



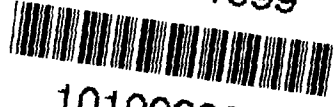
MRD  
3-25-99



03-25-1999

RECORDATION COVER SHEET  
TRADEMARKS ONLY

04-07-1999



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

Submission Type

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

Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger  Change of Name
  - Other \_\_\_\_\_
- Effective Date  
Month Day Year  
\_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name County Seat Stores, Inc.

1 22 99

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization MN

Receiving Party

Mark if additional names of receiving parties attached

Name Back Bay Capital Funding, LLC

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 40 Broad Street

Address (line 2) \_\_\_\_\_

Address (line 3) Boston MA 02109

- Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation  Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization DE

04/06/1999 DNGUYEN 00000186 75137175

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 600.00 OP

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

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

TRADEMARK  
REEL: 1878 FRAME: 0634

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

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

Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties**

Enter the total number of properties involved. #

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account

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

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

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

Name of Person Signing

  
Signature

Date Signed

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

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

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

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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

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

Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

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1,530,864	1,694,263	1,711,822
1,691,700	1,827,535	1,905,068
1,918,883	1,863,788	1,586,196
1,927,748	1,099,854	
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January 22, 1999

This Trademark and Trademark Application Security Agreement (the "**TM Security Agreement**") is made as of the 22<sup>nd</sup> day of January, 1999, by County Seat Stores, Inc., debtor-in-possession, a Minnesota corporation with its principal executive offices at 469 Seventh Avenue, New York, New York 10018 (the "**Obligor**"), Back Bay Capital Funding, LLC (the "**Lender**"), a Delaware limited liability company with its principal executive offices at 40 Broad Street, Boston, Massachusetts 02109.

**RECITALS**

WHEREAS, pursuant to that certain Term Loan and Security Agreement dated January 22, 1999, by and between the Obligor and the Lender (as the same be amended from time to time, the "**Loan Agreement**") the Lender has made a term loan in the amount of \$5,000,000.00 (hereinafter, the "**Loan**") to the Obligor, subject to, and in accordance with the provisions of, the Loan Agreement;

WHEREAS, under the Loan Agreement, the Obligor has created a security interest in the Obligor's assets to secure the **Liabilities** (as defined in the Loan Agreement and used herein as so defined);

WHEREAS, as a condition, among others, to the establishment of the credit facility contemplated by the Loan Agreement, the Obligor has executed this TM Security Agreement.

NOW THEREFORE, For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Obligor and the Agent agree as follows:

1. Terms used herein which are defined the Loan Agreement are used as so defined.
2. To secure the Liabilities, the Obligor hereby grants to the Lender, a continuing security interest in and to, and assigns for security to the Lender (with power of sale exercisable upon the occurrence of an Event of Default as defined in the Loan Agreement), the following, and each item thereof, whether now owned or in which the Obligor has an existing interest or hereafter acquired or arising and all products, proceeds, substitutions, and accessions of or to any of the following:

(a) All trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

(b) All renewals of any of the foregoing.

(c) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

(d) The right to sue for past, present and future infringements and dilutions of any of the foregoing.

(e) All of Obligor's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2.(a), together with the items respectively described in Subsections 2.(b) through and including 2.(e) are hereinafter individually and/or collectively referred to as the "**Marks**".

3. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Lender, the Obligor shall undertake the following with respect to each Mark which is material to its business as then being conducted:

(a) Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.

(b) At the Obligor's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the security interest created herein.

(c) At the Obligor's sole cost, expense, and risk, take any and all action which Obligor deems desirable to protect the Marks, including, without limitation, but subject to Obligor's discretion, the prosecution and defense of infringement actions.

4. In the event of

(a) the Obligor's failure, within Five (5) days of written notice from the Lender, to cure any failure by the Obligor to perform any of the Obligor's obligations set forth in Section 3, above; and/or

(b) the occurrence and continuance of any Event of Default beyond applicable grace periods as provided for in the Loan Agreement, the Lender acting in its own name or in that of the Obligor may (but shall not be required to) act in the Obligor's place and stead and/or in the Lenders' own right in connection therewith.

