilities this year. Support functions such as fabric inspection, cutting, marking and raw materials warehousing have begun moving offshore as well. This transition added to the cost of goods sold during the year but should result in shorter cycle times and lower costs when completed.

Selling, general and administrative expenses (SG&A) expressed as a percent of sales increased to 14.7% of net sales in 2001 from 13.3% in 2000. This increase was due to continued spending to support new marketing initiatives. DKNY Kids, Tommy Hilfiger Women's Golf, Izod Club Golf and Slates Tailored Clothing accounted for approximately \$13,000 in additional operating expenses during the year. The Oxford Shirt Group, which houses three of these four divisions, was heavily impacted by these expenditures.

Interest expense expressed as a percent of net sales increased to 0.6% in 2001 from 0.5% in 2000. Higher weighted average borrowings and higher weighted average interest rates were the cause.

The Company's effective tax rate was 38.0% in 2001 and 2000 and did not differ significantly from the Company's statutory rates.

Segment Results

Oxford Shirt Group

The Oxford Shirt Group, which includes dress and sport shirts, western shirts, golf apparel and children's wear, reported an 8.0% sales decline to \$220,949. Sales increases in the western, golf and children's sectors did not offset decreases in the larger dress and sport shirt sectors. Profitability was severely impacted by the sales decline, higher markdowns and continued spending on new marketing initiatives. The group reported an EBIT loss of \$1,385 for the year.

Lanier Clothes

The Company's tailored clothing group reported essentially flat sales of \$175,062. EBIT increased 8.2% to \$12,557. Significant improvements in manufacturing efficiency were partially offset by start-up expenses of the new Slates Tailored Clothing division.

Oxford Slacks Group

Oxford Slacks reported a sales increase of 3.2% to \$103,096. Sales growth was driven by further penetration of the specialty catalog channel. Higher sales and a more favorable product mix pushed EBIT up 54.0% over last year to \$6,054.

Oxford Womenswear Group

The Womenswear Group reported sales of \$312,973, down 3.5% from last year. Lackluster performance of in-stock replenishment programs was responsible for the sales decline. The sales decline, higher markdowns and higher operating expenses resulted in a decrease in EBIT to \$15,455 from \$20,830 last year.

Corporate and Other

The improvement in EBIT was primarily due to LIFO inventory adjustments and lower incentive employment costs, partially offset by a charge taken in the fourth quarter of \$3,750 for inventory returns and other inventory impairments.

FUTURE OPERATING RESULTS

The apparel market remains highly competitive and continues to benefit the consumer, who enjoys a wide choice of apparel at virtually inflation-free prices. This high level of competition is the result of continued excess worldwide manufacturing capacity and the search by manufacturers and retailers for low-cost production sources around the globe.

Uncertainties regarding the future retail environment that may affect the Company include continued excessive retail floor space per customer, constant heavy discounting at the retail level, low inflation or deflation in wholesale and retail apparel prices and continued growth in direct importing by retailers. Legislation implemented in October 2000 has granted trade preferences to various Caribbean

Basin countries and has enhanced the competitiveness of the Company's operations in those countries, including some of its operations in Costa Rica, the Dominican Republic and Honduras.

Economic uncertainties, stock market losses, layoffs and rising consumer debt have taken their toll on consumer spending. The Company expects a continuation of the current retail climate for the balance of the calendar year. The Company expects first quarter sales to be down approximately 10% and earnings per share down by approximately 40%. The Company believes that comparisons should begin to improve in the second quarter resulting in a full year sales decline of approximately 5%. Even with the sales decline, the Company believes its internal operating improvements should result in an earnings per share increase of approximately 10% to 20%.

Subsequent to fiscal 2001, the Company and Donna Karan International have mutually agreed to terminate the DKNY Kids license on December 31, 2001. The license will be consolidated with Donna Karan International's European license holder for children's wear. The Company will continue to service the business until the termination date.

In June 2001 The Financial Accounting Standard Board ("FASB") approved Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 prospectively prohibits the pooling of interest method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142 requires companies to cease amortizing goodwill that existed at June 30, 2001. The Company will cease amortizing goodwill at the end of the current fiscal year unless the early adoption provision is chosen. Any goodwill resulting from acquisitions completed after June 30, 2001, will not be amortized. SFAS No. 142 also establishes a new method of testing goodwill for impairment on an annual or interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The Company has not yet finished evaluating the impact of the adoption of this standard.

2000 Compared to 1999

Total Company

Net sales decreased 2.7% in 2000 from 1999. The decline was due to a 9.7% decline in average selling price per unit, offset by a 7.7% increase in the number of units shipped. Excluding the discontinued Polo(r) for Boys division, net sales for the year increased 7.9%. Excluding Polo, the increase was due to an 18.7% increase in the number of units shipped, offset by a 9.2% decline in the average sales price per unit.

Cost of goods sold increased to 81.7% of net sales in 2000 from 81.0% in 1999. The discontinued Polo for Boys and the growth in the Company's womenswear business were primarily responsible for the shift in the sales mix toward lower margin products. The Company sourced 89.4% of its products offshore in 2000, compared to 85.4% in 1999.

Selling, general and administrative expenses (S,G&A) expressed as a percent of net sales declined from 13.5% to 13.3%. The discontinued Polo for Boys and the growth in the Company's womenswear business with its lower SG&A structure were primarily responsible for this decline.

