

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 31, 2010

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission
File Number
001-32927

Registrant, State of Incorporation Address
and Telephone Number

I.R.S. Employer
Identification No.
22-2894486

J.CREW GROUP, INC.

(Incorporated in Delaware)

770 Broadway
New York, New York 10003
Telephone: (212) 209-2500

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Common Stock
Common Stock, \$.01 par value per share

Outstanding at August 16, 2010
63,740,963 shares

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PART I – FINANCIAL INFORMATION**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****J.CREW GROUP, INC.**
Condensed Consolidated Balance Sheets
(unaudited)
(in thousands, except shares)

	July 31, 2010	January 30, 2010
Assets		
Cash and cash equivalents	\$ 340,489	\$ 298,107
Merchandise inventories	219,526	190,231
Prepaid expenses and other current assets	29,203	29,522
Prepaid income taxes	7,876	1,455
Total current assets	<u>597,094</u>	<u>519,315</u>
Property and equipment – at cost	366,111	348,584
Less accumulated depreciation and amortization	<u>(177,635)</u>	<u>(153,969)</u>
	<u>188,476</u>	<u>194,615</u>
Deferred income taxes, net	14,851	14,851
Other assets	9,577	9,777
Total assets	<u>\$ 809,998</u>	<u>\$ 738,558</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 131,311	\$ 127,733
Other current liabilities	89,204	106,652
Current portion of long-term debt	49,229	—
Deferred income taxes, net	958	958
Total current liabilities	270,702	235,343
Long-term debt	—	49,229
Deferred credits	64,548	67,646
Other liabilities	10,486	10,462
Total liabilities	<u>345,736</u>	<u>362,680</u>
Stockholders' equity:		
Common stock (\$.01 par value; 200,000,000 shares authorized; 65,077,097 and 65,069,863 shares issued; 63,732,070 and 63,778,998 shares outstanding)	651	649
Additional paid-in capital	624,756	613,383
Accumulated deficit	(154,091)	(233,731)
Treasury stock, at cost (1,345,027 and 1,290,865 shares held)	<u>(7,054)</u>	<u>(4,423)</u>
Total stockholders' equity	<u>464,262</u>	<u>375,878</u>
Total liabilities and stockholders' equity	<u>\$ 809,998</u>	<u>\$ 738,558</u>

See notes to unaudited condensed consolidated financial statements.

J.CREW GROUP, INC.
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except share data)

	Thirteen weeks ended	
	July 31, 2010	August 1, 2009
Revenues:		
Net sales	\$ 397,510	\$ 347,251
Other	10,009	10,304
Total revenues	407,519	357,555
Cost of goods sold, including buying and occupancy costs	225,967	210,327
Gross profit	181,552	147,228
Selling, general and administrative expenses	122,540	115,016
Income from operations	59,012	32,212
Interest expense – net	632	1,078
Income before income taxes	58,380	31,134
Provision for income taxes	23,471	12,524
Net income	\$ 34,909	\$ 18,610
Net income per share:		
Basic	\$ 0.55	\$ 0.30
Diluted	\$ 0.53	\$ 0.29
Weighted average shares outstanding:		
Basic	63,242	62,323
Diluted	65,917	64,326

See notes to unaudited condensed consolidated financial statements.

J.CREW GROUP, INC.
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except share data)

	Twenty-six weeks ended	
	July 31, 2010	August 1, 2009
Revenues:		
Net sales	\$ 801,846	\$ 683,337
Other	19,552	19,988
Total revenues	821,398	703,325
Cost of goods sold, including buying and occupancy costs	437,248	410,160
Gross profit	384,150	293,165
Selling, general and administrative expenses	249,719	225,685
Income from operations	134,431	67,480
Interest expense – net	1,259	2,155
Income before income taxes	133,172	65,325
Provision for income taxes	53,537	26,270
Net income	\$ 79,635	\$ 39,055
Net income per share:		
Basic	\$ 1.26	\$ 0.63
Diluted	\$ 1.21	\$ 0.61
Weighted average shares outstanding:		
Basic	63,240	62,227
Diluted	65,993	63,864

See notes to unaudited condensed consolidated financial statements.

J.CREW GROUP, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	<u>Twenty-six weeks ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Cash flows from operating activities:		
Net income	\$ 79,635	\$ 39,055
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	24,227	26,859
Amortization of deferred financing costs	454	684
Share-based compensation	3,536	6,051
Excess tax benefit from share-based compensation plans	(4,733)	(2,016)
Changes in operating assets and liabilities:		
Merchandise inventories	(29,295)	(8,251)
Prepaid expenses and other current assets	319	2,768
Other assets	(254)	77
Accounts payable and other liabilities	(16,968)	(6,921)
Federal and state income taxes	(1,664)	23,803
Net cash provided by operating activities	<u>55,257</u>	<u>82,109</u>
Cash flow from investing activities:		
Capital expenditures	(18,088)	(28,407)
Cash flows from financing activities:		
Repayments of long-term debt	—	(257)
Excess tax benefit from share-based compensation plans	4,733	2,016
Proceeds from share-based compensation plans	3,111	2,542
Repurchase of common shares	(2,631)	(159)
Net cash provided by financing activities	<u>5,213</u>	<u>4,142</u>
Increase in cash and cash equivalents	42,382	57,844
Cash and cash equivalents – beginning of period	298,107	146,430
Cash and cash equivalents – end of period	<u>\$ 340,489</u>	<u>\$ 204,274</u>
Supplemental cash flow information:		
Income taxes paid	<u>\$ 55,393</u>	<u>\$ 12,155</u>
Interest paid	<u>\$ 598</u>	<u>\$ 1,117</u>

See notes to unaudited condensed consolidated financial statements.

J.CREW GROUP, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
Thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009
(Dollars in thousands, unless otherwise indicated)**1. Basis of Presentation**

The condensed consolidated financial statements presented herein include the accounts of J.Crew Group, Inc. and its wholly owned subsidiaries (the "Company" or "Group"). All significant intercompany balances and transactions are eliminated in consolidation.

The condensed consolidated balance sheet as of July 31, 2010, the condensed consolidated statements of operations for the thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009, and the condensed consolidated statements of cash flows for the twenty-six weeks ended July 31, 2010 and August 1, 2009 have been prepared by the Company and have not been audited. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary for the fair presentation of the financial position, results of operations and cash flows, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles has been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the consolidated financial statements filed in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2010 ("fiscal 2009").

The results of operations for the thirteen and twenty-six weeks ended July 31, 2010 are not necessarily indicative of the operating results for the full fiscal year.

2. Share-Based Compensation

A summary of the impact of share-based awards on financial condition and results of operations is as follows:

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Share-based compensation ^(a)	\$ (37)	\$ 3,426	\$ 3,536	\$ 6,051
Proceeds from exercise of stock options	\$ 1,089	\$ 1,507	\$ 2,125	\$ 1,729
Proceeds from issuance of common stock under ASPP	963	813	986	813
Total proceeds from share-based compensation plans ^(b)	\$ 2,052	\$ 2,320	\$ 3,111	\$ 2,542
Excess tax benefit from share-based compensation plans ^(b)	\$ 615	\$ 1,884	\$ 4,733	\$ 2,016

(a) Included in selling, general and administrative expenses.

(b) Included in stockholders' equity.

Share-based compensation for the thirteen and twenty-six weeks ended July 31, 2010 includes a benefit of \$3.2 million for forfeited share-based awards resulting primarily from the resignation of the Company's President of Retail and Direct on July 13, 2010.

During the first six months of fiscal 2010, the Company issued 43,123 stock options with a weighted average grant date fair value of \$21.26. These options become exercisable with a weighted average exercise price of \$41.70 over the requisite service period. The Company also issued 35,652 service-based restricted shares with a weighted average grant date fair value of \$43.07. There have been no significant changes subsequent to the end of fiscal 2009 in the methods or valuation assumptions used to measure share-based awards.

3. Income Taxes

Group files a consolidated federal income tax return, which includes all of its wholly owned subsidiaries. Each subsidiary files separate, or combined where required, state tax returns in required jurisdictions.

IRS examinations for the tax years ended January 2006 and prior have been completed and settled. Various state and local jurisdiction tax authorities are in the process of examining income tax returns or hearing appeals for certain tax years ranging from 2002 to 2008. The results of these audits and appeals are not expected to have a significant effect on the results of operations or financial position.

J.CREW GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
Thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009
(Dollars in thousands, unless otherwise indicated)

The Company has \$10.5 million in unrecognized tax benefits, reflected in other liabilities, including interest and penalties. The amount, if recognized, that would affect the effective annual tax rate is \$7.6 million. While the Company expects the amount of unrecognized tax benefits to change in the next twelve months, the change is not expected to have a significant effect on the estimated effective annual tax rate, the results of operations or financial position. The outcome of tax matters is uncertain and unforeseen results can occur.

It is the Company's policy to recognize interest income and expense related to income taxes as a component of interest expense, and penalties as a component of selling, general and administrative expenses. The amount of interest and penalties accrued at July 31, 2010 was \$0.8 million.

4. Debt and Credit Agreements

Debt

Long-term debt consists of the following:

	<u>July 31, 2010</u>	<u>January 30, 2010</u>
Term loan	\$ 49,229	\$ 49,229
Less current portion	(49,229)	—
Long-term debt	<u>\$ —</u>	<u>\$ 49,229</u>

On May 15, 2006 (the "Closing Date"), J.Crew Operating Corp. ("Operating"), as borrower, Group and certain of Operating's direct and indirect subsidiaries, as guarantors, entered into a Credit and Guaranty Agreement (the "Credit and Guaranty Agreement" or "Term Loan") with certain lenders named therein as lenders, Goldman Sachs Credit Partners L.P. ("GSCP") and Bear, Stearns & Co. Inc. as joint lead arrangers and joint bookrunners, GSCP as administrative agent and collateral agent, Bear Stearns Corporate Lending Inc. as syndication agent and Wachovia Bank, National Association as documentation agent.

The total amount borrowed by Operating under the Credit and Guaranty Agreement on the Closing Date was \$285.0 million. Borrowings bear interest, at the Company's option, at the base rate plus a margin of 0.75% or at LIBOR plus a margin of 1.75% per annum. All borrowings will mature on May 15, 2013.

The Company is required to make the following annual principal payments based upon certain conditions as set forth in the Term Loan: (i) 1% per annum of the original principal balance of the Term Loan due in quarterly installments and (ii) an amount equal to 50% of excess cash flow, as defined in the agreement, due within 90 days of the fiscal year-end. On August 31, 2010, Operating made a voluntary prepayment of the remaining principal amount outstanding under the Term Loan. See Note 7, Subsequent Event, for more information.

Credit Agreements

Credit Facility

On May 4, 2007, Group and certain of its subsidiaries, as guarantors, and Operating and certain of its subsidiaries, as borrowers, entered into a Second Amended and Restated Credit Agreement (the "Credit Facility") with Citicorp USA, Inc. ("Citicorp"), as administrative agent, Citicorp, as collateral agent, and Bank of America, N.A. and Wachovia Bank, National Association, as syndication agents.

The Credit Facility provides for revolving loans and letters of credit of up to \$200 million (which amount may be increased to up to \$250 million subject to certain conditions) at floating interest rates based on the base rate, as defined, plus a margin of up to 0.25% or LIBOR plus a margin ranging from 1.0% to 1.25%. The margin is based upon quarterly excess availability levels specified in the Credit Facility. The total amount of availability is limited to the sum of: (a) 100% of qualified cash, (b) 90% of eligible receivables, (c) the lesser of 90% of eligible inventory and 92.5% of the net recovery percentage of inventories (as determined by periodic inventory appraisals) for the period August 1 through December 31, or 90% of the net recovery percentage of inventories for the period January 1 through July 31, (d) 65% of the fair market value of eligible real estate, and (e) less any reserves established by Citicorp. The Credit Facility expires on May 4, 2013.

Borrowings under the Credit Facility are guaranteed by the Company and certain of its subsidiaries, and are secured by a perfected first priority security interest in substantially all of the Company's assets and those of certain of its subsidiaries. The Credit Facility includes restrictions on the Company's ability and the ability of certain of its subsidiaries to incur additional indebtedness and liens, pay dividends or make other distributions, make investments, dispose of assets and merge. If excess availability under the Credit Facility is less than \$20 million at any time, then the Company's fixed charge coverage ratio for the most recently ended period of four consecutive fiscal quarters may not be less than 1.10 to 1.00 for that period.

J.CREW GROUP, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**
Thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009
(Dollars in thousands, unless otherwise indicated)

If an event of default occurs under the Credit Facility, the lenders may declare all amounts outstanding under the Credit Facility immediately due and payable. In such event, the lenders may exercise any rights and remedies they may have by law or agreement, including the ability to cause all or any part of the collateral securing the Credit Facility to be sold.

Operating has been in compliance with its financial covenants during the terms of these agreements.

There were no short-term borrowings during the first six months of fiscal 2010. Outstanding standby letters of credit were \$4.6 million and excess availability, as defined, under the Credit Facility was \$195.4 million at July 31, 2010.

Demand Letter of Credit Facility

On October 31, 2007, Operating entered into an unsecured, demand letter of credit facility with The Hong Kong and Shanghai Banking Corporation Limited that provides for the issuance of up to \$35.0 million of documentary letters of credit on a no fee basis. Outstanding documentary letters of credit were \$11.8 million and availability under this facility was \$23.2 million at July 31, 2010.

5. Net Income Per Share

The calculation of basic and diluted income per share is as follows:

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Net income	<u>\$ 34,909</u>	<u>\$ 18,610</u>	<u>\$ 79,635</u>	<u>\$ 39,055</u>
Income per share:				
Basic	<u>\$ 0.55</u>	<u>\$ 0.30</u>	<u>\$ 1.26</u>	<u>\$ 0.63</u>
Diluted	<u>\$ 0.53</u>	<u>\$ 0.29</u>	<u>\$ 1.21</u>	<u>\$ 0.61</u>
Weighted average common shares outstanding:				
Basic	<u>63,242</u>	<u>62,323</u>	<u>63,240</u>	<u>62,227</u>
Diluted	<u>65,917</u>	<u>64,326</u>	<u>65,993</u>	<u>63,864</u>

The number of shares of potentially dilutive securities excluded from the calculation of diluted earnings per share is as follows:

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Stock options	<u>629</u>	<u>2,146</u>	<u>624</u>	<u>3,489</u>
Unvested restricted stock	<u>29</u>	<u>43</u>	<u>29</u>	<u>146</u>
Total	<u>658</u>	<u>2,189</u>	<u>653</u>	<u>3,635</u>

6. Fair Value Measurements

The Company uses a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs, other than quoted prices included in Level 1, such as quoted prices for markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Financial assets and liabilities

The Company does not have any financial assets or liabilities as of July 31, 2010 or January 30, 2010 that are measured in the financial statements at fair value on a recurring basis.

The fair value of the Company's long-term debt, classified as current as of July 31, 2010 and long-term as of January 30, 2010, is estimated to be approximately \$46,768 and \$47,260 at July 31, 2010 and January 30, 2010, and is based on quoted market prices of

J.CREW GROUP, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****Thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009****(Dollars in thousands, unless otherwise indicated)**

the debt (level 1 inputs). The carrying amounts of long-term debt were \$49,229 at July 31, 2010 and January 30, 2010. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts payable and other current liabilities approximate fair value because of their short-term nature. The estimates presented herein are not necessarily indicative of amounts the Company could realize in a current market exchange.

Non-financial assets and liabilities

Except for certain leasehold improvements, the Company does not have any non-financial assets or liabilities as of July 31, 2010 or January 30, 2010 that are measured in the financial statements at fair value.

The Company performs impairment tests of certain long-lived assets whenever there are indicators of impairment. These tests typically contemplate assets at a store level (e.g. leasehold improvements). The Company recognizes an impairment loss when the carrying value of a long-lived asset is not recoverable in light of the undiscounted future cash flows and measures an impairment loss as the difference between the carrying amount and fair value of the asset based on discounted future cash flows. The Company has determined that the future cash flow approach (level 3 inputs) provides the most relevant and reliable means by which to determine fair value in this circumstance.

A summary of the impact of the impairment of certain long-lived assets on financial condition and results of operations is as follows:

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Carrying value of certain long-lived assets written down to fair value	<u>\$ 535</u>	<u>\$ 1,673</u>	<u>\$ 535</u>	<u>\$ 2,704</u>
Impairment charge	<u>\$ 535(a)</u>	<u>\$ 1,673</u>	<u>\$ 535</u>	<u>\$ 2,704</u>

(a) Impairment charge is a result of flooding of a factory store, which is temporarily closed.

7. Subsequent Event

On August 31, 2010, Operating made a voluntary prepayment of \$49.2 million representing the remaining principal amount outstanding under the Term Loan. Accordingly, long-term debt was reclassified to current-portion of long-term debt on the condensed consolidated balance sheet as of July 31, 2010. In conjunction with the voluntary prepayment, the Company will record a non-cash charge of \$1.4 million to interest expense in the third quarter of fiscal 2010 representing the remaining unamortized deferred financing costs incurred on the Term Loan.

Forward-Looking Statements

This report contains “forward-looking statements,” which include information concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, under the headings “Condensed Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” When used in this report, the words “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, our examination of historical operating trends, are based upon our current expectations and various assumptions. We believe there is a reasonable basis for our expectations and beliefs, but there can be no assurance that we will realize our expectations or that our beliefs will prove correct.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this report. Important factors that could cause our actual results to differ materially from those expressed as forward-looking statements are set forth in this report, including but not limited to those under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended January 30, 2010 filed with the Securities and Exchange Commission (the “SEC”). There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date they are made and are expressly qualified in their entirety by the cautionary statements included in this report. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date they were made or to reflect the occurrence of unanticipated events.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This document should be read in conjunction with the Management's Discussion and Analysis section of our Annual Report on Form 10-K for the fiscal year ended January 30, 2010 filed with the SEC. When used herein, the terms "Group," "Company," "we," "us" and "our" refer to J. Crew Group, Inc., including wholly owned consolidated subsidiaries.

Executive Overview

J.Crew® is a nationally recognized apparel and accessories retailer that we believe embraces a high standard of style, craftsmanship, quality and customer service. We are a fully integrated multi-brand, multi-channel, specialty retailer that operates stores and websites to consistently communicate our vision. We believe our customer base consists primarily of affluent, college-educated and professional and fashion-conscious women and men.

We have two primary sales channels: Stores, which consists of our J.Crew retail, J.Crew factory, clearance, crewcuts®, and Madewell® stores; and Direct, which consists of (i) our websites for the J.Crew, crewcuts and Madewell brands and (ii) our J.Crew and crewcuts catalogs. As of July 31, 2010, we operated 246 retail stores (including nine crewcuts and 18 Madewell stores), 81 factory stores (including one temporarily closed store due to flooding and one crewcuts factory store), and three clearance stores, throughout the United States; compared to 242 retail stores (including eight crewcuts and 18 Madewell stores), 77 factory stores (including one crewcuts factory store) and two clearance stores as of August 1, 2009.

The following is a summary of our revenues for the thirteen and twenty-six week periods ended July 31, 2010 and August 1, 2009:

<u>(Dollars in millions)</u>	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>July 31, 2010</u>	<u>August 1, 2009</u>	<u>July 31, 2010</u>	<u>August 1, 2009</u>
Stores	\$295.0	\$259.1	\$585.0	\$499.8
Direct	102.5	88.2	216.9	183.5
Net sales	397.5	347.3	801.9	683.3
Other(a)	10.0	10.3	19.5	20.0
Total revenues	<u>\$407.5</u>	<u>\$357.6</u>	<u>\$821.4</u>	<u>\$703.3</u>

(a) Consists primarily of shipping and handling fees.

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The following is a summary of second quarter fiscal 2010 highlights:

- Revenues increased 14.0% to \$407.5 million.
- Comparable store sales increased 10.6%.
- Direct net sales increased 16.3% to \$102.5 million.
- Income from operations increased to \$59.0 million, or 14.5% of revenues.
- Pre-tax losses of Madewell decreased to \$3.0 million in the second quarter of fiscal 2010 from \$5.2 million in the second quarter last year.
- We opened one J.Crew retail store, one J.Crew factory store and one Madewell store. We closed one J.Crew retail store.

The following is a summary of first half fiscal 2010 highlights:

- Revenues increased 16.8% to \$821.4 million.
- Comparable store sales increased 12.8%.
- Direct net sales increased 18.2% to \$216.9 million.
- Income from operations increased to \$134.4 million, or 16.4% of revenues.
- Pre-tax losses of Madewell decreased to \$5.9 million in the first half of fiscal 2010 from \$9.0 million in the first half last year.
- We opened three J.Crew retail stores, three J.Crew factory stores (one of which is temporarily closed due to flooding in Tennessee) and one Madewell store. We closed one J.Crew retail store.

Results of Operations – Second Quarter of Fiscal 2010 compared to Second Quarter of Fiscal 2009

<u>(Dollars in millions)</u>	<u>Thirteen Weeks Ended</u> <u>July 31, 2010</u>		<u>Thirteen Weeks Ended</u> <u>August 1, 2009</u>		<u>Increase / (Decrease)</u>	
	<u>Amount</u>	<u>Percent of</u> <u>Revenues</u>	<u>Amount</u>	<u>Percent of</u> <u>Revenues</u>	<u>Dollars</u>	<u>Percentage</u>
Revenues	\$ 407.5	100.0%	\$ 357.6	100.0%	\$49.9	14.0%
Gross profit	181.6	44.6	147.2	41.2	34.4	23.3
Selling, general and administrative expenses	122.5	30.1	115.0	32.2	7.5	6.5
Income from operations	59.0	14.5	32.2	9.0	26.8	83.2
Interest expense, net	0.6	0.2	1.1	0.3	(0.5)	(41.4)
Income taxes	23.5	5.8	12.5	3.5	11.0	87.4
Net income	\$ 34.9	8.6%	\$ 18.6	5.2%	\$ 16.3	87.6%

Revenues

Revenues increased \$49.9 million, or 14.0%, to \$407.5 million in the second quarter of fiscal 2010 from \$357.6 million in the second quarter last year. This increase resulted from increases in comparable store sales and Direct sales, and non-comparable store sales. Consistent with the overall macroeconomic environment and uncertainty in consumer spending, we believe that the rate of revenue growth in the second half of fiscal 2010 will be lower than the rate in the first half of the year.