5. The Obligor represents and warrants that:

(a) **EXHIBIT A** includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Obligor.

(b) No liens, claims or security interests which are still in effect have been granted in any Mark by the Obligor to any Person other than to the Lender and to BankBoston Retail Finance Inc., as Agent (the "Tranche A Agent") for a syndicate of Lenders pursuant to a certain Loan and Security Agreement dated as of January 22, 1999, as the same may be amended from time to time.

6. In order to further secure the Liabilities:

(a) The Obligor shall give the Lender written notice (with reasonable detail) within Twenty-five (25) days following the occurrence of any of the following:

(i) The Obligor obtains rights to, and files applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications.

(ii) The Obligor becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals as licensee.

(b) The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 6.(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

(c) The Obligor hereby authorizes the Lender to modify this agreement by amending **EXHIBIT A** to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said **EXHIBIT** shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence of any Event of Default, and only if such default shall be continuing beyond applicable grace periods as provided for in the Loan Agreement, the Lender may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Marks, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and that the Lender is authorized to exercise such rights and remedies.

8. The Obligor hereby irrevocably constitutes and designates the Lender as and for the Obligor's attorney in fact, effective with and upon the Lender's first exercise (the "**First Exercise**") of such powers following the occurrence of any Event of Default continuing beyond applicable grace periods as provided for in the Loan Agreement:

(a) To exercise any of the rights and powers referenced in Section 7.

(b) To execute all and singular such instruments, documents, and papers as the Lender determines to be appropriate in connection with the exercise of such rights and powers and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Lender, but shall be exercisable only following the occurrence of an Event of Default.

9. Any use by the Lender of the Marks as authorized hereunder in connection with the exercise of the Lenders' rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Obligor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to the Obligor. Such use by the Lender shall be permitted only with and upon the First Exercise following the occurrence of an Event of Default continuing beyond applicable grace periods as provided for in the Loan Agreement.

10. Lender hereby acknowledges that the Obligor shall continue to have the exclusive right, prior to notice from the Lender following the occurrence of an Event of Default continuing beyond applicable grace periods as provided for in the Loan Agreement, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by Obligor to protect the Marks against encroachment by third parties; *provided,*

*however*, that Obligor must promptly notify Lender in writing of its filing of a lawsuit for enforcement of the trademarks against a particular party. All costs arising in connection with any infringement shall be borne by Obligor.

11. Following the payment and satisfaction of all Liabilities, this TM Security Agreement shall terminate and the Lender shall execute and deliver to Obligor all such instruments as the Obligor reasonably may request to release any Encumbrance in favor of the Lender created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement. The Lender will also execute and deliver to the Obligor such releases as Obligor shall reasonably request in connection with any disposition permitted hereunder or under the Loan Agreement of any Mark or other collateral pledged hereunder.

12. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Lender any rights in and to the Marks (except the grant of security pursuant to Section 2 hereof, and Section 7.1 of the Loan Agreement) which rights are effective except following the occurrence and continuance of any Event of Default beyond applicable grace periods as provided for in the Loan Agreement (and in such circumstances, only with and upon the First Exercise).

13. This TM Security Agreement is intended to be supplemental of the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Lender shall have the same rights with respect to any and all security interests in the Marks granted the Lender to secure the Liabilities hereunder as thereunder. Notwithstanding the foregoing in the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other collateral, and *further* provided that in the event of any inconsistency between the provisions of any Loan Document and the Borrowing Order, the provisions of the Borrowing Order shall govern and control.

14. This TM Security Agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.



IN WITNESS WHEREOF, the Obligor and the Lender respectively have caused this Loan Agreement to be executed by officers duly authorized so to do on the date first above written.

COUNTY SEAT STORES, INC.  
(The "Obligor")

BACK BAY CAPITAL FUNDING, LLC  
(The "Lender")

By *Allen Weiss*  
Title: *Sr. V.P. and CFO*

By *Michael Anette*  
Title: *Managing Director*

*State of New York*  
COUNTY OF *New York*

Then personally appeared before me *Allen Weiss* who acknowledged that such person is the duly authorized *Sr. V.P. and CFO* of County Seat Stores, Inc. and that such person had executed the foregoing instrument on its behalf.