Interest expense expressed as a percent of net sales remained constant at 0.5% in 1999 and 2000. A decrease in weighted average borrowings was offset by higher weighted average interest rates.

The Company's effective tax rate was 38.0% in 2000 and 39.0% in 1999 and did not differ significantly from the Company's statutory rates.

Segment Results

Oxford Shirt Group

Net sales declined 23.3% to \$240,228. The decline was principally the result of the loss of the Polo for Boys license. Excluding Polo for Boys, sales increased 4.7%. SG&A expenses declined in absolute terms, while increasing from 16.8% of net sales in 1999 to 18.0% in 2000. The decline in SG&A was due to the discontinuation of Polo for Boys offset by integration expenses for the new Izod Club division in the second and third quarters and start-up costs for the new DKNY Kids business in the fourth quarter. Operating profit declined 34.9% to \$13,313.

During the second quarter the Company acquired substantially all of the Izod Club Golf assets and licensed the Izod Club name for men's, women's and junior's golf apparel. The Izod Club lines will continue to be distributed through pro shops, resorts and golf specialty retailers.

During the third quarter, the Company signed a licensing agreement with Donna Karen International to market DKNY Kids in the United States and Canada. The fall 2000 line was shipped by the Company.

Lanier Clothes

The tailored clothing group posted a sales increase of 0.5%. An increase of 8.2% in the number of units shipped was offset by a 7.1% decline in the average selling price per unit. This change was due to a shift in product mix away from tailored suits toward dress slacks, sportcoats and suited separates. Operating profit increased 27.1% to \$11,602, primarily due to improved gross margins.

During the third quarter, the Company signed a licensing agreement with Levi Strauss & Co. to market a Slates collection of soft suitings, tailored components and sportcoats. The line was introduced for spring 2001 delivery.

Oxford Slacks

Oxford Slacks posted a 0.6% sales decline. A 3.4% decline in the average sales price per unit was partially offset by a 2.8% increase in the number of units shipped. Sourcing difficulties resulting from a quota situation in the Far East severely impacted profitability. Operating income declined 42.3% to \$3,931.

Oxford Womenswear Group

The Oxford Womenswear Group reported a 19.3% increase in net sales. The unit sales increase of 26.7% was slightly offset by a 5.8% decline in the average selling price per unit. Operating income increased 121.2% to \$20,830. The dramatic improvement in profitability was driven by the successful integration of the Next Day Apparel business and an outstanding year in Sportswear Collections.

Corporate and Other

Net sales declined due to the discontinuation of the Merona royalties. The decline in operating income was primarily due to the loss of royalty income and LIFO inventory adjustments.

LIQUIDITY AND CAPITAL RESOURCES

2001 Compared to 2000

Operating activities generated \$74,393 in 2001 and \$34,618 in 2000. The primary factors contributing to this change were decreased accounts receivables and inventory offset by reduced net earnings and reduced trade payables. The accounts receivable reduction was primarily due to the accounts receivable securitization program initiated in the fourth quarter and discussed below.

Investing activities used \$3,498 in 2001 and \$8,681 in 2000. The primary difference was the final payment involved in the Next Day Apparel acquisition in the prior year.

Financing activities used \$69,335 in 2001 and \$28,389 in 2000. The primary difference was the elimination of both long-term and short-term notes to banks using the proceeds of the accounts receivable securitization program.

The Company established a \$90,000 accounts receivable securitization program on May 3, 2001 under which the Company sells a defined pool of its accounts receivable to a securitization conduit. The Company used the proceeds from the receivables securitization to eliminate outstanding bank borrowings. The receivables securitization program expires May 2, 2002, but may be extended from time to time by the mutual agreement of both parties. As of June 1, 2001, the Company had received \$56,000 from the securitization conduit.

The Company owns foreign manufacturing facilities and may acquire others in the future. The functional currency for these facilities is the U.S. dollar. Consequently, the amount of monetary assets and liabilities subject to exchange rate risk is immaterial.

On July 16, 2001, the Company's Board of Directors declared a cash dividend of \$0.21 per share payable on September 1, 2001 to shareholders of record on August 15, 2001.

During 2001, the Company purchased and retired 289,604 shares of the Company's common stock acquired on the open market and in negotiated transactions.

2000 Compared to 1999

Operating activities generated \$34,618 in 2000 and \$39,493 in 1999. The primary factors contributing to this decline were decreased net earnings and increased inventory offset by a decline in receivables and an increase in payables.

Investing activities used \$8,681 in 2000 and \$27,267 in 1999. The primary difference was the acquisition of Next Day Apparel, Inc. in the prior year.

Financing activities used \$28,389 in 2000 and \$11,218 in 1999. The primary differences were the reduction in short-term borrowings in the current year offset by the decreased purchase and retirement of common stock.

During 2000, the Company purchased and retired 296,500 shares of the Company's common stock acquired on the open markets and in negotiated transactions.