Stores sales increased \$35.9 million, or 13.9%, to \$295.0 million in the second quarter of fiscal 2010 from \$259.1 million in the second quarter last year. Comparable store sales increased 10.6% to \$284.1 million in the second quarter of fiscal 2010 from \$256.8 million last year. Comparable store sales decreased 5.1% in the second quarter of fiscal 2009. Non-comparable store sales were \$10.9 million in the second quarter of fiscal 2010.

Direct sales increased \$14.3 million, or 16.2%, to \$102.5 million in the second quarter of fiscal 2010 from \$88.2 million in the second quarter last year. Direct sales increased \$5.0 million, or 6.0%, in the second quarter of fiscal 2009.

The increase in Stores and Direct sales in the second quarter of fiscal 2010 was primarily driven by an increase in sales of women's apparel, specifically knits, sweaters, and shirts. Sales of men's and children's apparel, and accessories also increased during the quarter.

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The approximate percentage of our sales by product category, based on our internal merchandising system, is as follows:

	Thirteen Weeks Ended	
	July 31, 2010	August 1, 2009
Apparel:		
Women's	63%	65%
Men's	22	20
Children's	4	3
Accessories	11	12
	<u>100%</u>	<u>100%</u>

Other revenues, which consist primarily of shipping and handling fees, decreased \$0.3 million, or 2.9%, to \$10.0 million in the second quarter of fiscal 2010 from \$10.3 million in the second quarter last year. This decrease resulted primarily from shipping and handling promotions offsetting the impact of shipping and handling fees from increased direct sales. Other revenues decline as we increase the frequency of shipping and handling promotions.

Gross Profit

Gross profit increased \$34.4 million to \$181.6 million in the second quarter of fiscal 2010 from \$147.2 million in the second quarter last year. This increase resulted from the following factors:

<u>(Dollars in millions)</u>	
Increase in revenues	\$27.0
Increase in merchandise margin	8.8
Increase in buying and occupancy costs	(1.4)
	<u>\$ 34.4</u>

Gross margin increased to 44.6% in the second quarter of fiscal 2010 from 41.2% in the second quarter last year. The increase in gross margin was driven by a 220 basis point expansion in merchandise margin due to decreased markdowns and a 120 basis point decrease in buying and occupancy costs as a percentage of revenues.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$7.5 million, or 6.5%, to \$122.5 million in the second quarter of fiscal 2010 from \$115.0 million in the second quarter last year. This increase primarily resulted from the following:

Increases

- \$5.0 million in corporate overhead—primarily payroll, payroll-related and consulting;
- \$4.2 million in Stores operating expenses—primarily payroll and payroll-related; and
- \$0.9 million in advertising and marketing expenses.

Decreases

- \$3.5 million in share-based and incentive compensation, which includes a benefit of \$3.2 million for forfeited share-based awards resulting primarily from the resignation of our President of Retail and Direct; and
- \$2.1 million in additional charges incurred last year related to impairment and accelerated depreciation of underperforming stores.

As a percentage of revenues, selling, general and administrative expenses decreased to 30.1% in the second quarter of fiscal 2010 from 32.2% in the second quarter last year, primarily due to increases in comparable store sales and Direct sales.

Interest Expense, Net

Interest expense, net of interest income, decreased \$0.5 million to \$0.6 million in the second quarter of fiscal 2010 from \$1.1 million in second quarter last year due primarily to lower debt outstanding resulting from a voluntary prepayment of \$50.0 million in the fourth quarter of fiscal 2009.

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Income Taxes

The income tax provisions reflect the estimated annual effective tax rate of approximately 40%.

Net Income

Net income increased \$16.3 million to \$34.9 million in the second quarter of fiscal 2010 from \$18.6 million in the second quarter of fiscal 2009. This increase was due to a \$34.4 million increase in gross profit and a \$0.5 million decrease in interest expense, offset by a \$7.5 million increase in selling, general and administrative expenses and a \$11.0 million increase in the provision for income taxes.

Results of Operations – First Half of Fiscal 2010 compared to First Half of Fiscal 2009

(Dollars in millions)	Twenty-six Weeks Ended July 31, 2010		Twenty-six Weeks Ended August 1, 2009		Increase / (Decrease)	
	Amount	Percent of Revenues	Amount	Percent of Revenues	Dollars	Percentage
Revenues	\$ 821.4	100.0%	\$ 703.3	100.0%	\$ 118.1	16.8%
Gross profit	384.2	46.8	293.2	41.7	91.0	31.0
Selling, general and administrative expenses	249.7	30.4	225.7	32.1	24.0	10.7
Income from operations	134.4	16.4	67.5	9.6	66.9	99.2
Interest expense, net	1.3	0.2	2.2	0.3	(0.9)	(41.6)
Income taxes	53.5	6.5	26.3	3.7	27.2	103.8
Net income	\$ 79.6	9.7%	\$ 39.1	5.6%	\$ 40.5	103.9%

Revenues

Revenues increased \$118.1 million, or 16.8%, to \$821.4 million in the first half of fiscal 2010 from \$703.3 million in the first half last year. This increase resulted from increases in comparable store sales and Direct sales, and non-comparable store sales. Consistent with the overall macroeconomic environment and uncertainty in consumer spending, we believe that the rate of revenue growth in the second half of fiscal 2010 will be lower than the rate in the first half of the year.

Stores sales increased \$85.2 million, or 17.0%, to \$585.0 million in the first half of fiscal 2010 from \$499.8 million in the first half last year. Comparable store sales increased 12.8% to \$559.1 million in the first half of fiscal 2010 from \$495.6 million last year. Comparable store sales decreased 5.1% in the first half of fiscal 2009. Non-comparable store sales were \$25.9 million in the first half of fiscal 2010.

Direct sales increased \$33.4 million, or 18.2%, to \$216.9 million in the first half of fiscal 2010 from \$183.5 million in the first half last year. Direct sales decreased \$0.6 million, or 0.3%, in the first half of fiscal 2009.

The increase in Stores and Direct sales in the first half of fiscal 2010 was primarily driven by an increase in sales of women's apparel, specifically knits, sweaters, and shirts. Sales of men's and children's apparel, and accessories also increased during the first half of fiscal 2010.

The approximate percentage of our sales by product category, based on our internal merchandising system, is as follows:

	Twenty-six Weeks Ended	
	July 31, 2010	August 1, 2009
Apparel:		
Women's	65%	67%
Men's	19	18
Children's	5	3
Accessories	11	12
	<u>100%</u>	<u>100%</u>

Other revenues, which consist primarily of shipping and handling fees, decreased \$0.5 million, or 2.5%, to \$19.5 million in the first half of fiscal 2010 from \$20.0 million in the first half of last year. This decrease resulted primarily from shipping and handling promotions offsetting the impact of shipping and handling fees from increased direct sales. Other revenues decline as we increase the frequency of shipping and handling promotions.

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Gross Profit

Gross profit increased \$91.0 million to \$384.2 million in the first half of fiscal 2010 from \$293.2 million in the first half of last year. This increase resulted from the following factors:

<u>(Dollars in millions)</u>	
Increase in revenues	\$64.2
Increase in merchandise margin	32.3
Increase in buying and occupancy costs	<u>(5.5)</u>
	<u>\$91.0</u>

Gross margin increased to 46.8% in the first half of fiscal 2010 from 41.7% in the first half of last year. The increase in gross margin was driven by a 400 basis point expansion in merchandise margin due to decreased markdowns and a 110 basis point decrease in buying and occupancy costs as a percentage of revenues.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$24.0 million, or 10.7%, to \$249.7 million in the first half of fiscal 2010 from \$225.7 million in the first half of last year. This increase primarily resulted from the following:

Increases

- \$11.1 million in corporate overhead—primarily payroll, payroll-related and consulting;
- \$10.9 million in Stores operating expenses—primarily payroll, payroll-related and maintenance;
- \$2.3 million in advertising and marketing expenses; and
- \$0.1 million in share-based and incentive compensation, which includes a benefit of \$3.2 million for forfeited share-based awards resulting primarily from the resignation of our President of Retail and Direct.

Decreases

- \$3.2 million in additional charges incurred last year related to impairment and accelerated depreciation of underperforming stores; and
- \$1.3 million of severance and related costs incurred last year related to our workforce reduction.

As a percentage of revenues, selling, general and administrative expenses decreased to 30.4% in the first half of fiscal 2010 from 32.1% in the first half last year, primarily due to increases in comparable store sales and Direct sales.

Interest Expense, Net

Interest expense, net of interest income, decreased \$0.9 million to \$1.3 million in the first half of fiscal 2010 from \$2.2 million in first half of last year due primarily to lower debt outstanding resulting from a voluntary prepayment of \$50.0 million in the fourth quarter of fiscal 2009.

Income Taxes

The income tax provisions reflect the estimated annual effective tax rate of approximately 40%.

Net Income

Net income increased \$40.5 million to \$79.6 million in the first half of fiscal 2010 from \$39.1 million in the first half of fiscal 2009. This increase was due to a \$91.0 million increase in gross profit and a \$0.9 million decrease in interest expense, offset by \$24.0 million increase in selling, general and administrative expenses and a \$27.2 million increase in the provision for income taxes.

Liquidity and Capital Resources

Our primary sources of liquidity are our current balances of cash and cash equivalents, cash flows from operations and borrowings available under the Credit Facility. Our primary cash needs are (i) capital expenditures in connection with opening new stores, remodeling existing stores and information technology system enhancements, (ii) working capital requirements and (iii) debt service requirements. The most significant components of our working capital are merchandise inventories, accounts payable and other current liabilities.

[Table of Contents](#)***Operating Activities***

	Twenty-six Weeks Ended	
	July 31, 2010	August 1, 2009
	(amounts in millions)	
Net income	\$ 79.6	\$ 39.1
Adjustments to reconcile to net cash provided by operations:		
Depreciation and amortization of property and equipment	24.2	26.9
Amortization of deferred financing costs	0.5	0.7
Share-based compensation	3.5	6.1
Excess tax benefit from share-based compensation plans	(4.7)	(2.0)
Changes in operating assets and liabilities	(47.8)	11.3
Net cash provided by operations	<u>\$ 55.3</u>	<u>\$ 82.1</u>

Cash provided by operating activities in the first half of fiscal 2010 was \$55.3 million and consisted of (i) net income of \$79.6 million, (ii) adjustments to net income of \$28.2 million, offset by (iii) changes in operating assets and liabilities (including the impact of excess tax benefits from share-based compensation plans) of \$52.5 million due primarily to seasonal increases in inventories and related accounts payable, and an increase in prepaid income taxes.

Cash provided by operating activities in the first half of fiscal 2009 was \$82.1 million and consisted of (i) net income of \$39.1 million, (ii) adjustments to net income of \$33.7 million, offset by (iii) changes in operating assets and liabilities (including the impact of excess tax benefits from share-based compensation plans) of \$9.3 million due primarily to normal business fluctuations.

Investing Activities

Capital expenditures were \$18.1 million in the first half of fiscal 2010 compared to \$28.4 million in the first half of last year. Capital expenditures for the opening of new stores were \$6.5 million and \$15.4 million in the first half of fiscal 2010 and 2009, respectively. The remaining capital expenditures were for information technology enhancements, store renovations and corporate facilities. Capital expenditures are planned at approximately \$55 million for fiscal year 2010, including \$16 million for new stores and \$20 million for information technology enhancements, and the remainder for store renovations and corporate facilities.

Financing Activities

	Twenty-six Weeks Ended	
	July 31, 2010	August 1, 2009
	(amounts in millions)	
Repayments of long-term debt	\$ —	\$ (0.3)
Excess tax benefit from share-based compensation plans	4.7	2.0
Proceeds from share-based compensation plans	3.1	2.6
Repurchase of common shares	(2.6)	(0.2)
Net cash provided by financing activities	<u>\$ 5.2</u>	<u>\$ 4.1</u>

Cash provided by financing activities in the first half of fiscal 2010 was \$5.2 million due to (i) excess tax benefits from share-based compensation plans of \$4.7 million, (ii) proceeds from share-based compensation plans of \$3.1 million offset by (iii) cash used to repurchase common shares of \$2.6 million in connection with net settlements of restricted stock vestings.

Cash provided by financing activities in the first half of fiscal 2009 was \$4.1 million due primarily to (i) proceeds from share-based compensation plans of \$2.6 million and (ii) excess tax benefits from share-based compensation plans of \$2.0 million.

Amended and Restated Credit Agreement

On May 4, 2007, Group and certain of its subsidiaries, as guarantors, and Operating and certain of its subsidiaries, as borrowers, entered into a Second Amended and Restated Credit Agreement (the "Credit Facility") with Citicorp USA, Inc. ("Citicorp"), as administrative agent, Citicorp, as collateral agent, and Bank of America, N.A. and Wachovia Bank, National Association, as syndication agents.

The Credit Facility provides for revolving loans and letters of credit of up to \$200 million (which amount may be increased to up to \$250 million subject to certain conditions) at floating interest rates based on the base rate, as defined, plus a margin of up to 0.25% or LIBOR plus a margin ranging from 1.0% to 1.25%. The margin is based upon quarterly excess availability levels specified in the Credit Facility. The total amount of availability is limited to the sum of: (a) 100% of qualified cash, (b) 90% of eligible receivables, (c) the lesser of 90% of eligible inventory and 92.5% of the net recovery percentage of inventories (as determined by periodic inventory appraisals) for the period August 1 through December 31, or 90% of the net recovery percentage of inventories for the period January 1 through July 31, (d) 65% of the fair market value of eligible real estate, and (e) less any reserves established by Citicorp. The Credit Facility expires on May 4, 2013.

Borrowings under the Credit Facility are guaranteed by the Company and certain of its subsidiaries, and are secured by a perfected first priority security interest in substantially all of the Company's assets and those of certain of its subsidiaries. The Credit Facility includes restrictions on the Company's ability and the ability of certain of its subsidiaries to incur additional indebtedness and liens, pay dividends or make other distributions, make investments, dispose of assets and merge. If excess availability under the Credit Facility is less than \$20 million at any time, then the Company's fixed charge coverage ratio for the most recently ended period of four consecutive fiscal quarters may not be less than 1.10 to 1.00 for that period.

If an event of default occurs under the Credit Facility, the lenders may declare all amounts outstanding under the Credit Facility immediately due and payable. In such event, the lenders may exercise any rights and remedies they may have by law or agreement, including the ability to cause all or any part of the collateral securing the Credit Facility to be sold.

Operating has been in compliance with its financial covenants during the terms of these agreements.

There were no short-term borrowings during the first half of fiscal 2010. Outstanding standby letters of credit were \$4.6 million and excess availability, as defined, under the Credit Facility was \$195.4 million at July 31, 2010.

Demand Letter of Credit Facility

On October 31, 2007, Operating entered into an unsecured, demand letter of credit facility with The Hong Kong and Shanghai Banking Corporation Limited that provides for the issuance of up to \$35.0 million of documentary letters of credit on a no fee basis. Outstanding documentary letters of credit were \$11.8 million and availability under this facility was \$23.2 million at July 31, 2010.

Outlook

Our short-term and long-term liquidity needs arise primarily from capital expenditures associated with our growth strategy, principal and interest payments on our indebtedness and working capital requirements. Management anticipates that capital expenditures in fiscal 2010 will be approximately \$55 million, primarily for opening new stores, information technology enhancements, store renovations and corporate facilities. As of July 31, 2010, excess availability, as defined, under the Credit Facility was \$195.4 million. Our annual debt service obligations will change by \$0.5 million per year for each 1.0% change in the average interest rate we pay based on the \$49.2 million balance of variable interest rate debt outstanding at July 31, 2010. On August 31, 2010, we made a voluntary prepayment of \$49.2 million representing the remaining principal amount outstanding under the Term Loan. Management believes that our current balances of cash and cash equivalents, cash flow from operations and availability under the Credit Facility will be adequate to finance working capital needs, planned capital expenditures and debt service obligations for the next twelve months. Our ability to fund our operations and make planned capital expenditures, to make scheduled debt payments, to refinance indebtedness and to remain in compliance with the financial covenants under our debt agreements depends on our future financing activities, our future operating performance and our future cash flow, which in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control. See Item 1A. "Risk Factors" in part II of this report.

Off Balance Sheet Arrangements

We enter into documentary letters of credit to facilitate the international purchase of merchandise. We also enter into standby letters of credit to secure certain of our obligations, including insurance programs and duties related to import purchases. As of July 31, 2010, we had the following obligations under letters of credit in future periods:

	<u>Total</u>	<u>Within 1 Year</u>	<u>2-3 Years</u>	<u>4-5 Years</u>	<u>After 5 Years</u>
	(amounts in millions)				
Letters of Credit					
Standby	\$ 4.6	\$ —	\$ —	\$ —	\$ 4.6
Documentary	11.8	11.8	—	—	—
	<u>\$16.4</u>	<u>\$11.8</u>	<u>\$—</u>	<u>\$—</u>	<u>\$ 4.6</u>

Cyclical and Seasonality

The industry in which we operate is cyclical, and consequently our revenues are affected by general economic conditions. Purchases of apparel and accessories are sensitive to a number of factors that influence the levels of consumer spending, including economic conditions and the level of disposable consumer income, consumer debt, interest rates and consumer confidence.

Our business is seasonal. As a result, our revenues fluctuate from quarter to quarter. We have four distinct selling seasons that align with our four fiscal quarters. Revenues are usually higher in our fourth fiscal quarter, particularly December, as customers make holiday purchases. Approximately 29% of our revenues in fiscal year 2009 occurred in the fourth quarter. Our working capital requirements also fluctuate throughout the year, increasing substantially in September and October in anticipation of holiday season inventory requirements.

Critical Accounting Policies

A summary of our critical accounting policies is included in the Management's Discussion and Analysis section of our Annual Report on Form 10-K for the fiscal year ended January 30, 2010 filed with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our principal market risk relates to interest rate sensitivity, which is the risk that future changes in interest rates will reduce our net income or net assets. Our Credit Facility and Term Loan carry floating rates of interest that are a function of prime rate or LIBOR. A one percentage point per annum change in the interest rate on our variable rate debt would result in a change in income before taxes of approximately \$100,000 for each \$10.0 million of borrowings under the Credit Facility and approximately \$0.5 million for the \$49.2 million of borrowings under the Term Loan. On August 31, 2010, we made a voluntary prepayment of \$49.2 million representing the remaining principal amount outstanding under the Term Loan.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our Chief Executive Officer and our Chief Administrative Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and our Chief Administrative Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

There were no changes in internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to routine litigation arising in the ordinary course of its business. Although the amount of any liability that could arise with respect to these actions cannot be accurately predicted, in the Company’s opinion, any such liability will not have a material adverse effect on its consolidated financial position, consolidated results of operations or liquidity.

ITEM 1A. RISK FACTORS

The Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 contains a detailed discussion of certain risk factors that could materially adversely affect our business, our operating results, or our financial condition. There have been no material changes to the risk factors previously disclosed.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Articles of Incorporation and Bylaws

<u>Exhibit No.</u>	<u>Document</u>
3.1	Certificate of Incorporation of J. Crew Group, Inc. Incorporated by reference to Exhibit 3.1 to the S-1/A Registration Statement filed on October 11, 2005.
3.2	Bylaws of J. Crew Group, Inc. Incorporated by reference to Exhibit 3.2 to the Form 8-K/A filed on October 17, 2005.

Material Contracts

<u>Exhibit No.</u>	<u>Document</u>
10.1	Amended and Restated Loan and Security Agreement, dated as of December 23, 2004, by and among J.Crew Operating Corp., J.Crew Inc., Grace Holmes, Inc. d/b/a J.Crew Retail, H.F.D. No. 55, Inc. d/b/a J.Crew Factory as Borrowers, J.Crew Group, Inc., J.Crew International, Inc., J.Crew Intermediate LLC as Guarantors, Wachovia Capital Markets LLC as Arranger and Bookrunner, Wachovia Bank, National Association as Administrative Agent, Bank of America, N.A. as Syndication Agent, Congress Financial Corporation as Collateral Agent, and the Lenders (the "Credit Facility").*
10.2	Amendment No. 2, dated as of May 15, 2006, to the Credit Facility by and among Operating, J.Crew Inc., Grace Holmes, Inc., H.F.D. No. 55, Inc., as borrowers, Group, J.Crew International, Inc. and Madewell Inc., as guarantors, the lenders named therein and Wachovia Bank, National Association, successor by merger to Congress Financial Corporation, a national banking association, in its capacity as administrative agent and collateral agent for lenders (the "Agent"), and Amendment No. 1 to Guarantee, dated as of May 15, 2006, by the borrowers and guarantors in favor of the Agent.*
10.3	Second Amended and Restated Credit Agreement, dated as of May 4, 2007, among J.Crew Group, Inc. and certain subsidiaries of J.Crew Group, Inc., as borrowers and guarantors, the lenders and issuers party thereto and Citicorp USA, Inc., as administrative agent (the "Credit Agreement").*
10.4	Amended and Restated Pledge and Security Agreement, dated as of May 4, 2007, by J.Crew Group, Inc. and certain subsidiaries of J.Crew Group, Inc., as grantors, in favor of Citicorp USA, Inc., as administrative agent.*
10.5	Pledge and Security Agreement Term Loan Collateral, dated as of May 15, 2006, by and among J.Crew Operating Corp., J.Crew Group, Inc. and certain subsidiaries of J.Crew Operating Corp. named as grantors therein and Goldman Sachs Credit Partners L.P., as collateral agent.*
10.6	Intercreditor Agreement, dated as of May 15, 2006, by and among J.Crew Operating Corp., J.Crew Group, Inc. and certain subsidiaries of J.Crew Operating Corp. named as guarantors in the Credit and Guaranty Agreement, Goldman Sachs Credit Partners L.P., in its capacity as administrative agent and collateral agent under the Credit and Guaranty Agreement, and Wachovia Bank, National Association, in its capacity as administrative agent and collateral agent under the Credit Facility.*
10.7	Third Amended and Restated Employment Agreement by and among the Company, Operating and Millard S. Drexler dated as of October 20, 2005 and executed as of July 13, 2010.*
10.8	Amended and Restated Employment Agreement, dated July 15, 2010, between the Company and Jenna Lyons Mazeau.*

Certifications

<u>Exhibit No.</u>	<u>Document</u>
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

Interactive Data Files

<u>Exhibit No.</u>	<u>Document</u>
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets at July 31, 2010 and January 30, 2010, (ii) the Condensed Consolidated Statements of Operations for the thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009, (iii) the Condensed Consolidated Statements of Cash Flows for the twenty-six weeks ended July 31, 2010 and August 1, 2009, and (iv) the Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.**

* Filed herewith.