Witness my hand and seal this *22<sup>nd</sup>* day of *January*

*Matthew J. Viola*  
\_\_\_\_\_  
, Notary Public  
My Commission Expires: \_\_\_\_\_  
MATTHEW J. VIOLA  
NOTARY PUBLIC, State of New York  
No. 5022824  
Qualified in Kings County  
Commission Expires January 18, *2010*

THE *State* OF *New York*  
COUNTY OF *New York*

Then personally appeared before me *Michael Anette* who acknowledged that such person is the duly authorized *Managing Director* of Back Bay Capital Funding, LLC; and that such person executed the foregoing instrument on its behalf.

Witness my hand and seal this *22<sup>nd</sup>* day of *January*

*Matthew J. Viola*  
\_\_\_\_\_  
, Notary Public  
My Commission Expires: \_\_\_\_\_  
MATTHEW J. VIOLA  
NOTARY PUBLIC, State of New York  
No. 5022824  
Qualified in Kings County  
Commission Expires January 18, *2010*

**EXHIBIT A**

Obligor's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

**Trademark/Service Mark Registrations**

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
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**Trademark Applications**

MARK	SERIAL NUMBER	FILING DATE
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See Attached

358426.3

## EXHIBIT A

LIST OF U.S. SERVICE MARKS AND TRADEMARKSI. Trademark and Service mark Applications Filed or to Be Filed in the United States Patent and Trademark Office

<u>Mark</u>	<u>Serial Number</u>	<u>Date of Filing</u>
1. CS USA & Design	75/137,175	July 22, 1996
2. CS USA & Design	75/137,002	July 22, 1996
3. The Old Farmer's Almanac General Store	74/733,140	September 11, 1995
4. The Old Farmer's Almanac General Store & Design	74/730,086	September 18, 1995
5. County Seat Supply Company	74/635,868	February 17, 1995
6. CS County Seat Jeans & Design		Pending
7. CS County Seat Jeans & Design		Pending
8. R and R		Application to be drafted
9. Tan Star		To be filed
10. The Seat		Application to be drafted

II. Trademarks Registered in the United States  
Patent and Trademark Office

<u>Mark</u>	<u>U.S. Registration Number</u>	<u>Date of Registration</u>
1. County Seat	1,798,785	October 12, 1993
2. County Seat Easy Life Wrinkle Less	1,937,382	November 21, 1995
3. County Seat The Jean Store	1,490,663	May 31, 1988
4. Easy Life	1,933,322	November 7, 1995
5. Easy Life Wrinkle Less	1,952,987	January 30, 1996
6. Easy Life Wrinkle Less & Design	1,937,383	November 21, 1995
7. Locker Loot	1,273,509	April 10, 1984
8. New Forces	1,398,606	June 24, 1986
9. Nuovo	1,524,654	February 14, 1989
10. Nuovo	1,530,864	March 21, 1989
11. Nuovo	1,694,263	June 16, 1992
12. Nuovo	1,711,822	September 1, 1992
13. Nuovo	1,691,700	June 9, 1992
14. Nuovo County Seat	1,827,535	March 22, 1994
15. Ten Star	1,905,068	July 11, 1995
16. Ten Year Wash	1,918,883	September 12, 1995
17. Ten Year Wash	1,863,788	November 22, 1994

III. Service Marks Registered in the United States  
Patent and Trademark Office

<u>Mark</u>	<u>U.S. Registration Number</u>	<u>Date of Registration</u>
1. Eagle (Design)	1,586,196	March 6, 1990
2. County Seat The Denim Authority	1,927,748	October 17, 1995
3. County Seat	1,099,854	August 15, 1978

LIST OF JAPANESE TRADEMARKS

<u>Mark</u>	<u>Registration Number</u>	<u>Date of Registration</u>
1. County Seat	2,144,369	June 23, 1989