FUTURE LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations is the Company's primary source of liquidity. The Company supplements operating cash with its \$90,000 accounts receivable securitization program and committed and uncommitted bank lines of credit. On June 1, 2001, \$56,000 of accounts receivable had been sold and was outstanding under the securitization program. On June 1, 2001, the Company had available for its use a committed line of credit aggregating \$5,000. The Company has agreed to pay commitment fees for this available line of credit. At June 1, 2001, there were no borrowings under this line. In addition, the Company has \$184,500 in uncommitted lines of credit, of which \$123,500 is reserved exclusively for letters of credit. The Company pays no commitment fees for these available lines of credit. At June 1, 2001 there were no direct borrowings and approximately \$56,482 in trade letters of credit outstanding under these lines. The Company anticipates use and availability of both committed and uncommitted resources as working capital needs may require.

The uses of funds primarily include working capital requirements, capital expenditures, acquisitions, stock repurchases, dividends and repayment of short-term debt. The Company considers possible acquisitions of apparel-related businesses that are compatible with its long-term strategies. The Company's Board of Directors has authorized the Company to purchase shares of the Company's common stock on the open market and in negotiated trades as conditions and opportunities warrant.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This Annual Report contains forward-looking statements of the Company's beliefs or expectations regarding anticipated future results of the Company. These statements are based on numerous assumptions and are subject to risks and uncertainties. Although the Company feels that the beliefs and expectations in the forward-looking statements are reasonable, it does not and cannot give any assurance that the beliefs and expectations will prove to be correct. Many factors could significantly affect the Company's operations and cause the Company's actual results to be substantially different from the Company's expectations. Those factors include, but are not limited to: (i) general economic and apparel business conditions; (ii) continued retailer and consumer acceptance of the Company's products; (iii) global manufacturing costs; (iv) the financial condition of customers or suppliers; (v) changes in capital market conditions; (vi) governmental and business conditions in countries where the Company's products are manufactured; (vii) changes in trade regulations; (viii) the impact of acquisition activity; (ix) changes in the Company's plans, strategies, objectives, expectations or intentions, which may happen at any time in the discretion of the Company; and (x) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission. The Company does not have an obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of the future events or otherwise.

ADDITIONAL INFORMATION

For additional information concerning the Company's operations, cash flows, liquidity and capital resources, this analysis should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements of this Annual Report.

Oxford Industries, Inc. and Subsidiaries			
CONSOLIDATED BALANCE SHEETS			
\$ in thousands, except share amounts		June 1, 2001	June 2, 2000
Assets			
Current Assets:			
	Cash and cash equivalents	\$10,185	\$8,625
	Receivables, less allowance for doubtful accounts of \$3,409 in 2001 and \$3,363 in 2000	50,699	112,867
	Inventories	147,370	153,237
	Prepaid expenses	11,416	10,318
	Total Current Assets	219,670	285,047
	Property, Plant and Equipment, Net	33,516	37,107
	Other Assets, Net	10,054	11,904
	Total Assets	\$263,240	\$334,058
Liabilities and Stockholders' Equity			
Current Liabilities:			
	Notes payable	\$ -	\$18,500
	Trade accounts payable	54,787	68,421
	Accrued compensation	11,617	12,026
	Other accrued expenses	18,252	22,713
	Dividends Payable	1,549	1,607
	Income taxes payable	2,924	1,148
	Current Maturities of long-term debt	263	205
	Total Current Liabilities	89,392	124,620
	Long-Term Debt, less current maturities	399	40,513
	Noncurrent Liabilities	4,500	4,500
	Deferred Income Taxes	9	111
	Commitments and Contingencies (Note F)		
Stockholders' Equity:			
	Common Stock*	7,406	7,651
	Additional paid-in capital	11,741	11,309
	Retained earnings	149,793	145,354
	Total Stockholders' equity	168,940	164,314
	Total Liabilities and Stockholders' Equity	\$263,240	\$334,058

*Par value \$1 per share; authorized 30,000,000 common shares; issued and outstanding 7,406,061 in 2001 and 7,651,115 in 2000.
Par Value \$1 per share; authorized 30,000,000 preferred shares; none outstanding.

See notes to consolidated financial statements.

Oxford Industries, Inc. and Subsidiaries			
CONSOLIDATED STATEMENTS OF EARNINGS			
\$ in thousands, except per share amounts			
Year ended:	June 1, 2001	June 2, 2000	May 28, 1999
Net Sales	\$812,495	\$839,533	\$862,435
Cost of goods sold	663,484	685,841	698,170
Gross Profit	149,011	153,692	164,265
Selling, general and administrative	119,390	112,056	116,284
Earnings Before Interest and Taxes	29,621	41,636	47,981
Interest, net	4,870	3,827	4,713
Earnings Before Income Taxes	24,751	37,809	43,268
Income Taxes	9,405	14,368	16,875
Net Earnings	\$15,346	\$23,441	\$26,393
Basic Earnings Per Common Share	\$2.06	\$3.04	\$3.15
Diluted Earnings Per Common Share	\$2.05	\$3.02	\$3.11

See notes to consolidated financial statements.