** Furnished herewith.

EXHIBIT INDEX

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10.2	Amendment No. 2, dated as of May 15, 2006, to the Credit Facility by and among Operating, J.Crew Inc., Grace Holmes, Inc., H.F.D. No. 55, Inc., as borrowers, Group, J.Crew International, Inc. and Madewell Inc., as guarantors, the lenders named therein and Wachovia Bank, National Association, successor by merger to Congress Financial Corporation, a national banking association, in its capacity as administrative agent and collateral agent for lenders (the "Agent"), and Amendment No. 1 to Guarantee, dated as of May 15, 2006, by the borrowers and guarantors in favor of the Agent.*
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10.8	Amended and Restated Employment Agreement, dated July 15, 2010, between the Company and Jenna Lyons Mazeau.*

Certifications

<u>Exhibit No.</u>	<u>Document</u>
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

Interactive Data Files

<u>Exhibit No.</u>	<u>Document</u>
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets at July 31, 2010 and January 30, 2010, (ii) the Condensed Consolidated Statements of Operations for the thirteen and twenty-six weeks ended July 31, 2010 and August 1, 2009, (iii) the Condensed Consolidated Statements of Cash Flows for the twenty-six weeks ended July 31, 2010 and August 1, 2009, and (iv) the Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.**

* Filed herewith.

** Furnished herewith.

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

by and among

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a J. CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
as Borrowers

and

J. CREW GROUP, INC.
J. CREW INTERNATIONAL, INC.
J. CREW INTERMEDIATE LLC
as Guarantors

WACHOVIA CAPITAL MARKETS LLC
Sole Lead Arranger and Sole Lead Bookrunner

WACHOVIA BANK, NATIONAL ASSOCIATION
as Administrative Agent

BANK OF AMERICA, N.A.
as Syndication Agent

CONGRESS FINANCIAL CORPORATION
as Collateral Agent

and

THE LENDERS FROM TIME TO TIME PARTY HERETO
as Lenders

Dated: December 23, 2004

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EXHIBITS AND SCHEDULES

Exhibit A	Form of Assignment and Acceptance
Exhibit B	Information Certificate
Exhibit C	Form of Compliance Certificate
Exhibit D	Form of Borrowing Base Certificate
Schedule 1.43	Customs Brokers
Schedule 8.9	Credit Card Agreements

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This Amended and Restated Loan and Security Agreement dated December 23, 2004 is entered into by and among J. Crew Operating Corp., a Delaware corporation (“Operating”), J. Crew Inc., a New Jersey corporation (“J. Crew”), Grace Holmes, Inc., a Delaware corporation doing business as J. Crew Retail (“Retail”), H.F.D. No. 55, Inc., a Delaware corporation doing business as J. Crew Factory (“Factory”, and together with J. Crew, Retail, Operating, each individually a “Borrower” and collectively, “Borrowers”), J. Crew Group, Inc., a New York corporation (“Parent”), J. Crew International, Inc. (“JCI”), and J. Crew Intermediate LLC, a Delaware limited liability company (“Intermediate”, and together with Parent and JCI, each individually a “Guarantor” and collectively, “Guarantors”), the parties hereto as lenders, whether by execution of this Agreement or an Assignment and Acceptance (each individually, a “Lender” and collectively, “Lenders”), Wachovia Capital Markets, LLC, a Delaware limited liability company, as sole lead arranger and sole bookrunner (in such capacity, “Arranger”), Wachovia Bank, National Association, a national banking association, in its capacity as administrative agent for the lenders (in such capacity, “Administrative Agent”), Bank of America, N.A., in its capacity as syndication agent for the lenders (in such capacity, “Syndication Agent”) and Congress Financial Corporation, a Delaware corporation, in its capacity as collateral agent for Lenders (in such capacity, “Agent”).

W I T N E S S E T H:

WHEREAS, certain Borrowers, certain Guarantors, Lenders and Agent are parties to the Loan and Security Agreement, dated as of December 23, 2002, by and among them, pursuant to which Lenders have made and may make loans and provide other financial accommodations to such Borrowers;

WHEREAS, Borrowers and Guarantors have requested that Agent and Lenders amend and restate the Loan Agreement pursuant to and in accordance with the terms and conditions set forth herein; and

WHEREAS, each Lender is willing to agree (severally and not jointly) to amend and restate the Loan Agreement and to make such loans and provide such financial accommodations to Borrowers on a pro rata basis according to its Commitment (as defined below) on the terms and conditions set forth herein and Agent is willing to act as collateral agent for Lenders on the terms and conditions set forth herein and the other Financing Agreements;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean, as to each Borrower and Guarantor, all present and future rights of such Borrower and Guarantor to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) consisting of Credit Card Receivables.

1.2 "Adjusted Borrowing Base" shall mean the amount equal to:

(a) the lesser of: (i) the sum of: (A) the amount equal to ninety (90%) percent of Eligible Credit Card Receivables; plus (B) the amount equal to the lesser of: (1) eighty-five (85%) percent multiplied by the Value of each category of Eligible Inventory of each Borrower or (2) during the period from August 1 of any year through and including December 15 of such year, ninety (90%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower multiplied by the Value of such category of Eligible Inventory of such Borrower, and at all other times, eighty-five (85%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower multiplied by the Value of such category of Eligible Inventory of such Borrower; plus (C) the Adjusted Real Property Availability, and (ii) the Maximum Credit, minus

(b) Reserves.

1.3 "Adjusted Eurodollar Rate" shall mean, with respect to each Interest Period for any Eurodollar Rate Loan, the rate per annum (rounded upwards, if necessary, to the next one-sixteenth (1/16) of one (1%) percent) determined by dividing (a) the Eurodollar Rate for such Interest Period by (b) a percentage equal to: (i) one (1) minus (ii) the Reserve Percentage. For purposes hereof, "Reserve Percentage" shall mean the reserve percentage, expressed as a decimal, prescribed by any United States or foreign banking authority for determining the reserve requirement which is or would be applicable to deposits of United States dollars in a non-United States or an international banking office of a Reference Bank used to fund a Eurodollar Rate Loan or any Eurodollar Rate Loan made with the proceeds of such deposit, whether or not the Reference Bank actually holds or has made any such deposits or loans. The Adjusted Eurodollar Rate shall be adjusted on and as of the effective day of any change in the Reserve Percentage.

1.4 "Adjusted Real Property Availability" shall mean \$4,074,000; provided, that, (a) the Adjusted Real Property Availability shall be reduced automatically and without further action by the parties effective as of the first day of each month after the date hereof by an amount equal to \$97,000 and (b) if prior to the date that the Adjusted Borrowing Base shall be used in the calculation of the amount of the Revolving Loans available to Borrowers as set forth in the definition of the term Borrowing Base, the Real Property Availability shall be adjusted as provided for in the definition of such term set forth below, then the Adjusted Real Property Availability shall mean the amount equal to the initial amount of the Real Property Availability as so adjusted and as reduced automatically and without further action by the parties effective as of the first day of each month after the date of the adjustment of the Real Property Availability by an amount equal to the initial adjusted Real Property Availability divided by eighty-four (84).

1.5 “Administrative Agent” shall mean Wachovia Bank, National Association in its capacity as administrative agent on behalf of Lenders pursuant to the terms hereof and any replacement or successor agent hereunder.

1.6 “Affiliate” shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten (10%) percent or more of any class of Voting Stock of such Person or other equity interests in such Person and (b) any Person of which such Person beneficially owns or holds ten (10%) percent or more of any class of Voting Stock or in which such Person beneficially owns or holds ten (10%) percent or more of the equity interests. For the purposes of this definition, the term “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

1.7 “Agent” shall mean Congress Financial Corporation, in its capacity as collateral agent on behalf of Lenders pursuant to the terms hereof and any replacement or successor agent hereunder.

1.8 “Agent Payment Account” shall mean account no. 5000000030279 of Agent at Wachovia Bank, National Association, Charlotte, North Carolina, or such other account of Agent as Agent may from time to time designate to Borrower Agent as the Agent Payment Account for purposes of this Agreement and the other Financing Agreements.

1.9 “Applicable Margin” shall mean, at any time, as to the interest rate for Prime Rate Loans and the interest rate for Eurodollar Rate Loans, the applicable percentage (on a per annum basis) set forth below if the Quarterly Average Excess Availability for the immediately preceding fiscal quarter is at or within the amounts indicated for such percentage as of the last day of the immediately preceding fiscal quarter:

<u>Tier</u>	<u>Quarterly Average Excess Availability</u>	<u>Applicable Eurodollar Rate Margin</u>	<u>Applicable Prime Rate Margin</u>
1	Greater than \$55,000,000	1.25%	0%
2	Less than or equal to \$55,000,000 and greater than \$40,000,000	1.50%	0%
3	Less than or equal to \$40,000,000 and greater than \$20,000,000	1.75%	.25%
4	Less than or equal to \$20,000,000	2.00%	.25%

provided, that, (i) the Applicable Margin shall be calculated and established once each fiscal quarter and shall remain in effect until adjusted thereafter after the end of the next fiscal quarter and (ii) if the Excess Availability is greater than \$40,000,000 as of the date hereof, the Applicable Margin through the last day of the sixth (6th) month after the date hereof shall be the amount for Tier 2 set forth above.

1.10 “Assignment and Acceptance” shall mean an Assignment and Acceptance substantially in the form of Exhibit A attached hereto (with blanks appropriately completed) delivered to Agent in connection with an assignment of a Lender’s interest hereunder in accordance with the provisions of Section 14.7 hereof.

1.11 “Black Canyon Closing Date” shall mean the date of the initial funding of the loans under the Black Canyon Credit Agreement.

1.12 “Black Canyon Credit Agreement” shall mean the Credit Agreement, dated as of November 24, 2004, between Operating, as borrower, the Black Canyon Guarantors, the lenders named therein and U.S. Bank National Association, as administrative agent, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.13 “Black Canyon Documents” shall mean, collectively the following (as the same may now or hereafter exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (a) the Black Canyon Credit Agreement (including any loan notes and loan guarantees issued thereunder), (b) the Black Canyon Indenture (including any notes and guarantees issued thereunder), (c) the Black Canyon Security Agreement, (d) the Black Canyon Intercreditor Agreement, and (e) all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by Operating or any other person in connection therewith.

1.14 “Black Canyon Guarantors” shall mean, collectively, Factory, JCI, J. Crew, Retail and any Subsidiary of Operating or its Subsidiaries formed after November 24, 2004, or Intermediate on or after the date of the execution and delivery of the Black Canyon Indenture, that guarantees the Indebtedness under the Black Canyon Credit Agreement or the Black Canyon Indenture, to the extent required to do so under the terms thereof, pursuant to the form of loan guarantee attached as Exhibit B to the Black Canyon Credit Agreement (or the equivalent form attached to the Black Canyon Indenture), and their respective successors and assigns, sometimes being referred to individually as a “Black Canyon Guarantor”.

1.15 “Black Canyon Indenture” shall mean the Indenture to be entered into among Operating, as issuer, the Black Canyon Guarantors and Noteholder Collateral Agent in its capacity as trustee thereunder, upon the occurrence of certain events as set forth in the Black Canyon Credit Agreement, in the form included as an exhibit to the Black Canyon Credit Agreement as of November 24, 2004 (except as such form may be amended or modified to the extent permitted hereunder).

1.16 “Black Canyon Intercreditor Agreement” shall mean the Intercreditor Agreement, dated as of November 24, 2004, by and among Agent, Noteholder Collateral Agent, Operating, and the Black Canyon Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.17 “Black Canyon Security Agreement” shall mean the Security Agreement, dated as of November 24, 2004, by Operating and the Black Canyon Guarantors in favor of Noteholder Collateral Agent, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.18 “Blocked Accounts” shall have the meaning set forth in Section 6.3 hereof.

1.19 “Borrower Agent” shall mean J. Crew Operating Corp., a Delaware corporation, in its capacity as Borrower Agent on behalf of the Borrowers pursuant to Section 6.7 hereof and its successors and assigns in such capacity.

1.20 “Borrowing Base” shall mean, at any time, subject to adjustment as provided below, the amount equal to:

(a) the lesser of: (i) the sum of: (A) the amount equal to ninety (90%) percent of Eligible Credit Card Receivables; plus (B) the amount equal to the lesser of: (1) ninety-five (95%) percent multiplied by the Value of each category of Eligible Inventory of each Borrower or (2) during the period from August 1 of any year through and including December 15 of such year, ninety-five (95%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower multiplied by the Value of such category of Eligible Inventory of such Borrower, and at all other times, ninety-two and one-half (92.5%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower multiplied by the Value of such category of Eligible Inventory of such Borrower; plus (C) the Real Property Availability, and (ii) the Maximum Credit, minus

(b) Reserves;

provided, that, (A) on and after the date of the incurrence of any Indebtedness as described in Section 9.9(t) hereof, the term “Borrowing Base” shall mean, at any such time, the amount equal to the Adjusted Borrowing Base and (B) such percentage of the net amount of eligible trade accounts receivables as Agent may determine will be added to the calculation of the Borrowing Base, provided, that, each of the following conditions is satisfied: (1) Agent shall have received the written request of Borrower Agent to so include such trade accounts receivable, (2) Agent shall have conducted a field examination with respect to such receivables, the results of which shall be reasonably satisfactory to Agent, (3) Agent shall have established the reports and the frequency thereof with respect to such trade accounts receivable that Borrowers will be required to deliver and Borrowers shall have agreed thereto in writing, in form and substance satisfactory to Agent, and (4) Agent shall have sufficient information necessary in accordance with the customary practices and procedures of Agent to establish, and Agent shall have had five (5) Business Days after receipt of such information to review it after which Agent shall establish, the criteria for such receivables to constitute eligible trade accounts receivable for purposes of calculating the Borrowing Base (and including any Reserves with respect thereto) and the percentage of such net amount of eligible trade accounts receivable as shall be used for such purpose and Borrowers shall have agreed in writing to such criteria and such percentage, in form and substance reasonably satisfactory to Agent.

1.21 “Borrowing Base Certificate” shall mean a certificate substantially in the form of Exhibit D hereto, as such form may from time to time be modified by Agent, which is duly completed (including all schedules thereto) and executed by the chief financial officer, vice president of finance, treasurer or controller of Borrower Agent and delivered to Agent.

1.22 “Business Day” shall mean any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the State of New York, or the State of North Carolina, and a day on which Agent is open for the transaction of business, except that if a determination of a Business Day shall relate to any Eurodollar Rate Loans, the term Business Day shall also exclude any day on which banks are closed for dealings in dollar deposits in the London interbank market or other applicable Eurodollar Rate market.

1.23 “Capital Expenditures” shall mean all expenditures for, or contracts for expenditures for, any fixed or capital assets or improvements, or for replacements, substitutions or additions thereto, which have a useful life of more than one (1) year, including, but not limited to, the direct or indirect acquisition of such assets by way of offset items or otherwise and shall include the principal amount of capitalized lease payments during the applicable period.

1.24 “Capital Leases” shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a liability on the balance sheet of such Person.

1.25 “Capital Stock” shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person’s capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

1.26 “Cash Equivalents” shall mean, at any time, (a) any evidence of Indebtedness with a maturity date of one hundred eighty (180) days or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof; provided, that, the full faith and credit of the United States of America is pledged in support thereof; (b) certificates of deposit or bankers’ acceptances with a maturity of one hundred eighty (180) days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than \$250,000,000; (c) commercial paper (including variable rate demand notes) with a maturity of one hundred eighty (180) days or less issued by a corporation (except an Affiliate of any Borrower or Guarantor) organized under the laws of any State of the United States of America or the District of Columbia and rated at least A-2 by Standard & Poor’s Ratings Service, a division of The McGraw-Hill Companies, Inc. or at least P-2 by Moody’s Investors Service, Inc.; (d) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clause (a) above entered into with any financial institution having combined capital

and surplus and undivided profits of not less than \$250,000,000; (e) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States of America or issued by any governmental agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within one hundred eighty (180) days or less from the date of acquisition; provided, that, the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions with Securities Dealers and Others, as adopted by the Comptroller of the Currency on October 31, 1985; and (f) investments in money market funds and mutual funds which invest substantially all of their assets in securities of the types described in clauses (a) through (e) above.

1.27 "Change in Law" shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement or (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Government Authority after the date of this Agreement.

1.28 "Change of Control" shall mean (a) the transfer (in one transaction or a series of transactions) of all or substantially all of the assets of any Borrower or Guarantor to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than as permitted in Section 9.7 hereof; (b) the liquidation or dissolution of any Borrower or Guarantor or the adoption of a plan by the stockholders of any Borrower or Guarantor relating to the dissolution or liquidation of such Borrower or Guarantor, other than to Permitted Holders or as permitted in Section 9.7 hereof; (c) any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than Permitted Holders, shall beneficially own, directly or indirectly, shares of Voting Stock of Parent representing more than thirty (30%) percent of the voting power of the total outstanding Voting Stock of Parent; (d) occupation of a majority of the seats (other than vacant seats) on the Board of Directors of Parent by Persons who were neither (i) nominated by members of Permitted Holders or the Board of Directors of Parent nor (ii) appointed by directors so nominated; (e) the failure of Parent to own directly or indirectly one hundred (100%) percent of the voting power of the total outstanding Voting Stock of any Borrower or other Guarantor, except to the extent permitted under Section 9.7 hereof and (f) so long as any of the Senior Discount Debentures or 10 3/8% Subordinated Notes are outstanding, a "Change of Control" as such term is defined in the Senior Debenture Indenture or the 10 3/8% Subordinated Note Indenture.

1.29 "Code" shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.30 "Collateral" shall have the meaning set forth in Section 5 hereof.

1.31 "Collateral Access Agreement" shall mean an agreement in writing, in form and substance reasonably satisfactory to Agent, from any lessor of premises to any Borrower or Guarantor, or any other person to whom any Collateral is consigned or who has custody, control or possession of any such Collateral or is otherwise the owner or operator of any premises on which any of such Collateral is located (excluding any retail store location), pursuant to which such lessor, consignee or other person, inter alia, acknowledges the first priority security interest of Agent in such Collateral, agrees to waive any and all claims such lessor, consignee or other

person may, at any time, have against such Collateral, whether for processing, storage or otherwise, and agrees to permit Agent access to, and the right to remain on, the premises of such lessor, consignee or other person so as to exercise Agent's rights and remedies and otherwise deal with such Collateral and in the case of any consignee or other person who at any time has custody, control or possession of any Collateral, acknowledges that it holds and will hold possession of the Collateral for the benefit of Agent and Lenders and agrees to follow all instructions of Agent with respect thereto.

1.32 "Commercial Letter of Credit" shall mean any Letter of Credit Accommodation consisting of a letter of credit issued for the purpose of providing the primary manner of payment for the purchase price of goods or services by a Borrower in the ordinary course of the business of such Borrower.

1.33 "Commitment" shall mean, at any time, as to each Lender, the principal amount set forth below such Lender's signature on the signatures pages hereto designated as the Commitment or on Schedule 1 to the Assignment and Acceptance Agreement pursuant to which such Lender became a Lender hereunder in accordance with the provisions of Section 14.7 hereof, as the same may be adjusted from time to time in accordance with the terms hereof; sometimes being collectively referred to herein as "Commitments".

1.34 "Congress" shall mean Congress Financial Corporation, a Delaware corporation, in its individual capacity, and its successors and assigns.

1.35 "Consolidated Net Income" shall mean, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries, on a consolidated basis, for such period (excluding to the extent included therein any extraordinary or non recurring gains other than up to an aggregate of \$5,000,000 of cash insurance proceeds received by Borrowers and Guarantors in each fiscal year of Borrowers and Guarantors with respect to Inventory losses, fixed asset losses and business interruption) and extraordinary non-cash charges) after deducting all charges which should be deducted before arriving at the net income (loss) for such period and after deducting the Provision for Taxes for such period, all as determined in accordance with GAAP; provided, that, (a) the net income of any Person that is not a wholly-owned Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid or payable to such Person or a wholly-owned Subsidiary of such Person; (b) except to the extent included pursuant to the foregoing clause, the net income of any Person accrued prior to the date it becomes a wholly-owned Subsidiary of such Person or is merged into or consolidated with such Person or any of its wholly-owned Subsidiaries or that Person's assets are acquired by such Person or by any of its wholly-owned Subsidiaries shall be excluded; (c) the effect of any change in accounting principles adopted by such Person or its Subsidiaries after the date hereof shall be excluded; (d) net income shall exclude interest accruing, but not paid on indebtedness owing to a Subsidiary or parent corporation of such Person, which is subordinated in right of payment to the payment in full of the Obligations, on terms and conditions acceptable to Agent; and (e) the net income (if positive) of any wholly-owned Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such wholly-owned Subsidiary to such Person or to any other wholly-owned Subsidiary of such Person is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or

governmental regulation applicable to such wholly-owned Subsidiary shall be excluded. For the purposes of this definition, net income excludes any gain and non-cash loss (but not any cash loss) together with any related Provision for Taxes for such gain and non-cash loss (but not any cash loss) realized upon the sale or other disposition of any assets that are not sold in the ordinary course of business (including, without limitation, dispositions pursuant to sale and leaseback transactions) or of any Capital Stock of such Person or a Subsidiary of such Person and any net income realized as a result of changes in accounting principles or the application thereof to such Person.

1.36 “Contingent Principal” shall mean any principal amounts additional to the face amount of the 16% Senior Discount Notes which, under certain circumstances set forth in the 16% Senior Discount Note Indenture as in effect on the date hereof, may be added to the accreted amount, or principal amount at maturity, as applicable, of the 16% Senior Discount Notes.