Oxford Industries, Inc. and Subsidiaries				
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY				
\$ in thousands, except per share amounts				
	Common	Additional	Retained	
	Stock	Paid-in Capital	Earnings	Total
Balance, May 29, 1998	\$8,824	\$11,554	\$139,391	\$159,769
Net earnings	-	-	26,393	26,393
Exercise of stock options	31	777	(100)	708
Purchase and retirement of common stock	(923)	(1,087)	(23,708)	(25,718)
Cash dividends, \$0.82 per share	-	-	(6,801)	(6,801)
Balance, May 28, 1999	\$7,932	\$11,244	\$135,175	\$154,351
Net earnings	-	-	23,441	23,441
Exercise of stock options	16	480	(182)	314
Purchase and retirement of common stock	(297)	(415)	(6,636)	(7,348)
Cash dividends, \$0.84 per share	-	-	(6,444)	(6,444)
Balance, June 2, 2000	\$7,651	\$11,309	\$145,354	\$164,314
Net earnings	-	-	15,346	15,346
Exercise of stock options	45	861	(64)	842
Purchase and retirement of common stock	(290)	(429)	(4,594)	(5,313)
Cash dividends, \$0.84 per share	-	-	(6,249)	(6,249)
Balance, June 1, 2001	\$7,406	\$11,741	\$149,793	\$168,940

See notes to consolidated financial statements.

Oxford Industries, Inc. and Subsidiaries				
CONSOLIDATED STATEMENTS OF CASH FLOWS				
\$ in thousands Year ended:		June 1, 2001	June 2, 2000	May 28, 1999
Cash Flows From Operating Activities:				
Net earnings		\$15,346	\$23,441	\$26,393
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization		9,249	9,393	8,933
Gain on sale of property, plant and equipment		(62)	(182)	(661)
Changes in working capital:				
Receivables		62,168	1,839	(13,865)
Inventories		5,867	(6,309)	13,901
Prepaid expenses		(1,098)	3,473	(73)
Trade accounts payable		(13,634)	7,024	4,072
Accrued expenses and other current liabilities		(4,870)	(587)	911
Income taxes payable		1,776	1,148	-
Deferred income taxes		(102)	(3,903)	(57)
Other noncurrent assets		(247)	(719)	(61)
	Net cash provided by operating activities	74,393	34,618	39,493
Cash Flows from Investing Activities:				
Acquisitions		-	(3,030)	(21,712)
Purchase of property, plant and equipment		(4,332)	(5,927)	(7,063)
Proceeds from sale of property, plant and equipment		834	276	1,508
	Net cash used in investing activities	(3,498)	(8,681)	(27,267)
Cash flows from financing Activities:				
Short-term (repayments) borrowings		(18,500)	(14,500)	21,500
Long-term debt repayments		(40,056)	(322)	(837)
Proceeds from exercise of stock options		842	314	708
Purchase and retirement of common stock		(5,313)	(7,348)	(25,718)
Dividends on common stock		(6,308)	(6,533)	(6,871)
	Net cash used in financing activities	(69,335)	(28,389)	(11,218)
Net change in cash and cash equivalents		1,560	(2,452)	1,008
Cash and cash equivalents at the beginning of period		8,625	11,077	10,069
Cash and cash equivalents at end of period		\$10,185	\$8,625	\$11,077
Supplemental disclosure of Cash Flow Information				
Cash paid for:				

	Interest, net	\$4,972	\$3,900	\$4,766
	Income taxes	8,492	11,242	17,011

See notes to consolidated financial statements.

Oxford Industries, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 1, 2001, June 2, 2000 and May 28, 1999

Note A. Summary of significant accounting policies:

- 1. Principal Business Activity:** Oxford Industries, Inc. (the "Company") is engaged in the design, manufacture and sale of consumer apparel for men, women and children. Principal markets for the Company are customers located primarily in the United States. Company-owned manufacturing and distribution facilities are located primarily in the southeastern United States, Central America and Asia. In addition, the Company uses foreign and domestic contractors for other sources of production.
- 2. Principles of Consolidation:** The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All material intercompany balances, transactions and profits have been eliminated.
- 3. Fiscal Period:** The Company's fiscal year ends on the Friday nearest May 31. The fiscal year includes operations for a 52-week period in 2001 a 53-week period in 2000 and a 52-week period in 1999.
- 4. Revenue Recognition:** The Company recognizes revenue when the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the Company's price to the buyer is fixed and determinable, and collectibility is reasonably assured.
- 5. Statement of Cash Flows:** The Company considers cash equivalents to be short-term investments with original maturities of three months or less.
- 6. Inventories:** Inventories are principally stated at the lower of cost (last-in, first-out method, "LIFO") or market.
- 7. Property, Plant and Equipment:** Depreciation and amortization of property, plant and equipment are provided on both straight-line (primarily buildings) and accelerated methods over the estimated useful lives of the assets as follows:

Buildings and improvements	7-40 years
Machinery and equipment	3-15 years
Office fixtures and equipment	3-10 years
Software	4 years
Autos and trucks	2-6 years
Leasehold improvements	Lesser of remaining life of the asset or life of lease
- 8. Income Taxes:** The Company recognizes deferred tax liabilities and assets based on the difference between financial and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.
- 9. Financial Instruments:** The fair values of financial instruments closely approximate their carrying values.
- 10. Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

11. **New Accounting Standards:** In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards "SFAS" No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Management does not expect SFAS No. 133 to have a significant impact on the Company's financial condition or results of operations. The Company will adopt SFAS No. 133 in its fiscal 2002 financial statements.

In June 2001 FASB approved SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 prospectively prohibits the pooling of interest method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142 requires companies to cease amortizing goodwill that existed at June 30, 2001. The Company will cease amortizing goodwill at the end of the current fiscal year unless the early adoption provision is chosen. Any goodwill resulting from acquisitions completed after June 30, 2001, will not be amortized. SFAS No. 142 also establishes a new method of testing goodwill for impairment on an annual or interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The Company has not yet finished evaluating the impact of the adoption of this standard.

12. **Receivable Sales:** When the Company sells accounts receivable in securitizations, it retains servicing rights and one or more subordinated tranches, all of which are retained interests in the securitized receivables. Gain or loss on the sale of receivables depends in part on the previous carrying amount of the financial assets involved in the transfer, allocated between the assets sold and the retained interests based on their relative fair value on the date of transfer. To obtain fair values, quoted market prices are used if available. However, quotes are generally not available for retained interests, so the Company generally estimates fair value based on the present value of future expected cash flows estimated using management's best estimates of the key assumptions, such as credit losses and discount rates commensurate with the risks involved.

13. **Restatements and Reclassifications:** Certain prior year amounts have been reclassified to conform to current year presentation.

Note B. Sale of Accounts Receivable:

During 2001, the Company entered into a \$90 million asset backed revolving securitization facility under which the Company sells a defined pool of its accounts receivable through a wholly-owned special purpose subsidiary (the "Securitization Facility"). The Company initially funded \$56 million under the Securitization Facility and maintained this level of funding through year-end. The proceeds from the funding were used to reduce outstanding borrowings under the Company's credit facility. The unpaid balance of accounts receivable sold was approximately \$107 million. The Company continues to service these receivables and maintains a retained interest in the receivables. The Company received approximately \$139,000 in servicing fees in 2001. The Company has not recorded a servicing asset or liability since the cost to service the receivables approximates the servicing income. The retained interest totaling approximately \$50.7 million represents the excess of the receivables sold to the wholly-owned special purpose entity over the amount funded to the Company. The retained interests in the receivables sold is included in the caption "Receivables" in the accompanying consolidated balance sheet as of June 1, 2001. The fair value of the retained interest is equal to the carrying amount at year-end due to the short-term nature of the receivables. Credit losses on the receivables sold in 2001 were not material. In 2001, the Company received approximately \$80.5 million from the wholly-owned special purpose entity. The amount consisted of \$56 million from the initial sale, \$24.7 million from collections of receivables related to the Company's retained interest (net of proceeds from subsequent sales of receivables), \$139,000 in servicing fees, \$101,000 in interest on the retained interest in the receivables sold, offset by a loss of \$442,000 related to the difference between the current and future value of the receivables sold. This loss was determined by calculating the estimated present value of the receivables sold compared to their carrying amount. The present value is based on historical collection experience and a discount rate as prescribed under the terms of the Securitization Facility. For 2001, the loss was based on a discount rate, net of estimated interest income, of 4.9%

Note C. Inventories:

The Components of inventories are summarized as follows:

\$ in thousands	June 1, 2001	June 2, 2000
Finished goods	\$92,623	\$90,961
Work in Process	22,064	25,903
Fabric	26,578	28,255
Trim and supplies	6,105	8,118
	\$147,370	\$153,237

The excess of replacement cost over the value of inventories based upon the LIFO method was \$36,881,000 at June 1, 2001 and \$37,154,000 at June 2, 2000.

During fiscal 2001, inventory quantities were reduced, which resulted in a liquidation of LIFO inventory layers carried at lower costs which prevailed in prior years. The effect of the liquidation was to decrease cost of goods sold by approximately \$22,000 and to increase net earnings by \$14,000 or \$0.00 per share basic. During fiscal 2000, the effect of the liquidation was to decrease cost of goods sold by approximately \$147,000 and to increase net earnings by \$91,000 or \$0.01 per share basic. During fiscal 1999, the effect of the liquidation was to decrease cost of goods sold by approximately \$1,174,000 and to increase net earnings by \$716,000 or \$0.09 per share basic.

Note D. Property, Plant and Equipment:

Property, plant and equipment, carried at cost, are summarized as follows:

\$ in thousands	June 1, 2001	June 2, 2000
Land	\$2,254	\$2,256

Buildings	31,861	29,250
Machinery and equipment	71,754	75,207
Leasehold improvements	5,256	7,604
	111,125	114,317
Less accumulated depreciation and amortization	77,609	77,210
	\$33,516	\$37,107

Depreciation expense was \$7,145,222 in 2001 and \$7,301,995 in 2000.

Note E. Notes Payable and Long-Term Debt:

The Company had available for its use a committed line of credit aggregating \$5,000,000 at June 1, 2001. The Company has agreed to pay commitment fees for this available line of credit. At June 1, 2001, there were no borrowings under this line. In addition, the Company has \$184,500,000 in uncommitted lines of credit, of which \$123,500,000 is reserved exclusively for letters of credit. The Company pays no commitment fees for these available lines of credit. At June 1, 2001, there were no direct borrowings and approximately \$56,482,000 in trade letters of credit outstanding under these lines. The weighted average interest rate on short-term borrowings during fiscal 2001 was 6.2%.