1.37 “Credit Card Acknowledgments” shall mean, collectively, the agreements by Credit Card Issuers or Credit Card Processors who are parties to Credit Card Agreements in favor of Agent acknowledging Agent’s first priority security interest, for and on behalf of Lenders, in the monies due and to become due to a Borrower or Guarantor (including, without limitation, credits and reserves) under the Credit Card Agreements, and agreeing to transfer all such amounts to the Blocked Accounts, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, sometimes being referred to herein individually as a “Credit Card Acknowledgment”.

1.38 “Credit Card Agreements” shall mean all agreements now or hereafter entered into by any Borrower or any Guarantor for the benefit of any Borrower, in each case with any Credit Card Issuer or any Credit Card Processor, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, including, but not limited to, the agreements set forth on Schedule 8.9 hereto.

1.39 “Credit Card Issuer” shall mean any person (other than a Borrower) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., Novus Services, Inc. and the J. Crew Card.

1.40 “Credit Card Processor” shall mean any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to any Borrower’s or Guarantor’s sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

1.41 “Credit Card Receivables” shall mean, collectively, (a) all present and future rights of any Borrower or Guarantor to payment from any Credit Card Issuer, Credit Card Processor or other third party arising from sales of goods or rendition of services to customers who have purchased such goods or services using a credit or debit card and (b) all present and future rights of any Borrower or Guarantor to payment from any Credit Card Issuer, Credit Card Processor or other third party in connection with the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers who have purchased such goods or services using a credit card or a debit card, including, but not limited to, all amounts at any time due or to become due from any Credit Card Issuer or Credit Card Processor under the Credit Card Agreements or otherwise.

1.42 “Credit Facility” shall mean the Revolving Loans and Letter of Credit Accommodations provided to or for the benefit of any Borrower pursuant to Sections 2.1 and 2.2 hereof.

1.43 “Customs Broker” shall mean the persons listed on Schedule 1.43 hereto or such other person selected by any Borrower after written notice by such Borrower to Agent who are reasonably acceptable to Agent to perform port of entry services to process Inventory imported by such Borrower from outside the United States of America and to supply facilities, labor and materials to such Borrower in connection therewith.

1.44 “Default” shall mean an act, condition or event which with notice or passage of time or both would constitute an Event of Default.

1.45 “Defaulting Lender” shall have the meaning set forth in Section 6.10 hereof.

1.46 “Deposit Account Control Agreement” shall mean an agreement in writing, in form and substance satisfactory to Agent, by and among Agent, the Borrower or Guarantor with a deposit account at any bank and the bank at which such deposit account is at any time maintained which provides that such bank will comply with instructions originated by Agent directing disposition of the funds in the deposit account without further consent by such Borrower or Guarantor and such other terms and conditions as Agent may require, including as to any such agreement with respect to any Blocked Account, providing that all items received or deposited in the Blocked Accounts are the property of Agent, that the bank has no lien upon, or right to setoff against, the Blocked Accounts, the items received for deposit therein, or the funds from time to time on deposit therein (except as Agent may otherwise specifically agree) and that the bank will wire, or otherwise transfer, in immediately available funds, on a daily basis to the Agent Payment Account all funds received or deposited into the Blocked Accounts.

1.47 “EBITDA” shall mean, as to any Person, with respect to any period, an amount equal to: (a) the Consolidated Net Income of such Person and its Subsidiaries for such period, plus (b) depreciation and amortization and other non-cash charges including imputed interest and deferred compensation for such period (to the extent deducted in the computation of Consolidated Net Income of such Person), all in accordance with GAAP, plus (c) Interest Expense for such period (to the extent deducted in the computation of Consolidated Net Income of such Person), plus (d) the Provision for Taxes for such period (to the extent deducted in the computation of Consolidated Net Income of such Person).

1.48 "Eligible Credit Card Receivables" shall mean, as to each Borrower, Credit Card Receivables of such Borrower which are and continue to be acceptable to Agent based on the criteria set forth below. Credit Card Receivables shall be Eligible Credit Card Receivables if:

(a) such Credit Card Receivables arise from the actual and bona fide sale and delivery of goods or rendition of services by such Borrower in the ordinary course of the business of such Borrower which transactions are completed in accordance with the terms and provisions contained in any agreements binding on such Borrower or the other party or parties related thereto;

(b) such Credit Card Receivables are not past due (beyond any stated applicable grace period, if any, therefor) pursuant to the terms set forth in the Credit Card Agreements with the Credit Card Issuer or Credit Card Processor of the credit card or debit card used in the purchase which give rise to such Credit Card Receivables;

(c) such Credit Card Receivables are not unpaid more than five (5) Business Days after the date of the sale of Inventory giving rise to such Credit Card Receivables;

(d) all material procedures required by the Credit Card Issuer or the Credit Card Processor of the credit card or debit card used in the purchase which gave rise to such Credit Card Receivables shall have been followed by such Borrower and all documents required for the authorization and approval by such Credit Card Issuer or Credit Card Processor shall have been obtained in connection with the sale giving rise to such Credit Card Receivables;

(e) the required authorization and approval by such Credit Card Issuer or Credit Card Processor shall have been obtained for the sale giving rise to such Credit Card Receivables;

(f) such Borrower or Guarantor, on behalf of such Borrower, shall have submitted all materials required by the Credit Card Issuer or Credit Card Processor obligated in respect of such Credit Card Receivables in order for such Borrower to be entitled to payment in respect thereof;

(g) the Credit Card Issuer or Credit Card Processor obligated in respect of such Credit Card Receivable has not failed to remit any monthly payment in respect of such Credit Card Receivable;

(h) such Credit Card Receivables comply with the applicable terms and conditions contained in Section 7.2 of this Agreement;

(i) the Credit Card Issuer or Credit Card Processor with respect to such Credit Card Receivables has not asserted a counterclaim, defense or dispute and does not have, and does not engage in transactions which may give rise to, any right of setoff against such Credit Card Receivables (other than setoffs to fees and chargebacks consistent with the practices of such Credit Card Issuer or Credit Card Processor with such Borrower as of the date hereof or as such practices may change as a result of changes to the policies of such Credit Card Issuer or Credit Card Processor applicable to its customers generally and unrelated to the circumstance of such Borrower), but the portion of the Credit Card Receivables owing by such Credit Card Issuer or Credit Card Processor in excess of the amount owing by such Borrower to such Credit Card Issuer or Credit Card Processor pursuant to such fees and chargebacks may be deemed Eligible Credit Card Receivables;

(j) the Credit Card Issuer or Credit Card Processor with respect to such Credit Card Receivables has not setoff against amounts otherwise payable by such Credit Card Issuer or Credit Card Processor to such Borrower for the purpose of establishing a reserve or collateral for obligations of such Borrower to such Credit Card Issuer or Credit Card Processor (notwithstanding that the Credit Card Issuer or Credit Card Processor may have setoffs for fees and chargebacks consistent with the practices of such Credit Card Issuer or Credit Card Processor with such Borrower as of the date hereof or as such practices may hereafter change as a result of changes to the policies of such Credit Card Issuer or Credit Card Processor applicable to its customers generally and unrelated to the circumstances of such Borrower);

(k) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of such Credit Card Receivables or reduce the amount payable or delay payment thereunder (other than for setoffs for fees and chargebacks consistent with the practices of such Credit Card Issuer or Credit Card Processor with such Borrower or any Guarantor as of the date hereof or as such practices may hereafter change as a result of changes to the policies of such Credit Card Issuer or Credit Card Processor applicable to its customers generally and unrelated to the circumstances of such Borrower or any Guarantor);

(l) such Credit Card Receivables are subject to the first priority, valid and perfected security interest and lien of Agent, for and on behalf of itself and Lenders, as to such Credit Card Receivables of such Borrower and any goods giving rise thereto are not, and were not at the time of the sale thereof, subject to any security interest or lien in favor of any person other than Agent except as otherwise permitted in this Agreement, in each case subject to and in accordance with the terms and conditions applicable hereunder to any such permitted security interest or lien;

(m) there are no proceedings or actions which are pending or to the best of any Borrower's knowledge threatened, against the Credit Card Issuers or Credit Card Processors with respect to such Credit Card Receivables which would reasonably be expected to result in any material adverse change in the financial condition of any such Credit Card Issuer or Credit Card Processor;

(n) such Credit Card Receivables are owed by Credit Card Issuers or Credit Card Processors deemed creditworthy at all times by Agent in good faith;

(o) no event of default has occurred under the Credit Card Agreement of such Borrower with the Credit Card Issuer or Credit Card Processor who has issued the credit card or debit card or handles payments under the credit card or debit card used in the sale which gave rise to such Credit Card Receivables which event of default gives such Credit Card Issuer or Credit Card Processor the right to cease or suspend payments to such Borrower or any Guarantor and no event shall have occurred which gives such Credit Card Issuer or Credit Card Processor the right to setoff against amounts otherwise payable to such Borrower, including on behalf of a Guarantor (other than for then current fees and chargebacks consistent with the current practices of such Credit Card Issuer or Credit Card Processor as of the date hereof or as such practices

may hereafter change as a result of changes to the policies of such Credit Card Issuer or Credit Card Processor applicable to its customers generally and unrelated to the circumstances of such Borrower or any Guarantor), except as may have been waived in writing on terms and conditions reasonably satisfactory to Agent pursuant to the Credit Card Acknowledgment by such Credit Card Issuer or Credit Card Processor) or the right to establish reserves or establish or demand collateral, and the Credit Card Issuer or Credit Card Processor has not sent any written notice of default and/or notice of its intention to cease or suspend payments to such Borrower in respect of such Credit Card Receivables or to establish reserves or cash collateral for obligations of such Borrower to such Credit Card Issuer or Credit Card Processor, and such Credit Card Agreements are otherwise in full force and effect and constitute the legal, valid, binding and enforceable obligations of the parties thereto;

(p) the terms of the sale giving rise to such Credit Card Receivables and all practices of such Borrower and Guarantors with respect to such Credit Card Receivables comply in all material respects with applicable Federal, State, and local laws and regulations; and

(q) the customer using the credit card or debit card giving rise to such Credit Card Receivable shall not have returned the merchandise purchased giving rise to such Credit Card Receivable.

Credit Card Receivables which would otherwise constitute Eligible Credit Card Receivables pursuant to this Section will not be deemed ineligible solely by virtue of the Credit Card Agreements with respect thereto having been entered into by any Guarantor, for the benefit of Borrowers. General criteria for Eligible Credit Card Receivables may only be changed and any new criteria for Eligible Credit Card Receivables may only be established by Agent in good faith, upon notice to Borrower Agent, based on either: (i) an event, condition or other circumstance arising after the date hereof, or (ii) existing on the date hereof to the extent Agent has no written notice thereof from a Borrower prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Credit Card Receivables in the good faith determination of Agent. Any Credit Card Receivables which are not Eligible Credit Card Receivables shall nevertheless be part of the Collateral.

1.49 "Eligible In-Transit Inventory" shall mean Inventory that would be Eligible Inventory other than for its location that: (a) is located in the United States; (b) has cleared U.S. Customs and for which all duty, freight and similar charges for import to the United States have been paid in full; (c) is in transit to one of the locations of assets permitted hereunder or between such locations; and (d) has not been in transit more than seven (7) days.

1.50 "Eligible Inventory" shall mean, as to each Borrower, Inventory consisting of finished goods held for resale in the ordinary course of the business of such Borrower which are acceptable to Agent based on the criteria set forth below. In general, Eligible Inventory shall not include (a) work-in-process; (b) raw materials; (c) spare parts for equipment; (d) packaging and shipping materials; (e) supplies used or consumed in such Borrower's business; (f) Inventory at premises other than those owned or leased and controlled by any Borrower; provided, that, (i) as to retail store locations (including factory store locations) which are leased by a Borrower, Agent may, at its option, establish Reserves in respect of rental payments and other amounts in respect of such leased location of the type and to the extent set forth in Section 1.122 hereof, (ii) as to all

other locations leased by any Borrower, if Agent shall not have received a Collateral Access Agreement from the owner and lessor with respect to such location, duly authorized, executed and delivered by such owner and lessor (or Agent shall determine to accept a Collateral Access Agreement that does not include all required provisions or provisions in the form otherwise required by Agent), Agent may, at its option, upon notice to any Borrower or Borrower Agent, establish such Reserves in respect of amounts at any time due or to become due to the owner and lessor thereof as Agent shall determine and (iii) as to locations owned and operated by a person other than a Borrower or Guarantor, if Agent shall not have received a Collateral Access Agreement from the owner and operator with respect to such location, duly authorized, executed and delivered by such owner and operator (or Agent shall determine to accept a Collateral Access Agreement that does not include all required provisions or provisions in the form otherwise required by Agent), Agent may, at its option, establish such Reserves in respect of amounts at any time due or to become due to the owner and operator thereof as Agent shall determine; provided, that, in addition, if required by Agent, in order for such Inventory at locations owned and operated by a third person to be Eligible Inventory, Agent shall have received: (A) UCC financing statements between the owner and operator, as consignee or bailee and such Borrower, as consignor or bailor, in form and substance satisfactory to Agent, which are duly assigned to Agent and (B) a written notice to any lender to the owner and operator of the first priority security interest in such Inventory of Agent; (g) Inventory subject to a security interest or lien in favor of any person other than Agent except those permitted in this Agreement that are subordinate to the security interest of Agent pursuant to an intercreditor agreement in form and substance satisfactory to Agent between Agent and the holder of such other security interest or lien; (h) bill and hold goods; (i) obsolete or slow moving Inventory; (j) Inventory which is not subject to the first priority, valid and perfected security interest of Agent; (k) damaged and/or defective Inventory; (l) returned inventory which is not held for sale in the ordinary course of business; and (m) Inventory purchased or sold on consignment. General criteria for Eligible Inventory may only be changed and any new criteria for Eligible Inventory may only be established by Agent in good faith, upon notice to Borrower Agent, based on either: (i) an event, condition or other circumstance arising after the date hereof, or (ii) existing on the date hereof to the extent Agent has no written notice thereof from a Borrower prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Inventory in the good faith determination of Agent. Any Inventory which is not Eligible Inventory shall nevertheless be part of the Collateral.

1.51 "Eligible Real Property" shall mean, as to any Borrower, Real Property owned by such Borrower in fee simple in each case which are acceptable to Agent in good faith based on the criteria set forth below. In general, Eligible Real Property shall not include: (i) Real Property which is not operated by a Borrower except as Agent may otherwise agree; (ii) Real Property subject to a security interest, lien, mortgage or other encumbrance in favor of any person other than Agent (and other than those permitted under Section 9.8(b), 9.8(c) or 9.8(d) hereof or are subject to an intercreditor agreement in form and substance satisfactory to Agent between the holder of such lien and Agent); (iii) Real Property that is not located in the continental United States of America; (iv) Real Property that is not subject to the valid and enforceable, first priority, perfected security interest, lien and mortgage of Agent; (v) Real Property where Agent determines that issues relating to compliance with Environmental Laws adversely affect such Real Property in such manner that such Real Property would not be acceptable for purposes of including it in the calculation of the Borrowing Base based on the customary practices,

procedures and policies of Agent and its Affiliates; provided, that, if the Real Property is acceptable for such purposes in accordance with such practices, procedures and policies, subject to the satisfaction of the other conditions set forth herein and any requirements arising pursuant to such practices, procedures and policies, such Real Property will be considered Eligible Real Property but subject to the right of Agent to establish Reserves to reflect the adverse affect of any environmental conditions or events with respect thereto on its value or the ability of Agent to sell or otherwise realize on such Collateral; (vi) Real Property improved with residential housing; (vii) Real Property that is not subject to a then current final written appraisal by an appraiser reasonably acceptable to Agent (which shall be one of the appraisers selected by Agent from its list of approved appraisers), on which Agent and Lenders are expressly permitted to rely, and that is in form, scope and methodology reasonably satisfactory to Agent; (viii) if requested by Agent, Real Property for which Agent shall not have received a then current environmental audit conducted by an independent environmental engineering firm reasonably acceptable to Agent (based on Administrative Agent's list of approved firms and in form, scope, substance and methodology reasonably satisfactory to Agent, the results of which are satisfactory to Agent; (ix) if requested by Agent, Real Property for which Agent shall not have received, in form and substance reasonably satisfactory to Agent, a valid and effective title insurance policy (whether in the form of a pro form policy or a marked up title policy commitment)) issued by a company and agent reasonably acceptable to Agent: (A) insuring the priority, amount and sufficiency of the Mortgage with respect to such Real Property, (B) insuring against matters that would be disclosed by surveys and (C) containing any legally available endorsements, assurances or affirmative coverage requested by Agent for protection of its interests. Any Real Property that is not Eligible Real Property shall nevertheless be part of the Collateral.

1.52 "Eligible Transferee" shall mean (a) any Lender; (b) the parent company of any Lender and/or any Affiliate of such Lender which is at least fifty (50%) percent owned by such Lender or its parent company; (c) any person (whether a corporation, partnership, trust or otherwise) that is engaged in the business of making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor, and in each case is approved by Agent; and (d) any other commercial bank, financial institution or "accredited investor" (as defined in Regulation D under the Securities Act of 1933) approved by Agent (which approval shall not be unreasonably withheld), provided, that, (i) neither any Borrower nor any Guarantor or any Affiliate of any Borrower or Guarantor shall qualify as an Eligible Transferee and (ii) no Person to whom any Indebtedness which is in any way subordinated in right of payment to any other Indebtedness of any Borrower or Guarantor shall qualify as an Eligible Transferee, except as Agent may otherwise specifically agree.

1.53 "Environmental Laws" shall mean all foreign, Federal, State and local laws (including common law), legislation, rules, codes, licenses, permits (including any conditions imposed therein), authorizations, judicial or administrative decisions, injunctions or agreements between any Borrower or Guarantor and any Governmental Authority, (a) relating to pollution and the protection, preservation or restoration of the environment (including air, water vapor, surface water, ground water, drinking water, drinking water supply, surface land, subsurface

land, plant and animal life or any other natural resource), or to human health or safety, (b) relating to the exposure to, or the use, storage, recycling, treatment, generation, manufacture, processing, distribution, transportation, handling, labeling, production, release or disposal, or threatened release, of Hazardous Materials, or (c) relating to all laws with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials. The term “Environmental Laws” includes (i) the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Superfund Amendments and Reauthorization Act, the Federal Water Pollution Control Act of 1972, the Federal Clean Air Act, the Federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the Federal Solid Waste Disposal Act and the Federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, and the Federal Safe Drinking Water Act of 1974, (ii) applicable state counterparts to such laws and (iii) any common law or equitable doctrine that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Materials.

1.54 “Equipment” shall mean, as to each Borrower and Guarantor, all of such Borrower’s and Guarantor’s now owned and hereafter acquired equipment, wherever located, including machinery, data processing and computer equipment (whether owned or licensed and including embedded software), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.55 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, together with all rules, regulations and interpretations thereunder or related thereto.

1.56 “ERISA Affiliate” shall mean any person required to be aggregated with any Borrower, any Guarantor or any of its or their respective Subsidiaries under Sections 414(b), 414(c), 414(m) or 414(o) of the Code.

1.57 “ERISA Event” shall mean (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan (other than a reportable event for which the notice provision has been waived); (b) the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA; (c) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (d) the filing pursuant to Section 412 of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the occurrence of a “prohibited transaction” with respect to which any Borrower, Guarantor or any of its or their respective Subsidiaries is a “disqualified person” (within the meaning of Section 4975 of the Code) or with respect to which any Borrower, Guarantor or any of its or their respective Subsidiaries could otherwise be liable; (f) a complete or partial withdrawal by any Borrower, Guarantor or any ERISA Affiliate from a Multiemployer Plan or a cessation of operations which is treated as such a withdrawal or notification that a Multiemployer Plan is in reorganization; (g) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the Pension Benefit Guaranty Corporation to terminate a Plan; (h) an event or

condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (i) the imposition of any liability under Title IV of ERISA, other than the Pension Benefit Guaranty Corporation premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower, Guarantor or any ERISA Affiliate in excess of \$5,000,000 and (j) any other event or condition with respect to a Plan including any Plan subject to Title IV of ERISA maintained, or contributed to, by any ERISA Affiliate that could reasonably be expected to result in liability of any Borrower in excess of \$500,000.

1.58 “Eurodollar Rate” shall mean with respect to the Interest Period for a Eurodollar Rate Loan, the interest rate per annum equal to the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the next one-sixteenth (1/16) of one (1%) percent) at which a Reference Bank is offered deposits of United States dollars in the London interbank market (or other Eurodollar Rate market selected by a Borrower or Borrower Agent on behalf of such Borrower and approved by Agent) on or about 9:00 a.m. (New York time) two (2) Business Days prior to the commencement of such Interest Period in amounts substantially equal to the principal amount of the Eurodollar Rate Loans requested by and available to such Borrower in accordance with this Agreement, with a maturity of comparable duration to the Interest Period selected by or on behalf of a Borrower.

1.59 “Eurodollar Rate Loans” shall mean any Revolving Loans or portion thereof on which interest is payable based on the Adjusted Eurodollar Rate in accordance with the terms hereof.

1.60 “Event of Default” shall mean the occurrence or existence of any event or condition described in Section 10.1 hereof.

1.61 “Excess Availability” shall mean, as to Borrowers (as a whole), the amount, as determined by Agent in good faith, calculated at any date, equal to:

(a) the sum of: (i) Qualified Cash and (ii) the Borrowing Base (in each case after giving effect to any Reserves other than any Reserves in respect of Letter of Credit Accommodations), minus

(b) the sum of: (i) the amount of all then outstanding and unpaid Obligations (but not including for this purpose Obligations of any Borrower arising pursuant to any guarantees in favor of Agent and Lenders of the Obligations of the other Borrowers or any outstanding Letter of Credit Accommodations), plus (ii) the amount of all Reserves then established in respect of Letter of Credit Accommodations, plus (iii) the aggregate amount of all then outstanding and unpaid trade payables and other obligations of any Borrower which are outstanding more than sixty (60) days past due as of the end of the immediately preceding month or at Agent’s option, as of a more recent date based on such reports as Agent may from time to time specify (other than trade payables or other obligations being contested or disputed by such Borrower in good faith), plus (iv) without duplication, the amount of checks issued by any Borrower to pay trade payables and other obligations which are more than sixty (60) days past due as of the end of the immediately preceding month or at Agent’s option, as of a more recent date based on such reports as Agent may from time to time specify (other than trade payables or other obligations being contested or disputed by such Borrower in good faith), but not yet sent.