A summary of long-term debt is as follows:

\$ in thousands	June 1, 2001	June 2, 2000
Note payable to bank, the rate is a margin above bank's cost of funds, which may fluctuate during the life of the loan (at June 2, 2000 the rate was 6.8875%); due in August 2001	\$ -	\$40,000
Industrial revenue bonds, mortgage notes and capital leases at fixed rates of 6.5% to 7.0% and a variable rate of prime plus 2% (prime was 7.0% at June 1, 2001); due in varying installments to 2004	662	718
	662	40,718
Less current maturities	263	205
	\$399	\$40,513

Property, plant and equipment with an aggregate carrying amount at June 1, 2001 of approximately \$183,000 are pledged as collateral on the industrial revenue bonds.

The aggregate maturities of long-term debt are as follows:

\$ in thousands	
Fiscal Year	
2002	\$263
2003	255
2004	144
	\$662

Note F. Commitments and Contingencies:

The Company has operating lease agreements for buildings, sales offices and equipment with varying terms to 2007. The total rent expense under all leases was approximately \$6,349,000 in 2001, \$6,002,000 in 2000 and \$5,897,000 in 1999.

The aggregate minimum rental commitments for all noncancelable operating leases with terms of more than one year are as follows:

\$ in thousands	
Fiscal year:	
2002	\$4,336
2003	3,457
2004	2,057
2005	1,471
2006	894
Thereafter	2,186
	\$14,401

The Company is also obligated under certain apparel license and design agreements to make future minimum payments as follows:

\$ in thousands	
Fiscal year:	
2002	\$6,052
2003	5,134
2004	1,558
2005	83
	\$12,827

The Company is involved in certain legal matters primarily arising in the normal course of business. In the opinion of management, the Company's liability under any of these matters would not materially affect its financial condition or results of operations.

The Company discovered a past unauthorized disposal of a substance believed to be dry cleaning fluid on one of its properties. The Company believes that remedial action will be required, including continued investigation, monitoring and treatment of groundwater and soil. Based on advice from its environmental experts, the Company provided \$4,500,000 for this remediation in the fiscal year ended May 31, 1996.

Note G. Stock Options:

At June 1, 2001, 393,290 shares of common stock were reserved for issuance under stock option plans. The options granted under the stock option plans expire either five years or ten years from the date of grant. Options granted vest in five annual installments. The Company has elected as permitted under SFAS 123, "Accounting for Stock-Based Compensation," to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations in accounting for its employee stock options. Under APB 25, because the exercise price of the Company's employee stock option equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized.

Pro forma information, regarding net income and income per share, is required by SFAS 123 and has been determined as if the Company had accounted for its employee stock option plans under the fair value method of that statement. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumption ranges: Risk-free interest rates between 5.090% and 6.510%, dividend yields between 2.4% and 4.87%, volatility factors between .2818 and .3120, and the expected life of the options was between five and ten years. Using this valuation model, the weighted average grant date value of options granted during the year ended June 1, 2001, was \$4.06 per option.

The effect of applying the fair value method of SFAS 123 to the Company's option plan does not result in net income and net income per share that are materially different from the amounts reported in the Company's consolidated financial statements as demonstrated below (amounts in thousands except per share data):

	2001	2000	1999
Pro forma net income	\$15,044	\$23,151	\$26,154
Pro forma earnings per share basic	\$2.02	\$3.00	\$3.13
Pro forma earnings per share diluted	\$2.01	\$2.99	\$3.09

A summary of the status of the Company's stock option plan and changes during the years ended are presented below.

	2001		2000		1999	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of Year	443,900	\$25	504,740	\$25	436,800	\$21
Granted	127,250	17	117,200	28	120,250	36
Exercised	(47,800)	18	(23,000)	19	(33,320)	19
Forfeited	(59,250)	25	(155,040)	28	(18,990)	22
Outstanding, end of year	464,100	\$24	443,900	\$25	504,740	\$25

Options exercisable, end of year	163,990		132,450		219,940

The following table summarizes information about stock options outstanding as of June 1, 2001.

Date of Option Grant	Number of Shares	Exercise Price	Number Exercisable	Expiration Date
Sep. 16, 1996	151,900	17.75	104,100	Sep. 16, 2001
Jan. 5, 1998	2,500	32.28	1,500	Jan. 5, 2003
Jul. 13, 1998	95,500	35.66	38,200	Jul. 13, 2008
Jul. 12, 1999	100,950	27.88	20,190	Jul. 12, 2009
Jul. 10, 2000	113,250	17.25	0	Jul. 10, 2010
	464,100		163,990	

The Company has a Restricted Stock Plan for issuance of up to 100,000 shares of common stock. At June 1, 2001, 2,942 shares were outstanding under this plan. The plan allows the Company to compensate its key employees with shares of common stock containing restrictions on sale and other restrictions in lieu of cash compensation.

Note H. Significant Customers:

Three customers each represented between 10% and 15% of the Company's total sales in Fiscal 2001. Four customers each represented between 10% and 15% of the Company's total sales in fiscal 2000 and between 10% and 12% in fiscal 1999.

The Company provides credit, in the normal course of business, to a large number of retailers in the apparel industry. Approximately 61% at June 2, 2000 and 60% at May 28, 1999 were attributed to the Company's ten largest customers. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses.

Note I. Benefit Plans:

The Company has a tax-qualified retirement savings plan covering substantially all full-time U.S. employees. If a participant decides to contribute, a portion of the contribution is matched by the Company. Total expense under this plan was \$1,318,000 in 2001, \$1,386,000 in 2000 and \$1,427,000 in 1999.

The company has a non-qualified deferred compensation plan offered to a select group of management and highly compensated employees. The plan provides the participants with the opportunity to defer a specified percentage of their cash compensation. The Company matches a portion of the contribution. This plan was effective as of January 1, 2001. Participants may elect to defer up to 10% of annual base salary and up to 25% of bonus. The company funds these deferred compensation liabilities by making contributions to a rabbi trust. Total expense under this plan was \$68,000 in 2001.

Note J. Income Taxes:

The provision (benefit) for income taxes includes the following:

\$ in thousands	2001	2000	1999
Current:			
Federal	8,714	\$11,304	\$15,623
State	1,141	1,662	2,282
Foreign	1,334	521	764
	11,189	13,487	18,669
Deferred	(1,784)	881	(1,794)
	9,405	\$14,368	\$16,875

Reconciliations of the U.S. federal statutory income tax rates and the Company's effective tax rates are summarized as follows:

	2001	2000	1999
Statutory rate	35.0%	35.0%	35.0%
State income taxes - net of federal income tax benefit	2.2	2.6	2.7
Nondeductible expenses and other, net	0.8	0.4	1.3
Effective rate	38.0%	38.0%	39.0%

Deferred tax assets and liabilities as of June 1, 2001 and June 2, 2000, are comprised of the following (\$ in thousands):

	June 1, 2001	June 2, 2000
Deferred Tax Assets:		
Inventory	\$4,271	\$3,224
Compensation	906	1,004
Group insurance	103	-
Allowance for bad debts	1,301	1,286
Depreciation and amortization	563	-
Environmental	1,721	1,721
Deferred revenue	328	982
Other, net	2,501	1,944
Deferred Tax Assets	\$11,694	\$10,161
Deferred Tax Liabilities:		
Depreciation - property, plant and equipment	-	317
Foreign	3,013	2,816
Other, net	1,103	1,234
Deferred Tax Liabilities	4,116	4,367
Net Deferred Tax Asset	\$7,578	\$5,794

Note K. Equity and Earnings Per Share:

Basic earnings per share is computed based on the weighted average number of shares of common stock outstanding of 7,465,778 in 2001 7,717,888 in 2000 and 8,368,899 in 1999. The dilution effect of stock options outstanding during 2001, 2000 and 1999 added 18,980, 33,484 and 108,553, respectively, to the weighted average shares outstanding for purposes of calculating diluted earnings per share.

Note L. Segments:

The Company's business segments are the Oxford Shirt Group, Lanier Clothes, Oxford Slacks and the Oxford Womenswear Group.

The Shirt Group operations encompass dress and sport shirts, golf and children's apparel. Lanier Clothes produces suits, sportcoats, suit separates and dress slacks. Oxford Slacks is a producer of private label dress and casual slacks and shorts. The Oxford Womenswear Group is a producer of budget and moderate priced private label women's apparel.

Corporate and other is a reconciling category for reporting purposes and includes the Company's corporate offices, and other costs and services that are not allocated to operating groups

\$ in thousands	Oxford Shirt Group	Lanier Clothes	Oxford Slacks	Oxford Womenswear Group	Corporate and Other	Total
2001						
Sales	\$220,949	\$175,062	\$103,096	\$312,973	\$415	\$812,495
Depreciation and amortization	2,394	1,833	1,157	2,826	1,039	9,249
EBIT	(1,385)	12,557	6,054	15,455	(3,060)	29,621
Interest expense, net						4,870
Earnings before taxes						24,751
Assets	100,156	94,647	45,083	90,451	(67,097)	263,240
Purchase of property, plant and equipment	1,369	1,359	310	782	512	4,332
2000						
Sales	\$240,228	\$174,805	\$99,880	\$324,352	\$268	\$839,533
Depreciation and amortization	2,584	1,914	1,148	2,626	1,121	9,393
EBIT	13,313	11,602	3,931	20,830	(8,040)	41,636
Interest expense, net						3,827
Earnings before taxes						37,809
Assets	114,093	99,810	41,033	93,750	(14,628)	334,058
Purchase of property, plant and equipment	2,006	1,195	778	653	1,295	5,927
1999						
Sales	\$313,171	\$173,924	\$100,516	\$271,786	\$3,038	\$862,435
Depreciation and amortization	2,956	2,055	1,102	1,741	1,079	8,933
EBIT	20,455	9,128	6,811	9,418	2,169	47,981
Interest expense, net						4,713
Earnings before taxes						43,268
Assets	112,596	100,092	38,208	88,063	(3,637)	335,322

Purchase of property, plant and equipment	2,886	2,182	744	854	397	7,063
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Note M. Subsequent Events:

Oxford Industries, Inc. and Donna Karan International have mutually agreed to terminate the DKNY Kids license on December 31, 2001. The license will be consolidated with Donna Karan International's European license holder for children's wear. Oxford will continue to service the business until the termination date.