1.62 “Exchange Act” shall mean the Securities Exchange Act of 1934, together with all rules, regulations and interpretations thereunder or related thereto.

1.63 “Exchange Offer Documents” shall mean, individually and collectively, each and all of the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (a) Confidential Offering Circular and Consent Solicitation Statement with respect to the Offer to Exchange 16.0% Senior Discount Contingent Principal Notes due 2008 of J. Crew Intermediate LLC for Outstanding 13 1/8% Senior Discount Debentures due 2008 of J. Crew Group, Inc. and (b) all other agreements, documents and instruments related thereto.

1.64 “Excluded Taxes” shall mean, with respect to the Agent, any Lender, any Participant, any Transferee or any other recipient of any payment to be made by or on account of any obligation of any Borrower or Guarantor hereunder, (a) income, branch profits or franchise taxes imposed on (or measured by) its net income (other than any such taxes imposed solely as a result of a Borrower’s activities in a jurisdiction) and (b) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender’s failure to comply with Section 6.4(h) (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Foreign Lender as a result of a Change in Law or regulation or interpretation thereof occurring after the time such Foreign Lender becomes a party to this Agreement shall not be an Excluded Tax).

1.65 “Existing Agreement” shall mean the Loan and Security Agreement, dated as of December 23, 2002, by and among Agent, Lenders, certain Borrowers and certain Guarantors.

1.66 “Fee Letter” shall mean the amended and restated letter agreement, dated on or about the date hereof, by and among Borrowers, Guarantors and Agent, setting forth certain fees payable by Borrowers to Agent for the benefit of itself and Lenders, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.67 “Financing Agreements” shall mean, collectively, this Agreement and all notes, guarantees, security agreements, deposit account control agreements, investment property control agreements, intercreditor agreements and all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by any Borrower or Obligor or any other person in connection with this Agreement; provided, that, in no event shall the term Financing Agreements be deemed to include any Hedge Agreement.

1.68 “Fixed Interest Charge Coverage Ratio” shall mean, as to any Person, with respect to any period, the ratio of (a) the amount equal to EBITDA of such Person and its Subsidiaries for such period to (b) the Fixed Interest Charges of such Person and its Subsidiaries for such period.

1.69 “Fixed Interest Charges” shall mean, as to any Person and its Subsidiaries with respect to any twelve (12) consecutive month period, the sum of, without duplication, (i) all cash Interest Expense during such period, plus (ii) all cash dividends or other distributions in respect of Capital Stock at any time used or to be used to make regularly scheduled (as determined at the beginning of the respective period) interest payments on any Indebtedness of Holdings or Intermediate during such period, plus (iii) all Capital Expenditures during such period, plus (iv) the cash portion of any Provision for Taxes paid in such period and unpaid amounts of any Provision for Taxes the last date for payment of which before becoming past due occurs during such period plus (v) the aggregate amount of the payments made during such period in respect of the Indebtedness permitted under Section 9.9(t) hereof in excess of \$2,500,000.

1.70 “Foreign Lender” shall mean any Lender, Participant or Transferee that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code.

1.71 “GAAP” shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board which are applicable to the circumstances as of the date of determination consistently applied, except that, for purposes of Sections 9.18 and 9.19 hereof and the calculation of EBITDA of Parent and its Subsidiaries (or any component thereof) for purposes of this Agreement, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements delivered to Agent prior to the date hereof.

1.72 “Governmental Authority” shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.73 “Guarantors” shall mean, collectively, the following (together with their respective successors and assigns): (a) J. Crew Group, Inc., a New York corporation; (b) J. Crew International, Inc., a Delaware corporation, and (c) J. Crew Intermediate LLC, a Delaware limited liability company; each sometimes being referred to herein individually as a “Guarantor”.

1.74 “Hazardous Materials” shall mean any hazardous, toxic or dangerous substances, materials and wastes, including hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including any that are or become classified as hazardous or toxic under any Environmental Law).

1.75 “Hedge Agreement” shall mean an agreement between any Borrower or Guarantor and Agent, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent (and in each case as to any such Lender, Affiliate or other financial institution only to the extent approved by Agent) that is a rate swap agreement, basis swap, forward rate agreement, commodity swap, interest rate option, forward foreign exchange

agreement, spot foreign exchange agreement, rate cap agreement rate, floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, any other similar agreement (including any option to enter into any of the foregoing or a master agreement for any the foregoing together with all supplements thereto) for the purpose of protecting against or managing exposure to fluctuations in interest or exchange rates, currency valuations or commodity prices; sometimes being collectively referred to herein as “Hedge Agreements”.

1.76 “Inactive Subsidiary” shall mean any Subsidiary, direct or indirect, that (a) has total assets not in excess of \$50,000; (b) conducts no business; and (c) has no Indebtedness; provided, that, if more than one Subsidiary is deemed an Inactive Subsidiary pursuant to this definition, all Inactive Subsidiaries shall be considered to be a single consolidated subsidiary for purposes of determining whether the conditions specified above are satisfied.

1.77 “Indebtedness” shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (except any such balance that constitutes an account payable to a trade creditor (whether or not an Affiliate) created, incurred, assumed or guaranteed by such Person in the ordinary course of business of such Person in connection with obtaining goods, materials or services that is not overdue by more than ninety (90) days, unless the trade payable is being contested in good faith); (c) all obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all obligations with respect to redeemable stock and redemption or repurchase obligations under any Capital Stock or other equity securities issued by such Person; (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker’s acceptances, drafts or similar documents or instruments issued for such Person’s account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual lien, security interest, collateral assignment, conditional sale, mortgage, deed of trust, or other encumbrance on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; provided, that, to the extent that such Indebtedness is non-recourse to such Person, the amount of such Indebtedness shall not be deemed to exceed the lesser of the amount of such Indebtedness and the value of the assets securing such Indebtedness; (h) all obligations, liabilities and indebtedness of such Person (marked to market) arising under swap agreements, cap agreements and collar agreements and other agreements or arrangements designed to protect such person against fluctuations in interest rates or currency or commodity values; and (i) all obligations owed by such Person under License Agreements with respect to non-refundable, advance or minimum guarantee royalty payments.

1.78 “Indemnified Taxes” shall mean Taxes other than Excluded Taxes.

1.79 “Information Certificate” shall mean the Information Certificate of Borrowers and Guarantors constituting Exhibit B hereto.

1.80 “Intellectual Property” shall mean, as to each Borrower and Guarantor, such Borrower’s and Guarantor’s now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright registrations, trademarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or the license of any trademark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

1.81 “Intercompany Note” shall mean the Revolving Line of Credit Note, dated as of July 18, 1998, by Operating, as maker, in favor of JCI, as payee, in the original principal amount of \$50,000,000, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.82 “Interest Expense” shall mean, for any period, as to any Person, as determined in accordance with GAAP, the total interest expense of such Person, whether paid or accrued during such period (including the interest component of Capital Leases for such period), including discounts in connection with the sale of any Accounts, but excluding interest paid in property other than cash and any other interest expense not payable in cash.

1.83 “Interest Period” shall mean for any Eurodollar Rate Loan, a period of approximately one (1), two (2), or three (3) months duration as any Borrower (or Borrower Agent on behalf of such Borrower) may elect, the exact duration to be determined in accordance with the customary practice in the applicable Eurodollar Rate market; provided, that, such Borrower (or Borrower Agent on behalf of such Borrower) may not elect an Interest Period which will end after the last day of the then-current term of this Agreement.

1.84 “Interest Rate” shall mean,

(a) subject to clause (b) of this definition below:

(i) as to Prime Rate Loans, a rate equal to the then Applicable Margin for Prime Rate Loans on a per annum basis in excess of the Prime Rate, and

(ii) as to Eurodollar Rate Loans, a rate equal to the then applicable Margin for Eurodollar Rate Loans on a per annum basis in excess of the Adjusted Eurodollar Rate.

(b) Notwithstanding anything to the contrary contained herein, Agent may, at its option, and Agent shall, at the direction of the Required Lenders, increase the Applicable Margin otherwise used to calculate the Interest Rate for Prime Rate Loans and Eurodollar Rate Loans in each case to the highest percentage set forth in the definition of the term Applicable Margin for each category of Revolving Loans (without regard to the amount of Quarterly Average Excess Availability) plus two (2%) percent per annum: (A) for the period (1) from and after the effective date of termination or non-renewal hereof until Agent and Lenders have received full and final payment of all outstanding and unpaid Obligations which are not contingent and cash collateral or letter of credit, as Agent may specify, in the amounts and on the terms required under Section 14.1 hereof for contingent Obligations (notwithstanding entry of a judgment against any Borrower or Guarantor) and (2) from and after the date of the occurrence of an Event of Default and for so long as such Event of Default is continuing and (B) on Revolving Loans at any time outstanding in excess of the Borrowing Base (whether or not such excess(es) arise or are made with or without the knowledge or consent of Agent or any Lender and whether made before or after an Event of Default), but only to the extent of such excess.

1.85 “Intermediate” shall mean J. Crew Intermediate LLC, a Delaware limited liability company, together with its successors and assigns.

1.86 “Inventory” shall mean, as to each Borrower and Guarantor, all of such Borrower’s and Guarantor’s now owned and hereafter existing or acquired goods, wherever located, which (a) are leased by such Borrower or Guarantor as lessor; (b) are held by such Borrower or Guarantor for sale or lease or to be furnished under a contract of service; (c) are furnished by such Borrower or Guarantor under a contract of service; or (d) consist of raw materials, work in process, finished goods or materials used or consumed in its business.

1.87 “Investment Property Control Agreement” shall mean an agreement in writing, in form and substance satisfactory to Agent, by and among Agent, any Borrower or Guarantor (as the case may be) and any securities intermediary, commodity intermediary or other person who has custody, control or possession of any investment property of such Borrower or Guarantor acknowledging that such securities intermediary, commodity intermediary or other person has custody, control or possession of such investment property on behalf of Agent, that it will comply with entitlement orders originated by Agent with respect to such investment property, or other instructions of Agent, or (as the case may be) apply any value distributed on account of any commodity contract as directed by Agent, in each case, without the further consent of such Borrower or Guarantor and including such other terms and conditions as Agent may require.

1.88 “J. Crew Card” shall mean the private label credit card issued by World Financial Network National Bank pursuant to the Credit Card Agreement of Operating with such Bank (or any subsequent Credit Card Issuer with respect to such private label credit card as to which there has been compliance with Section 9.15 hereof) to customers or prospective customers of Borrowers.

1.89 “Lenders” shall mean the financial institutions who are signatories hereto as Lenders and other persons made a party to this Agreement as a Lender in accordance with Section 14.7 hereof, and their respective successors and assigns; each sometimes being referred to herein individually as a “Lender”.

1.90 “Letter of Credit Accommodations” shall mean, collectively, the letters of credit, merchandise purchase or other guaranties which are from time to time either (a) issued or opened by Agent or any Lender for the account of any Borrower or Obligor or (b) with respect to which Agent or Lenders have agreed to indemnify the issuer or guaranteed to the issuer the performance by any Borrower or Obligor of its obligations to such issuer; sometimes being referred to herein individually as “Letter of Credit Accommodation”.

1.91 “License Agreements” shall have the meaning set forth in Section 8.13 hereof.

1.92 “Material Adverse Effect” shall mean a material adverse effect on (a) the financial condition, business, performance or operations of Borrowers, taken as a whole, or the legality, validity or enforceability of this Agreement or any of the other Financing Agreements; (b) the legality, validity, enforceability, perfection or priority of the security interests and liens of Agent upon the Collateral; (c) the Collateral or its value, (d) the ability of Borrowers to repay the Obligations or of Borrowers or Guarantors to perform their obligations under this Agreement or any of the other Financing Agreements as and when to be performed; or (e) the ability of Agent or any Lender to enforce the Obligations or realize upon the Collateral or otherwise with respect to the rights and remedies of Agent and Lenders under this Agreement or any of the other Financing Agreements (taken as a whole).

1.93 “Material Contract” shall mean (a) any contract or other agreement (other than the Financing Agreements or purchase orders for merchandise entered into in the ordinary course of the business of any Borrower or Guarantor), written or oral, of any Borrower or Guarantor involving monetary liability of or to any Person in an amount in excess of \$5,000,000 in any fiscal year and (b) any other contract or other agreement (other than the Financing Agreements), whether written or oral, to which any Borrower or Guarantor is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto would have a Material Adverse Effect.

1.94 “Maximum Credit” shall mean \$ 170,000,000, subject to increase in accordance with Section 2.9 hereof.

1.95 “Mortgages” shall mean, individually and collectively, each of the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (a) the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated December 23, 2002, by Retail in favor of Agent with respect to the Real Property and related assets of such Borrower located in Asheville, North Carolina and (b) the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated December 23, 2002, by J. Crew and Parent in favor of Agent with respect to the Real Property and related assets of such Borrower and Parent located in Lynchburg, Virginia.

1.96 “Multiemployer Plan” shall mean a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding six (6) years contributed to by any Borrower, Guarantor or any ERISA Affiliate.

1.97 “Net Recovery Percentage” shall mean the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the recovery on the aggregate amount of the Inventory at such time on a “going out of business sale” basis as set forth in the most recent appraisal of Inventory received by Agent in accordance with Section 7.3, net of operating expenses, liquidation expenses and commissions, and (b) the denominator of which is the applicable original cost of the aggregate amount of the Inventory subject to appraisal. Except for the month of December as provided in Section 1.10(a)(i)(B) and (C), the Net Recovery Percentage for any category of Inventory used in Section 1.21 shall be based on the percentage in the appraisal for the time period for which the Borrowing Base is being calculated.

1.98 “Noteholder Collateral Agent” shall mean U.S. Bank, National Association, and any successor or replacement agent or any sub-agent under the Black Canyon Documents.

1.99 “Obligations” shall mean (a) any and all Revolving Loans, Letter of Credit Accommodations and all other obligations, liabilities and indebtedness of every kind, nature and description owing by any or all of Borrowers to Agent or any Lender and/or any of their Affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement or any of the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any case with respect to such Borrower under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, or secured or unsecured and (b) for purposes only of Section 5.1 hereof and subject to the priority in right of payment set forth in Section 6.4 hereof, all obligations, liabilities and indebtedness of every kind, nature and description owing by any or all of Borrowers or Guarantors to Agent, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent (and in each case as to any such Lender, Affiliate of any Lender or other financial institution only to the extent approved by Agent) arising under or pursuant to a Hedge Agreement, whether now existing or hereafter arising, provided, that, (i) such obligations, liabilities and indebtedness shall only be included within the Obligations if upon Agent’s request, Agent shall have entered into an agreement, in form and substance satisfactory to Agent, with any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent that is a counterparty to such Hedge Agreement, as acknowledged and agreed to by Borrowers and Guarantors, providing for the delivery to Agent by such counterparty of information with respect to the amount of such obligations and providing for the other rights of Agent and such Lender, Affiliate of any Lender or any other financial institution acceptable to Agent, as the case may be, in connection with such arrangements and (ii) in no event shall the party to such Hedge Agreement to whom such obligations, liabilities or indebtedness are owing be deemed a Lender for purposes hereof to the extent of and as to such obligations, liabilities or indebtedness other than for purposes of Section 5.1 hereof and other than for purposes of Sections 12.1, 12.2, 12.3(b), 12.6, 12.7, 12.9, 12.12 and 14.6 hereof and in no event shall the approval of any such person be required in connection with the release or termination of any security interest or lien of Agent. Without limiting the generality of the foregoing, the Obligations shall also include, in addition and not in limitation, any obligations, liabilities or Indebtedness of any other Borrower or Guarantor to Agent and Lenders resulting from the exercise by Agent of its remedies with respect to any Indebtedness or other obligations of any Borrower or Guarantor to any other Borrower or Guarantor, whether

such Indebtedness or other obligations of a Borrower or Guarantor to any other Borrower or Guarantor arose from the sale or transfer of Inventory, the payment of the purchase price of Inventory by a Borrower or Guarantor on behalf of such other Borrower or Guarantor, loans or other extensions of credit for the benefit of such other Borrower or Guarantor or otherwise.

1.100 “Obligor” shall mean any guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations (including, without limitation, Guarantors), other than Borrowers.

1.101 “Other Taxes” shall mean any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any of the other Financing Agreements.

1.102 “Parent” shall mean J. Crew Group, Inc., a New York corporation, and its successors and assigns.

1.103 “Participant” shall mean any financial institution that acquires and holds a participation in the interest of any Lender in any of the Revolving Loans and Letter of Credit Accommodations in conformity with the provisions of Section 14.7 of this Agreement governing participations.

1.104 “Permitted Holders” shall mean, collectively, (a) TPG Partners II, L.P. and its Affiliates, (b) Millard S. Drexler and his immediate family members, (c) Emily Woods and her immediate family members and (d) trusts for the benefit of any of the forgoing Persons, or any of their heirs, executors, successors or legal representatives.

1.105 “Person” or “person” shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.106 “Plan” means an employee benefit plan (as defined in Section 3(3) of ERISA) which any Borrower or Guarantor sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, including a Multiemployer Plan.

1.107 “Prime Rate” shall mean the rate from time to time publicly announced by Wachovia Bank, National Association, or its successors, as its prime rate, whether or not such announced rate is the best rate available at such bank.

1.108 “Prime Rate Loans” shall mean any Revolving Loans or portion thereof on which interest is payable based on the Prime Rate in accordance with the terms thereof.

1.109 “Pro Rata Share” shall mean as to any Lender, the fraction (expressed as a percentage) the numerator of which is such Lender’s Commitment and the denominator of which is the aggregate amount of all of the Commitments of Lenders, as adjusted from time to time in accordance with the provisions of Section 14.7 hereof; provided, that, if the Commitments have

been terminated, the numerator shall be the unpaid amount of such Lender's Revolving Loans and its interest in the Letter of Credit Accommodations and the denominator shall be the aggregate amount of all unpaid Revolving Loans and Letter of Credit Accommodations.

1.110 "Provision for Taxes" shall mean an amount equal to all taxes imposed on or measured by net income, whether Federal, State, Provincial, county or local, and whether foreign or domestic, that are paid or payable by any Person in respect of any period in accordance with GAAP.

1.111 "Qualified Cash" shall mean unrestricted cash or Cash Equivalents of Borrowers that are subject to the valid, enforceable and first priority perfected security interest of Agent in an investment account or deposit account at an institution reasonably acceptable to Agent pursuant to a Deposit Account Control Agreement or an Investment Property Control Agreement, as applicable, and which cash and Cash Equivalents are not subject to any other security interest, pledge, lien, encumbrance or claim, except to the extent that the holder of any of the same has entered into an intercreditor agreement with Agent, in form and substance reasonably satisfactory to Agent (other than customary liens or rights of setoff of the institution maintaining such accounts permitted hereunder solely in its capacity as a depository, provided, that, for purposes of the amount of Qualified Cash included in the calculation of Excess Availability, such amount may be reduced, at Agent's option, by any obligations owing to such institution and Borrowers shall provide such information with respect to such obligations as Agent may from time to time request).

1.112 "Quarterly Average Excess Availability" shall mean, at any time, the daily average of the aggregate amount of the Excess Availability of Borrowers for the immediately preceding fiscal quarter.

1.113 "Real Property" shall mean all now owned and hereafter acquired real property of each Borrower and Guarantor, including leasehold interests (other than with respect to retail store locations), together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, including the real property and related assets more particularly described in the Mortgages.

1.114 "Real Property Availability" shall mean \$4,074,000, provided, that, the Real Property Availability shall be adjusted after the date hereof to mean the amount equal to the lesser of \$8,000,000 or sixty-five (65%) percent of the appraised fair market value of the Eligible Real Property then owned by Borrowers; provided, that, such adjustment shall be effective on the first day of the month after each of the following conditions is satisfied or such earlier date following the satisfaction of such conditions as agreed to by Agent: (a) Agent shall have received the written request of Borrower Agent for such adjustment, (b) as of the date of such adjustment, no Event of Default shall exist or have occurred and be continuing, (c) Agent shall have received at the expense of Borrowers not less than ten (10) Business Days' prior to the effectiveness of such adjustment, a final written report of an updated, current appraisal of the Eligible Real Property by an appraiser reasonably acceptable to Agent (which shall be one of the appraisers selected by Agent from its list of approved appraisers), on which Agent and Lenders shall be expressly permitted to rely, and that is in form, scope and methodology reasonably satisfactory to Agent, and (d) the amount of the appraised fair market value of the Eligible Real Property used for purposes of adjusting the Real Property Availability shall be based on such appraisal.

1.115 "Receivables" shall mean all of the following now owned or hereafter arising or acquired property of each Borrower and Guarantor: (a) all Accounts; (b) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (c) all payment intangibles of such Borrower or Guarantor; (d) letters of credit, indemnities, guarantees, security or other deposits and proceeds thereof issued payable to any Borrower or Guarantor or otherwise in favor of or delivered to any Borrower or Guarantor in connection with any Account or any Credit Card Receivables; or (e) all other accounts, contract rights, chattel paper, instruments, notes, general intangibles and other forms of obligations owing to any Borrower or Guarantor, whether from the sale and lease of goods or other property, licensing of any property (including Intellectual Property or other general intangibles), rendition of services or from loans or advances by any Borrower or Guarantor or to or for the benefit of any third person (including loans or advances to any Affiliates or Subsidiaries of any Borrower or Guarantor) or otherwise associated with any Accounts, Inventory or general intangibles of any Borrower or Guarantor (including, without limitation, choses in action, causes of action, tax refunds, tax refund claims, any funds which may become payable to any Borrower or Guarantor in connection with the termination of any Plan or other employee benefit plan and any other amounts payable to any Borrower or Guarantor from any Plan or other employee benefit plan, rights and claims against carriers and shippers, rights to indemnification, business interruption insurance and proceeds thereof, casualty or any similar types of insurance and any proceeds thereof and proceeds of insurance covering the lives of employees on which any Borrower or Guarantor is a beneficiary).