Note N. Summarized quarterly data (unaudited):

Following is a summary of the quarterly results of operations for the years ended June 1, 2001, June 2, 2000 and May 28, 1999:

\$ in thousands, except per share amounts	Fiscal Quarter				
	First	Second	Third	Fourth	Total
2001					
Net sales	\$204,368	\$194,869	\$197,404	\$215,854	\$812,495
Gross profit	37,344	35,796	36,805	39,066	149,011
Net earnings	3,477	2,703	3,912	5,254	15,346
Basic earnings per share	0.46	0.36	0.53	0.71	2.06
Diluted earnings per share	0.45	0.36	0.53	0.70	2.05
2000					
Net sales	\$185,737	\$219,945	\$187,466	\$246,385	\$839,533
Gross profit	33,700	37,921	34,962	47,109	153,692
Net earnings	4,744	6,851	4,578	7,268	23,441
Basic earnings per share	0.60	0.89	0.60	0.95	3.04
Diluted earnings per share	0.60	0.88	0.60	0.94	3.02
1999*					
Net sales	\$198,606	\$232,521	\$206,027	\$225,281	\$862,435
Gross profit	40,032	43,675	39,976	40,582	164,265
Net earnings	5,966	8,041	6,328	6,058	26,393
Basic earnings per share	0.68	0.95	0.77	0.75	3.15
Diluted earnings per share	0.67	0.94	0.76	0.74	3.11

*Includes an after-tax LIFO adjustment in the fourth quarter of \$1,837,687 or \$0.13 per share favorable in 1999.

Net sales by product class

The following table sets forth separately in percentages net sales by class of similar products for each of the last three fiscal years:

	2001	2000	1999
Net Sales:			
Menswear	60%	61%	68%
Womenswear	40%	39%	32%
	100%	100%	100%

	Market price on the New York Stock Exchange				Quarterly Cash Dividend Per Share	
	Fiscal 2001		Fiscal 2000		Fiscal 2001	Fiscal 2000
	High	Low	High	Low		
1st quarter	22.50	15.4375	29.625	22.375	.21	.21
2nd quarter	22.625	16.00	23.4375	20.1875	.21	.21
3rd quarter	20.75	13.75	21.3125	16.00	.21	.21
4th quarter	22.00	17.84	18.10	15.00	.21	.21

At the close of fiscal 2001, there were 612 stockholders of record.

**Oxford Industries, Inc. and Subsidiaries
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
AND REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The management of Oxford Industries, Inc. is responsible for the integrity and objectivity of the consolidated financial statements and other financial information presented in this report. These statements have been prepared in conformity with accounting principles generally accepted in the United States consistently applied and include amounts based on the best estimates and judgments of management.

Oxford maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance accounting principles generally accepted in the United States. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

The consolidated financial statements for the years ended June 1, 2001, June 2, 2000 and May 28, 1999 have been audited by Arthur Andersen LLP, independent public accountants. In connection with its audits, Arthur Andersen LLP, develops and maintains an understanding of Oxford's accounting and financial controls and conducts tests of Oxford's accounting systems and other related procedures as it considers necessary to render an opinion on the financial statements.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with Oxford's management, internal auditors and independent public accountants to review matters relating to the quality of financial reporting and internal accounting controls, and the independent nature, extent and results of the audit effort. The Committee recommends to the Board appointment of the independent public accountants. Both the internal auditors and the independent public accountants have access to the Audit Committee, with or without the presence of management.

Ben B. Blount, Jr.
Executive Vice President-
Finance, Planning and Administration
and Chief Financial Officer

Oxford Industries Inc., and Subsidiaries
Report of Independent Public Accountants

To Oxford Industries, Inc.

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

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

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

Atlanta, Georgia
July 13, 2001

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in Oxford Industries, Inc.'s previously filed Registration Statements No. 2-76870, No. 33-7231, No. 33-64097 No. 333-59409 and No. 333-59411 of (1) our report dated July 13, 2001 appearing on page 34 of the Corporation's 2001 Annual Report to Stockholders which is incorporated by reference in the Corporation's Annual Report on Form 10-K for the year ended June 1, 2001, and (2) the inclusion of our report on the schedule dated July 13, 2001 appearing on page 11 of the Corporation's Annual Report on Form 10-K for the year ended June 1, 2001.

ARTHUR ANDERSEN LLP

**Atlanta, Georgia
August 28, 2001**

EXHIBIT 24
ELECTRONIC SUMMARY - POWER OF ATTORNEY

Each of the undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Thomas Caldecot Chubb, III, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended June 1, 2001 and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorneys-in-fact full power and authority to sign such documents on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorneys-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Oxford Industries, Inc.

CECIL D. CONLEE
Cecil D. Conlee
Dated: July 19, 2001
Director

CLARENCE B. ROGERS, JR
Clarence B. Rogers, Jr.
Dated: July 18, 2001
Director

THOMAS GALLAGHER
Thomas Gallagher
Dated: July 17, 2001
Director

KNOWLTON J. O'REILLY
Knowlton J. O'Reilly
Dated July 17, 2001
Director

E. JENNER WOOD
E. Jenner Wood
Dated: July 16, 2001
Director

ROBERT E. SHAW
Robert E. Shaw
Dated: July 20, 2001
Director

J. REESE LANIER
J. Reese Lanier
Dated July 16, 2001
Director

HELEN B. WEEKS
Helen B. Weeks
Dated: August 17, 2001
Director