1.116 "Records" shall mean, as to each Borrower and Guarantor, all of such Borrower's and Guarantor's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Borrower or Guarantor with respect to the foregoing maintained with or by any other person).

1.117 "Reference Bank" shall mean Wachovia Bank, National Association, or such other bank as Agent may from time to time designate.

1.118 "Refinancing Indebtedness" shall have meaning set forth in Section 9.9 hereof.

1.119 "Renewal Date" shall the meaning set forth in Section 14.1 hereof.

1.120 "Register" shall have the meaning set forth in Section 14.7 hereof.

1.121 "Required Lenders" shall mean, at any time, those Lenders whose Pro Rata Shares aggregate sixty-six and two-thirds (66 2/3%) percent or more of the aggregate of the Commitments of all Lenders, or if the Commitments shall have been terminated, Lenders to whom at least sixty-six and two-thirds (66 2/3%) percent of the then outstanding Obligations are owing.

1.122 "Reserves" shall mean as of any date of determination, such amounts as Agent may from time to time establish and revise in good faith reducing the amount of Revolving Loans and Letter of Credit Accommodations which would otherwise be available to any Borrower under the lending formula(s) provided for herein: (a) to reflect events, conditions, contingencies or risks which adversely affect, or would have a reasonable likelihood of adversely affecting, either (i) any of the Collateral of the types or categories included in the Borrowing Base or related thereto or its value or (ii) the assets or business of any Borrower or Obligor or (iii) the security interests and other rights of Agent or any Lender in the Collateral (including the enforceability, perfection and priority thereof) or (b) to reflect Agent's good faith belief that any collateral report or financial information furnished by or on behalf of any Borrower or Obligor to Agent is or may have been incomplete, inaccurate or misleading in any material respect or (c) to reflect outstanding Letter of Credit Accommodations as provided in Section 2.2 hereof or (d) in respect of any state of facts which Agent determines in good faith constitutes a Default or an Event of Default. Without limiting the generality of the foregoing, Reserves may be established to reflect any of the following: (i) that dilution with respect to the Credit Card Receivables (based on the ratio of the aggregate amount of non-cash reductions in Credit Card Receivables for any period to the aggregate dollar amount of the sales of Borrowers giving rise to Credit Card Receivables for such period) as calculated by Agent for any period is or is reasonably anticipated to be greater than five (5%) percent, (ii) to the extent that the fair market value of any of the Real Property subject to the Mortgages as set forth in the most recent acceptable appraisals received by Agent with respect thereto has declined so that the amount of the Real Property Availability is greater than sixty (60%) percent of such appraised fair market value, (iii) inventory shrinkage, (iv) reserves in respect of markdowns and cost variances (pursuant to discrepancies between the purchase order price of Inventory and the actual cost thereof), (v) amounts due or to become due in respect of sales, use and/or withholding taxes, (vi) any rental payments, service charges or other amounts to become due to lessors of real property to the extent Inventory or Records are located in or on such property or such Records are needed to monitor or otherwise deal with the Collateral, provided, that, the Reserves established pursuant to this clause (vi) as to retail store locations (including factory store locations) that are leased shall not exceed at any time the aggregate of amounts payable for the next three (3) months to the lessors of such retail store locations (including factory store locations) located in those States where any right of the lessor to Collateral may have priority over the security interest and lien of Agent therein, provided, that, such limitation on the amount of the Reserves pursuant to this clause (vi) shall only apply so long as: (A) no Event of Default shall exist or have occurred and be continuing, (B) neither a Borrower, Guarantor nor Agent shall have received notice of any event of default by the lessee under the lease with respect to such location and (C) no Borrower has granted to the lessor a security interest or lien upon any assets of such Borrower, (vii) any rental payments, service charges or other amounts due or to become due to lessors of personal property; (viii) amounts owing by Borrowers to Credit Card Issuers or Credit Card Processors in connection with the Credit Card Agreements, (ix) up to fifty (50%) percent of the aggregate amount of merchandise gift certificates and coupons, (x) an increase in the number of days of the turnover of Inventory or a change in the mix of the Inventory that results in an overall decrease in the value thereof or a deterioration in its nature or quality (but only to the extent not addressed by the lending formulas in a manner satisfactory to Agent), (xi) variances between the perpetual inventory records of

Borrowers and the results of the test counts of Inventory conducted by Agent with respect thereto in excess of the percentage acceptable to Agent, (xii) the aggregate amount of deposits, if any, received by any Borrower from its retail customers in respect of unfilled orders for merchandise and the purchase price of layaway goods, and (xiii) obligations, liabilities or indebtedness (contingent or otherwise) of Borrowers or Guarantors to Agent, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent (and in each case as to any such Lender, Affiliate of any Lender or other financial institution only to the extent approved by Agent) arising under or in connection with any Hedge Agreement of any Borrower or Guarantor with Agent, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent or as such Person may otherwise require in connection therewith to the extent that such obligation, liabilities or indebtedness constitute Obligations as such term is defined herein or otherwise receive the benefit of the security interest of Agent in any Collateral. The amount of any Reserve established by Agent shall have a reasonable relationship to the event, condition or other matter which is the basis for such Reserve as determined by Agent in good faith. In the event that based on the calculation of the Borrowing Base by Agent at the time, the establishment of a Reserve at such time will result in there being no Excess Availability at such time, Agent shall give Borrower Agent one (1) Business Day's notice prior to establishing such new Reserves. Promptly upon the receipt of such notice, Borrowers shall take such action as may be required so that the event, condition or matters that is the basis for the Reserve no longer exists in a manner and to the extent satisfactory to Agent. In no event shall such notice and opportunity limit the right of Agent to establish such Reserve unless Agent shall have determined that the event, condition or other matter that is the basis for such new Reserve no longer exists or has otherwise been addressed in a manner and to the extent satisfactory to Agent so that Agent determines that such Reserve does not need to be established.

1.123 "Restricted Payment" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of Capital Stock of Parent, Operating or any Subsidiary of either of them, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of Capital Stock of Parent, Operating or any Subsidiary or any option, warrant or other right to acquire any such shares of Capital Stock of Parent, Operating or any such Subsidiary.

1.124 "Revolving Loans" shall mean the loans now or hereafter made by or on behalf of any Lender or by Agent for the account of any Lender on a revolving basis pursuant to the Credit Facility (involving advances, repayments and readvances) as set forth in Section 2.1 hereof and any reference to the term "Loans" used herein shall have the same meaning as the term Revolving Loans.

1.125 "Securities Laws" shall mean the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all rules, regulations and interpretations issued pursuant thereto or in connection therewith, and all state and local statutes, rules and regulations issued in connection therewith or related thereto, as the same now exist or may hereafter be amended, modified, interpreted, recodified or supplemented.

1.126 "Senior Debenture Indenture" shall mean the Indenture, dated as of October 17, 1997, between Parent, as issuer, and State Street Bank and Trust Company, as trustee, with respect to the Senior Discount Debentures as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.127 “Senior Discount Debentures” shall mean, collectively, the 13 1/8% Senior Discount Debentures due 2008 issued by Parent pursuant to the Senior Debenture Indenture, as the same now exist or may hereafter be amended, modified, supplemented, extended, modified, supplemented, extended, renewed, restated or replaced.

1.128 “16% Senior Discount Note Indenture” shall mean the Indenture, dated May 6, 2003, between Intermediate, as issuer and 16% Senior Discount Note Trustee, with respect to the 16% Senior Discount Notes, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.129 “16% Senior Discount Notes” shall mean, collectively, the 16.0% Senior Discount Contingent Principal Notes due 2008 issued by Intermediate under the 16% Senior Discount Note Indenture, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.130 “16% Senior Discount Note Trustee” shall mean U.S. Bank, National Association, and its successors and assigns, and any replacement trustee permitted pursuant to the terms and conditions of the 16% Senior Discount Note Indenture.

1.131 “Solvent” shall mean, at any time with respect to any Person, that at such time such Person (a) is able to pay its debts as they mature and has (and has a reasonable basis to believe it will continue to have) sufficient capital (and not unreasonably small capital) to carry on its business consistent with its practices as of the date hereof, and (b) the assets and properties of such Person at a fair valuation (and including as assets for this purpose at a fair valuation all rights of subrogation, contribution or indemnification arising pursuant to any guarantees given by such Person) are greater than the Indebtedness of such Person, and including subordinated and contingent liabilities computed at the amount which, such person has a reasonable basis to believe, represents an amount which can reasonably be expected to become an actual or matured liability (and including as to contingent liabilities arising pursuant to any guarantee the face amount of such liability as reduced to reflect the probability of it becoming a matured liability).

1.132 “Special Agent Advances” shall have the meaning set forth in Section 12.11 hereof.

1.133 “Standby Letter of Credit” shall mean all Letter of Credit Accommodations other than Commercial Letters of Credit.

1.134 “Store Accounts” shall have the meaning set forth in Section 6.3 hereof.

1.135 “Subsidiary” or “subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, limited liability partnership or other limited or general partnership, trust, association or other business entity of which an aggregate of at least a majority of the outstanding Capital Stock or other interests entitled to vote in the election of the board of directors of such corporation (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation shall have or might have voting power by reason of the

happening of any contingency), managers, trustees or other controlling persons, or an equivalent controlling interest therein, of such Person is, at the time, directly or indirectly, owned by such Person and/or one or more subsidiaries of such Person.

1.136 “Syndication Agent” shall mean Bank of America N.A., in its capacity as syndication agent on behalf of Lenders pursuant to the terms hereof and any replacement or successor syndication agent hereunder.

1.137 “Taxes” shall mean any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of Agent or any Lender, such taxes (including income taxes, franchise taxes or capital taxes) as are imposed on or measured by such Lender’s net income or capital by any jurisdiction (or any political subdivision thereof).

1.138 “10 3/8% Subordinated Notes” shall mean, collectively, the 10 3/8% Senior Subordinated Notes due 2007 issued by Operating under the 10 3/8% Subordinated Note Indenture, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.139 “10 3/8% Subordinated Note Indenture” shall mean the Indenture, dated as of October 17, 1997, by and among Operating, as issuer, Borrowers, and certain Affiliates of Borrowers, as guarantors, and State Street Bank and Trust Company, as trustee, with respect to the 10 3/8% Subordinated Notes, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated, or replaced.

1.140 “TPG Partners” shall mean (a) TPG Partners II, L.P.; (b) any managing director, principal, officer or employee of TPG Partners II, L.P. who control it as of the date of this Agreement; and (c) any other Person controlled by any of the Persons included in clauses (a) and (b) of this definition. For the purposes of this definition, the term “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

1.141 “Transferee” shall mean any transferee or assignee of a Lender or a Participant.

1.142 “UCC” shall mean the Uniform Commercial Code as in effect in the State of New York, and any successor statute, as in effect from time to time (except that terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as Agent may otherwise determine).

1.143 “Value” shall mean, as determined by Agent in good faith, with respect to Inventory, the lower of (a) cost computed on a first-in first-out basis in accordance with GAAP or (b) market value, provided, that, for purposes of the calculation of the Borrowing Base, (i) the Value of the Inventory shall not include: (A) the portion of the Value of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower or (B) write-ups or write-downs in value with respect to currency exchange rates and (ii) notwithstanding anything to the contrary contained herein, the cost of the Inventory shall be computed in the same manner and consistent with the most recent appraisal of the Inventory received by Agent prior to the date hereof, if any.

1.144 "Voting Stock" shall mean with respect to any Person, (a) one (1) or more classes of Capital Stock of such Person having general voting powers to elect at least a majority of the board of directors, managers or trustees of such Person, irrespective of whether at the time Capital Stock of any other class or classes have or might have voting power by reason of the happening of any contingency, and (b) any Capital Stock of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock of such Person described in clause (a) of this definition.

1.145 "Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Indebtedness into (b) the total of the product obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

SECTION 2. CREDIT FACILITIES

2.1 Revolving Loans. Subject to and upon the terms and conditions contained herein, each Lender severally (and not jointly) agrees to make its Pro Rata Share of Revolving Loans to Borrowers from time to time in amounts requested by Borrowers (or Borrower Agent on behalf of Borrowers) up to the amount outstanding at any time equal to the Borrowing Base at such time.

2.2 Letter of Credit Accommodations.

(a) Subject to and upon the terms and conditions contained herein, at the request of a Borrower (or Borrower Agent on behalf of such Borrower), Agent agrees, for the ratable risk of each Lender according to its Pro Rata Share, to provide or arrange for Letter of Credit Accommodations for the account of such Borrower containing terms and conditions acceptable to Agent and the issuer thereof. Any payments made by or on behalf of Agent or any Lender to any issuer thereof and/or related parties in connection with the Letter of Credit Accommodations provided to or for the benefit of a Borrower shall constitute additional Revolving Loans to such Borrower pursuant to this Section 2 (or Special Agent Advances as the case may be).

(b) In addition to any charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit Accommodations, Borrowers shall pay to Agent, for the benefit of Lenders, monthly a letter of credit fee at a rate equal to the percentage (on a per annum basis) set forth below on the daily outstanding balance of the Letter of Credit Accommodations during the immediately preceding month (or part thereof), payable in arrears as of the first of each succeeding month, provided, that, such percentage shall be increased or decreased, as the case may be, to the percentage (on a per annum basis) set forth below based on the Quarterly

Average Excess Availability for the immediately preceding fiscal quarter being at or within the amounts indicated for such percentage:

<u>Tier</u>	<u>Quarterly Average Excess Availability</u>	<u>Documentary L/C Rate</u>	<u>Standby L/C Rate</u>
1	Greater than \$55,000,000	.625%	1.250%
2	Less than or equal to \$55,000,000 and greater than \$40,000,000	.750%	1.250%
3	Less than or equal to \$40,000,000 and greater than \$20,000,000	.875%	1.250%
4	Less than or equal to \$20,000,000	1.000%	1.250%

provided, that, (i) the applicable percentage shall be calculated and established once each fiscal quarter and shall remain in effect until adjusted thereafter after the end of the next fiscal quarter, (ii) if the Excess Availability is greater than \$40,000,000 as of the date hereof, the applicable percentage through the last day of the sixth (6th) month after the date hereof shall be the amount for Tier 2 set forth above, and (iii) notwithstanding anything to the contrary contained herein, Agent may, and upon the written direction of Required Lenders shall, require Borrowers to pay to Agent for the benefit of Lenders, such letter of credit fee at a rate equal to two (2%) percent per annum on such daily outstanding balance higher than the otherwise applicable percentage: (A) for the period (1) from and after the effective date of termination or non-renewal hereof until Agent and Lenders have received full and final payment of all outstanding and unpaid Obligations which are not contingent and cash collateral or letter of credit, as Agent may specify, in the amounts and on the terms required under Section 14.1 hereof for contingent Obligations (notwithstanding entry of a judgment against any Borrower or Guarantor) and (2) from and after the date of the occurrence of an Event of Default and for so long as such Event of Default is continuing.

(c) The Borrower requesting such Letter of Credit Accommodation (or Borrower Agent on behalf of such Borrower) shall give Agent two (2) Business Days' prior written notice of such Borrower's request for the issuance of a Letter of Credit Accommodation. Such notice shall be irrevocable and shall specify the original face amount of the Letter of Credit Accommodation requested, the effective date (which date shall be a Business Day) of issuance of such requested Letter of Credit Accommodation, whether such Letter of Credit Accommodations may be drawn in a single or in partial draws, the date on which such requested Letter of Credit Accommodation is to expire (which date shall be a Business Day and in no event shall the expiration date of any Letter of Credit Accommodation be a date less than five (5)

Business Days prior to the end of the then current term of this Agreement), the purpose for which such Letter of Credit Accommodation is to be issued, and the beneficiary of the requested Letter of Credit Accommodation. The Borrower requesting the Letter of Credit Accommodation (or Borrower Agent on behalf of such Borrower) shall attach to such notice the proposed form of the Letter of Credit Accommodation.

(d) In addition to being subject to the satisfaction of the applicable conditions precedent contained in Section 4 hereof and the other terms and conditions contained herein, no Letter of Credit Accommodations shall be available unless each of the following conditions precedent have been satisfied in a manner satisfactory to Agent: (i) the Borrower requesting such Letter of Credit Accommodation (or Borrower Agent on behalf of such Borrower) shall have delivered to the proposed issuer of such Letter of Credit Accommodation at such times and in such manner as such proposed issuer may require, an application, in form and substance satisfactory to such proposed issuer and Agent, for the issuance of the Letter of Credit Accommodation and such other documents as may be required pursuant to the terms thereof, and the form and terms of the proposed Letter of Credit Accommodation shall be satisfactory to Agent and such proposed issuer, (ii) as of the date of issuance, no order of any court, arbitrator or other Governmental Authority shall purport by its terms to enjoin or restrain money center banks generally from issuing letters of credit of the type and in the amount of the proposed Letter of Credit Accommodation, and no law, rule or regulation applicable to money center banks generally and no request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over money center banks generally shall prohibit, or request that the proposed issuer of such Letter of Credit Accommodation refrain from, the issuance of letters of credit generally or the issuance of such Letters of Credit Accommodation; and (iii) the Excess Availability, prior to giving effect to any Reserves with respect to such Letter of Credit Accommodations, on the date of the proposed issuance of any Letter of Credit Accommodation shall be equal to or greater than: (A) if the proposed Letter of Credit Accommodation is a Commercial Letter of Credit for the purpose of purchasing Inventory and the documents of title with respect thereto are consigned to the issuer or delivered to and in the possession of a Customs Broker (provided, that, as to such Customs Broker, Agent shall have received a Collateral Access Agreement duly authorized, executed and delivered by such person, such agreement shall be in full force and effect and such person shall be in compliance in all material respects with the terms thereof), the sum of: (1) the percentage equal to one hundred (100%) percent minus the then applicable percentage with respect to the category of Eligible Inventory to be purchased with such Letter of Credit Accommodation plus (2) the amount of the Reserve to be established based on freight, taxes, duty and other amounts which Agent estimates must be paid in connection with such Inventory being purchased with such Letter of Credit Accommodation calculated as described below and (B) if the proposed Letter of Credit Accommodation is a Standby Letter of Credit or for any other purpose or the documents of title are not consigned to the issuer or are not delivered to and in the possession of a Customs Broker (or if delivered to and in the possession of a Customs Broker, any of the conditions set forth in clause (A) are not satisfied as to such Customs Broker) in connection with a Letter of Credit Accommodation for the purpose of purchasing Inventory, an amount equal to one hundred (100%) percent of the face amount thereof and all other commitments and obligations made or incurred by Agent with respect thereto. Effective on the issuance of each Letter of Credit Accommodation, a Reserve shall be established in the applicable amount set forth in Section 2.2(d)(iii)(A) or Section 2.2(d)(iii)(B).

(e) The amount of the Reserve based on freight, taxes, duty and other amounts referred to above shall be calculated from time to time as follows:
(i) the amount equal to (A) the most recent determination by Agent of the average of the freight, taxes, duty and other amounts referred to above as a percentage of the outstanding Letter of Credit Accommodations consisting of Commercial Letters of Credit used to purchase Inventory as of the date of such calculation in accordance with the current practices and procedures of Agent as of the date hereof, multiplied by (B) the then outstanding amount of such Letter of Credit Accommodations multiplied by (ii) the percentage equal to (A) the percentage of one hundred (100%) percent minus (B) the average of the percentages used for Inventory at such time in the calculation of the Borrowing Base.

(f) Except in Agent's discretion, with the consent of all Lenders (except as otherwise provided herein), the amount of all outstanding Letter of Credit Accommodations and all other commitments and obligations made or incurred by Agent or any Lender in a connection therewith shall not at any time exceed the Maximum Credit less any Revolving Loans outstanding.

(g) Borrowers and Guarantors shall indemnify and hold Agent and Lenders harmless from and against any and all losses, claims, damages, liabilities, costs and expenses which Agent or any Lender may suffer or incur in connection with any Letter of Credit Accommodations and any documents, drafts or acceptances relating thereto, including any losses, claims, damages, liabilities, costs and expenses due to any action taken by any issuer or correspondent with respect to any Letter of Credit Accommodation, except for such losses, claims, damages, liabilities, costs or expenses that are a direct result of the gross negligence or wilful misconduct of Agent or any Lender as determined pursuant to a final non-appealable order of a court of competent jurisdiction. Each Borrower and Guarantor assumes all risks with respect to the acts or omissions of the drawer under or beneficiary of any Letter of Credit Accommodation and for such purposes the drawer or beneficiary shall be deemed such Borrower's agent. Each Borrower and Guarantor assumes all risks for, and agrees to pay, all foreign, Federal, State and local taxes, duties and levies relating to any goods subject to any Letter of Credit Accommodations or any documents, drafts or acceptances thereunder. Each Borrower and Guarantor hereby releases and holds Agent and Lenders harmless from and against any acts, waivers, errors, delays or omissions, whether caused by any Borrower, Guarantor, by any issuer or correspondent or otherwise with respect to or relating to any Letter of Credit Accommodation, except for the gross negligence or wilful misconduct of Agent or any Lender as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. The provisions of this Section 2.2(f) shall survive the payment of Obligations and the termination of this Agreement.

(h) In connection with Inventory purchased pursuant to Letter of Credit Accommodations, Borrowers and Guarantors shall, at Agent's request, instruct all suppliers, carriers, forwarders, customs brokers, warehouses or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver them to Agent and/or subject to Agent's order, and if they shall come into such Borrower's or Guarantor's possession, to deliver them, upon Agent's request, to Agent in their original form; provided, that, Agent shall not exercise the rights under this clause (g) to have such persons deliver any cash, checks, Inventory, documents or instruments (but as to such documents and instruments, Agent shall not exercise such rights only so long as the same are held by a Customs

Broker and the conditions set forth in Section 2.2(d)(iii)(A) hereof as to such Customs Broker are satisfied), unless an Event of Default shall exist or have occurred and be continuing. Borrowers and Guarantors shall also, at Agent's request, designate Agent as the consignee on all bills of lading and other negotiable and non-negotiable documents.

(i) Each Borrower and Guarantor hereby irrevocably authorizes and directs any issuer of a Letter of Credit Accommodation to name such Borrower or Guarantor as the account party therein and to deliver to Agent all instruments, documents and other writings and property received by issuer pursuant to the Letter of Credit Accommodations and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit Accommodations or the applications therefor. Nothing contained herein shall be deemed or construed to grant any Borrower or Guarantor any right or authority to pledge the credit of Agent or any Lender in any manner. Agent and Lenders shall have no liability of any kind with respect to any Letter of Credit Accommodation provided by an issuer other than Agent or any Lender unless Agent has duly executed and delivered to such issuer the application or a guarantee or indemnification in writing with respect to such Letter of Credit Accommodation. Borrowers and Guarantors shall be bound by any reasonable interpretation made in good faith by Agent, or any other issuer or correspondent under or in connection with any Letter of Credit Accommodation or any documents, drafts or acceptances thereunder, notwithstanding that such interpretation may be inconsistent with any instructions of any Borrower or Guarantor.

(j) At any time an Event of Default exists or has occurred and is continuing, Agent shall have the right and authority to, and Borrowers shall not, without the prior consent of Agent, (i) approve or resolve any questions of non-compliance of documents, (ii) give any instructions as to acceptance or rejection of any documents or goods, (iii) execute any and all applications for steamship or airway guaranties, indemnities or delivery orders, (iv) grant any extensions of the maturity of, time of payments for, or time of presentation of, any drafts, acceptances, or documents, and (v) agree to any amendments, renewals, extensions, modifications, changes or cancellations of any of the terms or conditions of any of the applications, Letter of Credit Accommodations, or documents, drafts or acceptances thereunder or any letters of credit included in the Collateral. Agent may take such actions either in its own name or in any Borrower's name.

(k) At any time, so long as no Event of Default exists or has occurred and is continuing, a Borrower may, with Agent's consent, (i) grant any extensions of the maturity of, time of payment for, or time of presentation of, any drafts, acceptances, or documents, and (ii) agree to any amendments, renewals, extensions, modifications, changes or cancellations of any of the terms or conditions of any of the applications, Letter of Credit Accommodations, or documents, drafts or acceptances thereunder or any letters of credit included in the Collateral; provided, that, Borrowers may approve or resolve any questions of non-compliance of documents following notice to Agent thereof and without Agent's consent except as otherwise provided in Section 2.2(i).

(l) Any rights, remedies, duties or obligations granted or undertaken by any Borrower or Guarantor to any issuer or correspondent in any application for any Letter of Credit Accommodation, or any other agreement in favor of any issuer or correspondent relating to any Letter of Credit Accommodation, shall be deemed to have been granted or undertaken by such

Borrower or Guarantor to Agent for the ratable benefit of Lenders. Any duties or obligations undertaken by Agent to any issuer or correspondent in any application for any Letter of Credit Accommodation, or any other agreement by Agent in favor of any issuer or correspondent to the extent relating to any Letter of Credit Accommodation, shall be deemed to have been undertaken by Borrowers and Guarantors to Agent for the ratable benefit of Lenders and to apply in all respects to Borrowers and Guarantors.

(m) Immediately upon the issuance or amendment of any Letter of Credit Accommodation, each Lender shall be deemed to have irrevocably and unconditionally purchased and received, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Pro Rata Share of the liability with respect to such Letter of Credit Accommodation (including, without limitation, all Obligations with respect thereto).

(n) Each Borrower is irrevocably and unconditionally obligated, without presentment, demand or protest, to pay to Agent any amounts paid by an issuer of a Letter of Credit Accommodation with respect to such Letter of Credit Accommodation (whether through the borrowing of Revolving Loans in accordance with Section 2.2(a) or otherwise). In the event that any Borrower fails to pay Agent on the date of any payment under a Letter of Credit Accommodation in an amount equal to the amount of such payment, Agent (to the extent it has actual notice thereof) shall promptly notify each Lender of the unreimbursed amount of such payment and each Lender agrees, upon one (1) Business Day's notice, to fund to Agent the purchase of its participation in such Letter of Credit Accommodation in an amount equal to its Pro Rata Share of the unpaid amount. The obligation of each Lender to deliver to Agent an amount equal to its respective participation pursuant to the foregoing sentence is absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuance of any Event of Default, the failure to satisfy any other condition set forth in Section 4 or any other event or circumstance. If such amount is not made available by a Lender when due, Agent shall be entitled to recover such amount on demand from such Lender with interest thereon, for each day from the date such amount was due until the date such amount is paid to Agent at the interest rate then payable by any Borrower in respect of Revolving Loans that are Prime Rate Loans as set forth in Section 3.1 (a) hereof.

2.3 Intentionally Omitted.

2.4 Commitments. The aggregate amount of each Lender's Pro Rata Share of the Revolving Loans and Letter of Credit Accommodations shall not exceed the amount of such Lender's Commitment, as the same may from time to time be amended in accordance with the provisions hereof.

2.5 Loan Limits.

(a) Notwithstanding anything to the contrary contained herein, except in Agent's determination, with the consent of all Lenders, or as otherwise provided herein, the sum of the aggregate principal amount of the Revolving Loans and the Letter of Credit Accommodations outstanding at any time shall not exceed the Borrowing Base.

(b) To the extent that the 10 3/8% Subordinated Note Indenture is in effect and contains a limitation upon the amount of Revolving Loans and Letter of Credit Accommodations (and, in each case, interest and fees thereon) that may be incurred hereunder by Borrowers other than Operating, then, notwithstanding any other provision of this Agreement (including, without limitation, Sections 2.1, 2.2, and 2.8) and the books and records of Lenders or Agent or any Borrower, (i) at any date, all Revolving Loans (and interest thereon) and Letter of Credit Accommodations (and fees thereon) in excess of the amounts permitted to be incurred by Borrowers other than Operating in accordance with the 10 3/8% Subordinated Note Indenture (including amounts permitted under Section 4.09 of the 10 3/8% Subordinated Note Indenture other than under subsection (i) thereof) are deemed made and shall be made solely to Operating and (ii) in no event at any date shall the amount of Indebtedness (as defined in the 10 3/8% Subordinated Note Indenture) arising pursuant to Revolving Loans and Letter of Credit Accommodations to Borrowers other than Operating exceed the amount thereof that such Borrowers (other than Operating) are permitted to incur at such time under the terms of the 10 3/8% Subordinated Note Indenture and (iii) Borrowers shall determine that the Indebtedness of Borrowers hereunder (other than Operating) is, and the Indebtedness of Borrowers hereunder (other than Operating) shall be deemed, permitted under such subsections of Section 4.09 of the 10 3/8% Subordinated Note Indenture, other than subsection (i) thereof, to the extent that the amounts permitted under such other subsections are not otherwise then the basis for permitting Indebtedness of Borrowers (other than the Indebtedness hereunder) and to the extent that such other subsections are applicable to the Indebtedness of Borrowers hereunder (other than Operating). The limitation on Revolving Loans and Letter of Credit Accommodations of Borrowers other than Operating set forth in Section 2.5(b) above shall automatically be adjusted from time to time upon the incurrence or repayment of any Indebtedness (as defined in the 10 3/8% Subordinated Note Indenture) permitted under the applicable subsections of Section 4.09 of the 10 3/8% Subordinated Note Indenture.

2.6 Mandatory Prepayments.

(a) In the event that at any time (i) the aggregate principal amount of the Revolving Loans and the Letter of Credit Accommodations outstanding exceed the Borrowing Base, or (ii) the aggregate principal amount of the Revolving Loans and Letter of Credit Accommodations outstanding to all of Borrowers exceed the Maximum Credit, or (iii) the aggregate amount of the outstanding Letter of Credit Accommodations exceed the sublimit for Letter of Credit Accommodations set forth in Section 2.2(e) hereof, or (iv) the aggregate amount of the Revolving Loans and Letter of Credit Accommodations exceed the Maximum Credit, any such event shall not limit, waive or otherwise affect any rights of Agent or Lenders in such circumstances or on any future occasions and Borrowers shall, upon demand by Agent, which may be made at any time or from time to time, immediately repay to Agent the entire amount of any such excess(es) for which payment is demanded. Except to the extent Agent is permitted to make certain additional Revolving Loans and Letter of Credit Accommodations as provided in Section 12.8 hereof, Agent shall make such demand upon the request of the Required Lenders.

(b) Without limiting any of the rights of Agent or Lenders pursuant hereto or otherwise, on each date when any reduction in the Real Property Availability becomes effective pursuant to the terms hereof, regardless of the value of the Real Property, Borrowers shall, absolutely and unconditionally, automatically and without demand make a payment to Agent, for the benefit of Lenders, in respect of the Revolving Loans in an amount equal to the excess, if any, of the aggregate unpaid principal amount of the Revolving Loans over the Borrowing Base as so reduced.

(c) Subject to Section 14.1 (c) and Section 3.3(d) hereof, all such payments in respect of the Revolving Loans pursuant to this Section 2.6 shall be without premium or penalty. All interest accrued on the principal amount of the Revolving Loans paid pursuant to this Section 2.6 shall be paid, or may be charged by Agent to any loan account(s) of Borrowers, at Agent's option, on the date of such payment. Interest shall accrue and be due, until the next Business Day, if the amount so paid by Borrowers to the bank account designated by Agent for such purpose is received in such bank account after 12:00 noon, New York City time.

2.7 Intentionally Omitted.

2.8 Joint and Several Liability. Subject to Section 2.5(b) hereof, all Borrowers shall be jointly and severally liable for all amounts due to Agent and Lenders under this Agreement and the other Financing Agreements, regardless of which Borrower actually receives the Revolving Loans or Letter of Credit Accommodations hereunder or the amount of such Revolving Loans received or the manner in which Agent or any Lender accounts for such Revolving Loans, Letter of Credit Accommodations or other extensions of credit on its books and records. Subject to Section 2.5(b) hereof, all references herein or in any of the other Financing Agreements to any of the obligation of Borrowers to make any payment hereunder or thereunder shall constitute joint and several obligations of Borrowers. The Obligations with respect to Revolving Loans made to a Borrower, and the Obligations arising as a result of the joint and several liability of a Borrower hereunder, with respect to Revolving Loans made to the other Borrowers, shall be separate and distinct obligations, but all such other Obligations shall be primary obligations of all Borrowers. Subject to Section 2.5(b) hereof, the Obligations arising as a result of the joint and several liability of a Borrower hereunder with respect to Revolving Loans, Letter of Credit Accommodations or other extensions of credit made to the other Borrowers shall, to the fullest extent permitted by law, be unconditional irrespective of (a) the validity or enforceability, avoidance or subordination of the Obligations of the other Borrowers or of any promissory note or other document evidencing all or any part of the Obligations of the other Borrowers, (b) the absence of any attempt to collect the Obligations from the other Borrowers, any Guarantor or any other security therefor, or the absence of any other action to enforce the same, (c) the waiver, consent, extension, forbearance or granting of any indulgence by Agent or any Lender with respect to any provisions of any instrument evidencing the Obligations of the other Borrowers, or any part thereof, or any other agreement now or hereafter executed by the other Borrowers and delivered to Agent or any Lender, (d) the failure by Agent or any Lender to take any steps to perfect and maintain its security interest in, or to preserve its rights and maintain its security or collateral for the Obligations of the other Borrowers, (e) the election of Agent and Lenders in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111 (b)(2) of the Bankruptcy Code, (f) the disallowance of all or any portion of the claim(s) of Agent or any Lender for the repayment of the Obligations of the other Borrowers under Section 502 of the Bankruptcy Code, or (g) any other circumstances which might constitute a legal or equitable discharge or defense of a Guarantor or of the other Borrowers other than the gross negligence or wilful misconduct of Agent or a Lender as determined pursuant to a final non-appealable order of a court of competent jurisdiction. With respect to the Obligations arising as a result of the joint

and several liability of a Borrower hereunder with respect to Revolving Loans, Letter of Credit Accommodations or other extensions of credit made to the other Borrowers hereunder, each Borrower waives, until the Obligations shall have been paid in full and this Agreement shall have been terminated, any right to enforce any right of subrogation or any remedy which Agent or any Lender now has or may hereafter have against any Borrower or Guarantor and any benefit of, and any right to participate in, any security or collateral given to Agent or any Lender. Upon any Event of Default, and for so long as such Event of Default is continuing, Agent may proceed directly and at once, without notice, against any Borrower to collect and recover the full amount, or any portion of the Obligations, without first proceeding against the other Borrowers or any other Person, or against any security or collateral for the Obligations. Each Borrower consents and agrees that Agent and Lenders shall be under no obligation to marshal any assets in favor of Borrower(s) or against or in payment of any or all of the Obligations.

2.9 Maximum Credit Increase.

(a) Borrower Agent may, at any time, deliver a written request to Agent to increase the Maximum Credit. Any such written request shall specify the amount of the increase in the Maximum Credit that Borrowers are requesting, provided, that, (i) in no event shall the aggregate amount of any such increase in the Maximum Credit cause the Maximum Credit to exceed \$250,000,000, (ii) such request shall be for an increase of not less than \$10,000,000, (iii) any such request shall be irrevocable, and (iv) in no event shall more than one such written request be delivered to Agent in any calendar quarter.

(b) Upon the receipt by Agent of any such written request, Agent shall notify each of the Lenders of such request and each Lender shall have the option (but not the obligation) to increase the amount of its Commitment by an amount up to its Pro Rata Share of the amount of the increase in the Maximum Credit requested by Borrower Agent as set forth in the notice from Agent to such Lender. Each Lender shall notify Agent within fifteen (15) days after the receipt of such notice from Agent whether it is willing to so increase its Commitment, and if so, the amount of such increase; provided, that, (i) the minimum increase in the Commitments of each such Lender providing the additional Commitments shall equal or exceed \$2,000,000, and (ii) no Lender shall be obligated to provide such increase in its Commitment and the determination to increase the Commitment of a Lender shall be within the sole and absolute discretion of such Lender. If the aggregate amount of the increases in the Commitments received from the Lenders equals or exceeds the amount of the increase in the Maximum Credit requested by Borrower Agent, such increase shall be effective on the date five (5) Business Days after each of the conditions set forth in Section 2.9(c) have been satisfied or such earlier date after such conditions have been satisfied as Agent may agree. If the aggregate amount of the increases in the Commitments received from the Lenders does not equal or exceed the amount of the increase in the Maximum Credit requested by Borrower Agent, Agent may seek additional increases from Lenders or Commitments from such Eligible Transferees as it may determine, after consultation with Borrower Agent. In the event Lenders (or Lenders and any such Eligible Transferees, as the case may be) have committed in writing to provide increases in their Commitments or new Commitments in an aggregate amount in excess of the increase in the Maximum Credit requested by Borrowers or permitted hereunder, Agent shall then have the right to allocate such commitments, first to Lenders and then to Eligible Transferees, in such amounts and manner as Agent may determine, after consultation with Borrower Agent.

(c) The Maximum Credit shall be increased by the amount of the increase in Commitments from Lenders or new Commitments from Eligible Transferees, in each case selected in accordance with Section 2.9(a) above, for which Agent has received Assignment and Acceptances sixty (60) days after the date of the request by Borrower Agent for the increase or such earlier date as Borrower Agent may request (such earlier date being referred to herein as the "Early Increase Date") after five (5) Business Days' prior written notice to Agent (but subject to the satisfaction of the conditions set forth below), whether or not the aggregate amount of the increase in Commitments and new Commitments, as the case may be, equal or exceed the amount of the increase in the Maximum Credit requested by Borrower Agent in accordance with the terms hereof, effective on the date that each of the following conditions have been satisfied:

(i) Agent shall have received from each Lender or Eligible Transferee that is providing an additional Commitment as part of the increase in the Maximum Credit, an Assignment and Acceptance duly executed by such Lender or Eligible Transferee and each Borrower, provided, that, the aggregate Commitments set forth in such Assignment and Acceptance(s) shall be not less than \$10,000,000;

(ii) the conditions precedent to the making of Revolving Loans set forth in Section 4.2 shall be satisfied as of the date of the increase in the Maximum Credit, both before and after giving effect to such increase;

(iii) Agent shall have received an opinion of counsel to Borrowers in form and substance and from counsel reasonably satisfactory to Agent and Lenders addressing such matters as Agent may reasonably request (including an opinion as to no conflicts with other Indebtedness);

(iv) such increase in the Maximum Credit on the date of the effectiveness thereof shall not violate any applicable law, regulation or order or decree of any court or other Governmental Authority and shall not be enjoined, temporarily, preliminarily or permanently;

(v) there shall have been paid to each Lender and Eligible Transferee providing an additional Commitment in connection with such increase in the Maximum Credit all fees and expenses due and payable to such Person on or before the effectiveness of such increase;

(vi) there shall have been paid to Agent, for the account of the Agent and Lenders (in accordance with any agreement among them) all fees and expenses (including reasonable fees and expenses of counsel) due and payable pursuant to any of the Financing Agreements on or before the effectiveness of such increase.

(d) In the event that Borrower requests that the Maximum Credit is increased on an Early Increase Date, and the aggregate amount of the increases in the Commitments received from the Lenders and new Commitments from Eligible Transferees, as the case may be, as of the Early Increase Date (based upon the satisfaction of the conditions set forth above) does not equal or exceed the amount of the increase in the Maximum Credit requested by Borrower Agent, the Maximum Credit may thereafter be increased again on the date that is sixty (60) days after the date of the original request by Borrower Agent for such increase based on any additional increase in Commitments or new Commitments received by Agent (i) after the Early Increase Date but (ii) prior to the date that is sixty (60) days after the date of such original request by Borrower Agent for any such increase.

(e) As of the effective date of any such increase in the Maximum Credit, each reference to the term Maximum Credit herein, and in any of the other Financing Agreements shall be deemed amended to mean the amount of the Maximum Credit specified in the most recent written notice from Agent to Borrower Agent of the increase in the Maximum Credit.

SECTION 3. INTEREST AND FEES

3.1 Interest.

(a) Borrowers shall pay to Agent, for the benefit of itself and Lenders, interest on the outstanding principal amount of the Revolving Loans at the Interest Rate. All interest accruing hereunder on and after the date of any Event of Default or termination hereof shall be payable on demand.

(b) Each Borrower (or Borrower Agent on behalf of such Borrower) may from time to time request Eurodollar Rate Loans or may request that Prime Rate Loans be converted to Eurodollar Rate Loans or that any existing Eurodollar Rate Loans continue for an additional Interest Period. Such request from a Borrower (or Borrower Agent on behalf of such Borrower) shall specify the amount of the Eurodollar Rate Loans or the amount of the Prime Rate Loans to be converted to Eurodollar Rate Loans or the amount of the Eurodollar Rate Loans to be continued (subject to the limits set forth below) and the Interest Period to be applicable to such Eurodollar Rate Loans. Subject to the terms and conditions contained herein, three (3) Business Days after receipt by Agent of such a request from a Borrower (or Borrower Agent on behalf of such Borrower), such Eurodollar Rate Loans shall be made or Prime Rate Loans shall be converted to Eurodollar Rate Loans or such Eurodollar Rate Loans shall continue, as the case may be, provided, that, (i) no Event of Default shall exist or have occurred and be continuing, (ii) no party hereto shall have sent any notice of termination of this Agreement, (iii) such Borrower (or Borrower Agent on behalf of such Borrower) shall have complied with such customary procedures as are reasonably established by Agent and specified by Agent to Borrower Agent from time to time for requests by Borrowers for Eurodollar Rate Loans, (iv) no more than eight (8) Interest Periods may be in effect at any one time, (v) the aggregate amount of the Eurodollar Rate Loans must be in an amount not less than \$2,000,000 or an integral multiple of \$1,000,000 in excess thereof, and (vi) Agent and each Lender shall have determined that the Interest Period or Adjusted Eurodollar Rate is available to Agent and such Lender and can be readily determined as of the date of the request for such Eurodollar Rate Loan by such Borrower. Any request by or on behalf of a Borrower for Eurodollar Rate Loans or to convert Prime Rate Loans to Eurodollar Rate Loans or to continue any existing Eurodollar Rate Loans shall be irrevocable. Notwithstanding anything to the contrary contained herein, Agent and Lenders shall not be required to purchase United States Dollar deposits in the London interbank market or other applicable Eurodollar Rate market to fund any Eurodollar Rate Loans, but the provisions hereof shall be deemed to apply as if Agent and Lenders had purchased such deposits to fund the Eurodollar Rate Loans.

(c) Any Eurodollar Rate Loans shall automatically convert to Prime Rate Loans upon the last day of the applicable Interest Period, unless Agent has received and obtained bank approval with respect to a request to continue such Eurodollar Rate Loan at least three (3) Business Days prior to such last day in accordance with the terms hereof. Any Eurodollar Rate Loans shall, at Agent's option, upon notice by Agent to Borrower Agent, be subsequently converted to Prime Rate Loans on the effective date of the termination of this Agreement in the event that this Agreement shall terminate or not be renewed. Borrowers shall pay to Agent, for the benefit of Lenders, upon demand by Agent (or Agent may, at its option, charge any loan account of any Borrower) any amounts required to compensate any Lender or Participant for any loss, cost or expense incurred by such person, as a result of the conversion of Eurodollar Rate Loans to Prime Rate Loans pursuant to any of the foregoing. At the request of Borrower Agent, Agent shall provide to Borrower Agent all available supporting documentation with respect to such loss, cost or expense. No loss, cost or expense will arise upon the conversion of a Eurodollar Rate Loan to a Prime Rate Loan on the last day of the Interest Period for such Eurodollar Rate Loan.

(d) Interest shall be payable by Borrowers to Agent, for the account of Lenders, monthly in arrears not later than the first day of each calendar month and shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. The interest rate on non-contingent Obligations (other than Eurodollar Rate Loans) shall increase or decrease by an amount equal to each increase or decrease in the Prime Rate effective on the first day of the month after any change in such Prime Rate is announced based on the Prime Rate in effect on the last day of the month in which any such change occurs. In no event shall charges constituting interest payable by Borrowers to Agent and Lenders exceed the maximum amount or the rate permitted under any applicable law or regulation, and if any such part or provision of this Agreement is in contravention of any such law or regulation, such part or provision shall be deemed amended to conform thereto.

3.2 Fees.

(a) Borrowers shall pay to Agent, for the account of Lenders, monthly an unused line fee at a rate equal to the percentage (on a per annum basis) set forth below calculated upon the amount by which the Maximum Credit exceeds the average daily principal balance of the outstanding Revolving Loans and Letter of Credit Accommodations during the immediately preceding month (or part thereof) while the Loan Agreement is in effect and for so long thereafter as any Obligations are outstanding. Such fee shall be payable on the first day of each month in arrears. The percentage used for determining the unused line fee shall be as set forth below if the Quarterly Average Excess Availability for the immediately preceding fiscal quarter is at or within the amounts indicated for such percentage:

<u>Quarterly Average Excess Availability</u>	<u>Unused Line Fee Percentage</u>
Greater than \$55,000,000	.375%
Less than or equal to \$55,000,000 and greater than \$40,000,000	.375%
Less than or equal to \$40,000,000 and greater than \$20,000,000	.250%
Less than \$20,000,000 or equal to \$20,000,000	.250%

provided, that, the unused line fee percentage shall be calculated and established based on the foregoing once each fiscal quarter. Such unused line fee percentage shall be used commencing on the date hereof based on the Quarterly Average Excess Availability during the fiscal quarter of Borrowers ending immediately prior to the date hereof

(b) Borrowers agree to pay to Agent the other fees and amounts set forth in the Fee Letter in the amounts and at all times specified therein.

3.3 Changes in Laws and Increased Costs of Revolving Loans.

(a) If after the date hereof, either (i) any change in, or in the interpretation of, any law or regulation is introduced, including, without limitation, with respect to reserve requirements, applicable to Agent or any banking or financial institution from whom any Lender borrows funds or obtains credit (a "Funding Bank"), or (ii) a Funding Bank or any Lender complies with any future guideline or request from any central bank or other Governmental Authority or (iii) a Funding Bank or any Lender determines that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof has or would have the effect described below, or a Funding Bank or any Lender complies with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, and in the case of any event set forth in this clause (iii), such adoption, change or compliance has or would have the direct or indirect effect of reducing the rate of return on any Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration the Funding Bank's or Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, and the result of any of the foregoing events described in clauses (i), (ii) or (iii) is or results in an increase in the cost to any Lender of funding or maintaining the Revolving Loans, the Letter of Credit Accommodations or its Commitment, then Borrowers and Guarantors shall from time to time upon demand by Agent pay to Agent additional amounts sufficient to indemnify Lenders against such increased cost on an after-tax basis (after taking into account applicable deductions and credits in respect of the amount indemnified). A certificate as to the amount of such increased cost shall be submitted to Borrower Agent by Agent and shall be conclusive, absent manifest error.

(b) If prior to the first day of any Interest Period, (i) Agent shall have determined in good faith (which determination shall be conclusive and binding upon Borrowers and Guarantors) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, (ii) Agent has received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to Lenders of making or maintaining Eurodollar Rate Loans during such Interest Period, or (iii) Dollar deposits in the principal amounts of the Eurodollar Rate Loans to which such Interest Period is to be applicable are not generally available in the London interbank market, Agent shall give telecopy or telephonic notice thereof to Borrower Agent as soon as practicable thereafter, and will also give prompt written notice to Borrower Agent when such conditions no longer exist. If such notice is given (A) any Eurodollar Rate Loans requested to be made on the first day of such Interest Period shall be made as Prime Rate Loans, (B) any Revolving Loans that were to have been converted on the first day of such Interest Period to or continued as Eurodollar Rate Loans shall be converted to or continued as Prime Rate Loans and (C) each outstanding Eurodollar Rate Loan shall be converted, on the last day of the then-current Interest Period thereof, to Prime Rate Loans. Until such notice has been withdrawn by Agent, no further Eurodollar Rate Loans shall be made or continued as such, nor shall any Borrower (or Borrower Agent on behalf of any Borrower) have the right to convert Prime Rate Loans to Eurodollar Rate Loans.

(c) Notwithstanding any other provision herein, if the adoption of or any change in any law, treaty, rule or regulation or final, non-appealable determination of an arbitrator or a court or other Governmental Authority or in the interpretation or application thereof occurring after the date hereof shall make it unlawful for Agent or any Lender to make or maintain Eurodollar Rate Loans as contemplated by this Agreement, (i) Agent or such Lender shall promptly give written notice of such circumstances to Borrower Agent (which notice shall be withdrawn whenever such circumstances no longer exist), (ii) the commitment of such Lender hereunder to make Eurodollar Rate Loans, continue Eurodollar Rate Loans as such and convert Prime Rate Loans to Eurodollar Rate Loans shall forthwith be canceled and, until such time as it shall no longer be unlawful for such Lender to make or maintain Eurodollar Rate Loans, such Lender shall then have a commitment only to make a Prime Rate Loan when a Eurodollar Rate Loan is requested and (iii) such Lender's Revolving Loans then outstanding as Eurodollar Rate Loans, if any, shall be converted automatically to Prime Rate Loans on the respective last days of the then current Interest Periods with respect to such Revolving Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Rate Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, Borrowers and Guarantors shall pay to such Lender such amounts, if any, as may be required pursuant to Section 3.3(d) below.

(d) Borrowers and Guarantors shall indemnify Agent and each Lender and hold Agent and each Lender harmless from any loss or expense which Agent or such Lender may sustain or incur as a consequence of (i) default by Borrower in making a borrowing of, conversion into or extension of Eurodollar Rate Loans after such Borrower (or Borrower Agent on behalf of such Borrower) has given a notice requesting the same in accordance with the provisions of this Loan Agreement, (ii) default by any Borrower in making any prepayment of a Eurodollar Rate Loan after such Borrower has given a notice thereof in accordance with the provisions of this Agreement, and (iii) the making of a prepayment of Eurodollar Rate Loans on

a day which is not the last day of an Interest Period with respect thereto. With respect to Eurodollar Rate Loans, such indemnification may include an amount equal to the excess, if any, of (A) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or extended, for the period from the date of such prepayment or of such failure to borrow, convert or extend to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or extend, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Eurodollar Rate Loans provided for herein over (B) the amount of interest (as determined by such Agent or such Lender) which would have accrued to Agent or such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurodollar market. This covenant shall survive the termination or non-renewal of this Loan Agreement and the payment of the Obligations.

SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions Precedent to Amendment and Restatement. Each of the following is a condition precedent to the effectiveness hereof:

(a) all requisite corporate or limited liability company action and proceedings in connection with this Agreement and the other Financing Agreements shall be reasonably satisfactory in form and substance to Agent, and Agent shall have received all information and copies of all documents, including records of requisite corporate or limited liability company action and proceedings which Agent may have reasonably requested in connection therewith, such documents where requested by Agent or its counsel to be certified by appropriate corporate officers or Governmental Authority (and including a copy of the articles or certificate of incorporation, certificate of formation, operating agreement or comparable organizational documents of each Borrower and Guarantor certified by the Secretary of State (or equivalent Governmental Authority) which shall set forth the same complete corporate or limited liability company name of such Borrower or Guarantor as is set forth herein and such document as shall set forth the organizational identification number of each Borrower or Guarantor, if one is issued in its jurisdiction of organization;

(b) Agent shall have received evidence, in form and substance reasonably satisfactory to Agent, that Borrowers and Guarantors have obtained all necessary consents and approvals to the execution, delivery and performance of this Agreement;

(c) Agent shall have received evidence, in form consistent with the current practices and procedures of Agent, that the aggregate amount of the Excess Availability after provision for payment of all fees and expenses of the transactions contemplated hereby, shall be not less than \$20,000,000;

(d) Agent shall have received evidence, in form consistent with the current practices and procedures of Agent, that the accounts payable of Borrowers are at the same historical level for comparable prior periods;

(e) Agent shall have received evidence, in a form reasonably satisfactory to Agent, that Borrowers have received the gross proceeds of the loans under the Black Canyon Credit Agreement in an amount of not less than \$275,000,000;

(f) Agent shall have received, in form and substance reasonably satisfactory to Agent, such opinion letters of counsel to Borrowers and Guarantors with respect to this Agreement and such other matters as Agent may request;

(g) this Agreement and any other agreements, documents and instruments related thereto required hereunder shall have been duly executed and delivered to Agent, in form and substance reasonably satisfactory to Agent.

4.2 Conditions Precedent to All Revolving Loans and Letter of Credit Accommodations. Each of the following is an additional condition precedent to the Revolving Loans and/or providing Letter of Credit Accommodations to Borrowers, including the initial Loans and Letter of Credit Accommodations and any future Revolving Loans and Letter of Credit Accommodations and the effectiveness hereof:

(a) all representations and warranties contained herein and in the other Financing Agreements shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the making of each such Revolving Loan or providing each such Letter of Credit Accommodation and after giving effect thereto, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date);

(b) no law, regulation, order, judgment or decree of any Governmental Authority shall exist, and no action, suit, investigation, litigation or proceeding shall be pending or threatened in any court or before any arbitrator or Governmental Authority, which in each case in the good faith judgment of Agent (i) purports to enjoin, prohibit, restrain or otherwise affect (A) the making of the Revolving Loans or providing the Letter of Credit Accommodations, or (B) the consummation of the transactions contemplated pursuant to the terms hereof or the other Financing Agreements or (ii) has or has a reasonable likelihood of having a Material Adverse Effect; and

(c) no Event of Default shall exist or have occurred and be continuing on and as of the date of the making of such Revolving Loan or providing each such Letter of Credit Accommodation and after giving effect thereto.

SECTION 5. GRANT AND PERFECTION OF SECURITY INTEREST

5.1 Grant of Security Interest. To secure payment and performance of all Obligations, each Borrower and Guarantor hereby grants to Agent, for itself and the benefit of Lenders, a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to Agent, for itself and the benefit of Lenders, as security, and hereby confirms, reaffirms and restates the prior grant thereof to Agent, for itself and Lenders, pursuant to the Existing Agreements, all personal property and real property subject to the Mortgages and fixtures, and interests in property and fixtures, of each Borrower and Guarantor, whether now owned or hereafter acquired or existing, and wherever located (together with all other collateral security for the Obligations at any time granted to or held or acquired by Agent or any Lender, collectively, the "Collateral"), including:

(i) all Accounts;

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- (ii) all general intangibles, including, without limitation, all Intellectual Property;
 - (iii) all goods, including, without limitation, Inventory and Equipment;
 - (iv) all Real Property subject to the Mortgages and fixtures;
 - (v) all chattel paper, including, without limitation, all tangible and electronic chattel paper;
 - (vi) all instruments, including, without limitation, all promissory notes;
 - (vii) all documents;
 - (viii) all deposit accounts;
 - (ix) all letters of credit, banker's acceptances and similar instruments and including all letter-of-credit rights;
 - (x) all supporting obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other Collateral, including (A) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (B) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (C) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Receivables or other Collateral, including returned, repossessed and reclaimed goods, and (D) deposits by and property of account debtors or other persons securing the obligations of account debtors;
 - (xi) all (A) investment property (including securities, whether certificated or uncertificated, securities accounts, security entitlements, commodity contracts or commodity accounts) and (B) monies, credit balances, deposits and other property of any Borrower or Guarantor now or hereafter held or received by or in transit to Agent, any Lender or its Affiliates or at any other depository or other institution from or for the account of any Borrower or Guarantor, whether for safekeeping, pledge, custody, transmission, collection or otherwise;
 - (xii) all commercial tort claims, including, without limitation, those identified in the Information Certificate;
 - (xiii) to the extent not otherwise described above, all Receivables;
 - (xiv) all Records; and

(xv) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral.

(b) Notwithstanding anything to the contrary set forth in Section 5.1 (a) above, the types or items of Collateral described in such Section shall not include:

(i) any rights or interests in any contract, lease, permit, license, charter or license agreement covering real or personal property, as such, if under the terms of such contract, lease, permit, license, charter or license agreement, or applicable law with respect thereto, the valid grant of a security interest or lien therein to Agent is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, lease, permit, license, charter or license agreement has not been or is not otherwise obtained or under applicable law such prohibition cannot be waived; provided, that, the foregoing exclusion shall in no way be construed (A) to apply if any such prohibition is unenforceable under Sections 9-406, 9-407 or 9-408 of the UCC or other applicable law or (B) so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of a Borrower or Guarantor in or to monies due or to become due under any such contract, lease, permit, license, charter or license agreement (including any Receivables); or

(ii) the Capital Stock of J. Crew Japan, Inc. ("J. Crew Japan") to the extent that (A) J. Crew Japan is a "controlled foreign corporation" (as such term is defined in Section 957(a) of the Code or a successor provision thereof) of a Borrower or Guarantor, (B) such Capital Stock is in excess of sixty five (65%) percent of all of the issued and outstanding shares of Capital Stock of J. Crew Japan entitled to vote (within the meaning of Treasury Regulation Section 1.956-2) and (C) a pledge of more than such percentage would result in adverse tax consequences to any Borrower or Guarantor.

5.2 Perfection of Security Interests.

(a) Each Borrower and Guarantor irrevocably and unconditionally authorizes Agent (or its agent) to file at any time and from time to time such financing statements with respect to the Collateral naming Agent or its designee as the secured party and such Borrower or Guarantor as debtor, as Agent may require, and including any other information with respect to such Borrower or Guarantor or otherwise required by part 5 of Article 9 of the Uniform Commercial Code of such jurisdiction as Agent may determine, together with any amendment and continuations with respect thereto, which authorization shall apply to all financing statements filed on, prior to or after the date hereof. Each Borrower and Guarantor hereby ratifies and approves all financing statements naming Agent or its designee as secured party and such Borrower or Guarantor, as the case may be, as debtor with respect to the Collateral (and any amendments with respect to such financing statements) filed by or on behalf of Agent prior to the date hereof and ratifies and confirms the authorization of Agent to file such financing statements (and amendments, if any). Each Borrower and Guarantor hereby authorizes Agent to adopt on behalf of such Borrower and Guarantor any symbol required for authenticating any electronic filing. In the event that the description of the collateral in any financing statement naming Agent or its designee as the secured party and any Borrower or Guarantor as debtor includes assets and properties of such Borrower or Guarantor that do not at any time constitute Collateral, whether

hereunder, under any of the other Financing Agreements or otherwise, the filing of such financing statement shall nonetheless be deemed authorized by such Borrower or Guarantor to the extent of the Collateral included in such description and it shall not render the financing statement ineffective as to any of the Collateral or otherwise affect the financing statement as it applies to any of the Collateral. In no event shall any Borrower or Guarantor at any time file, or permit or cause to be filed, any correction statement or termination statement with respect to any financing statement (or amendment or continuation with respect thereto) naming Agent or its designee as secured party and such Borrower or Guarantor as debtor.

(b) Each Borrower and Guarantor does not have any chattel paper (whether tangible or electronic) or instruments as of the date hereof, except as set forth in the Information Certificate. In the event that any Borrower or Guarantor shall be entitled to or shall receive any chattel paper or instrument after the date hereof, Borrowers and Guarantors shall promptly notify Agent thereof in writing. Promptly upon the receipt thereof by or on behalf of any Borrower or Guarantor (including by any agent or representative), such Borrower or Guarantor shall deliver, or cause to be delivered to Agent, all tangible chattel paper and instruments that such Borrower or Guarantor has or may at any time acquire, accompanied by such instruments of transfer or assignment duly executed in blank as Agent may from time to time specify, in each case except as Agent may otherwise agree. At Agent's option, each Borrower and Guarantor shall, or Agent may at any time on behalf of any Borrower or Guarantor, cause the original of any such instrument or chattel paper to be conspicuously marked in a form and manner acceptable to Agent with the following legend referring to chattel paper or instruments as applicable: "This [chattel paper] [instrument] is subject to the security interest of Congress Financial Corporation and any sale, transfer, assignment or encumbrance of this [chattel paper] [instrument] violates the rights of such secured party."

(c) In the event that any Borrower or Guarantor shall at any time hold or acquire an interest in any electronic chattel paper or any "transferable record" (as such term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction), such Borrower or Guarantor shall promptly notify Agent thereof in writing. Promptly upon Agent's request, such Borrower or Guarantor shall take, or cause to be taken, such actions as Agent may reasonably request to give Agent control of such electronic chattel paper under Section 9-105 of the UCC and control of such transferable record under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as in effect in such jurisdiction.

(d) Each Borrower and Guarantor does not have any deposit accounts as of the date hereof, except as set forth in the Information Certificate. Borrowers and Guarantors shall not, directly or indirectly, after the date hereof open, establish or maintain any deposit account unless each of the following conditions is satisfied: (i) Agent shall have received not less than five (5) Business Days prior written notice of the intention of any Borrower or Guarantor to open or establish such account which notice shall specify in reasonable detail and specificity reasonably acceptable to Agent the name of the account, the owner of the account, the name and address of the bank at which such account is to be opened or established, the individual at such bank with whom such Borrower or Guarantor is dealing and the purpose of the account, except as to any Store Account opened or established after the date hereof, so long as no Event of

Default shall exist or have occurred, Agent shall only have received such information as to such Store Account on the next monthly report with respect to deposit accounts in accordance with Section 7.1 (a) hereof, (ii) the bank where such account is opened or maintained shall be reasonably acceptable to Agent, and (iii) on or before the opening of such deposit account (other than as to a Store Account so long as no Event of Default shall exist or have occurred and be continuing), such Borrower or Guarantor shall as Agent may specify either (A) deliver to Agent a Deposit Account Control Agreement with respect to such deposit account duly authorized, executed and delivered by such Borrower or Guarantor and the bank at which such deposit account is opened and maintained or (B) arrange for Agent to become the customer of the bank with respect to the deposit account on terms and conditions reasonably acceptable to Agent. The terms of this subsection (d) shall not apply to deposit accounts specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of any Borrower's or Guarantor's salaried employees or the escrow of security deposits with respect to Real Property subject to lease.

(e) No Borrower or Guarantor owns or holds, directly or indirectly, beneficially or as record owner or both, any investment property, as of the date hereof, or have any investment account, securities account, commodity account or other similar account with any bank or other financial institution or other securities intermediary or commodity intermediary as of the date hereof, in each case except as set forth in the Information Certificate.

(i) In the event that any Borrower or Guarantor shall be entitled to or shall at any time after the date hereof hold or acquire any certificated securities, such Borrower or Guarantor shall promptly endorse, assign and deliver the same to Agent, for itself and the benefit of Lenders, accompanied by such instruments of transfer or assignment duly executed in blank as Agent may from time to time specify. If any securities, now or hereafter acquired by any Borrower or Guarantor are uncertificated and are issued to such Borrower or Guarantor or its nominee directly by the issuer thereof, such Borrower or Guarantor shall immediately notify Agent thereof and shall as Agent may specify, either (A) cause the issuer to agree to comply with instructions from Agent as to such securities, without further consent of any Borrower or Guarantor or such nominee, or (B) arrange for Agent to become the registered owner of the securities.

(ii) Borrowers and Guarantors shall not, directly or indirectly, after the date hereof open, establish or maintain any investment account, securities account, commodity account or any other similar account (other than a deposit account) with any securities intermediary or commodity intermediary unless each of the following conditions is satisfied: (A) Agent shall have received not less than two (2) Business Days prior written notice of the intention of such Borrower or Guarantor to open or establish such account which notice shall specify in reasonable detail and specificity acceptable to Agent the name of the account, the owner of the account, the name and address of the securities intermediary or commodity intermediary at which such account is to be opened or established, the individual at such intermediary with whom such Borrower or Guarantor is dealing and the purpose of the account, (B) the securities intermediary or commodity intermediary (as the case may be) where such account is opened or maintained shall be reasonably acceptable to Agent, and (C) on or before the opening of such investment account, securities account or other similar account with a securities intermediary or commodity intermediary, such Borrower or Guarantor shall as Agent

may specify either (1) execute and deliver, and cause to be executed and delivered to Agent, an Investment Property Control Agreement with respect thereto duly authorized, executed and delivered by such Borrower or Guarantor and such securities intermediary or commodity intermediary or (2) arrange for Agent to become the entitlement holder with respect to such investment property on terms and conditions acceptable to Agent.

(f) Borrowers and Guarantors are not the beneficiary or otherwise entitled to any right to payment under any letter of credit, banker's acceptance or similar instrument as of the date hereof, except as set forth in the Information Certificate. In the event that any Borrower or Guarantor shall be entitled to or shall receive any right to payment under any letter of credit, banker's acceptance or any similar instrument with a face amount in excess of \$500,000, whether as beneficiary thereof or otherwise after the date hereof, such Borrower or Guarantor shall promptly notify Agent thereof in writing. Such Borrower or Guarantor shall immediately, as Agent may specify, either (i) deliver, or cause to be delivered to Agent, with respect to any such letter of credit, banker's acceptance or similar instrument, the written agreement of the issuer and any other nominated person obligated to make any payment in respect thereof (including any confirming or negotiating bank), in form and substance satisfactory to Agent, consenting to the assignment of the proceeds of the letter of credit to Agent by such Borrower or Guarantor and agreeing to make all payments thereon directly to Agent or as Agent may otherwise direct or (ii) cause Agent to become, at Borrowers' expense, the transferee beneficiary of the letter of credit, banker's acceptance or similar instrument (as the case may be).

(g) Borrowers and Guarantors do not have any commercial tort claims as of the date hereof, except as set forth in the Information Certificate. In the event that any Borrower or Guarantor shall at any time after the date hereof have any commercial tort claims in excess of \$1,000,000, such Borrower or Guarantor (or Borrower Agent) shall promptly notify Agent thereof in writing, which notice shall (i) set forth in reasonable detail the basis for and nature of such commercial tort claim and (ii) include the express grant by such Borrower or Guarantor to Agent of a security interest in such commercial tort claim (and the proceeds thereof). In the event that such notice does not include such grant of a security interest, the sending thereof by such Borrower or Guarantor to Agent shall be deemed to constitute such grant to Agent. Upon the sending of such notice, any commercial tort claim described therein shall constitute part of the Collateral and shall be deemed included therein. Without limiting the authorization of Agent provided in Section 5.2(a) hereof or otherwise arising by the execution by such Borrower or Guarantor of this Agreement or any of the other Financing Agreements, Agent is hereby irrevocably authorized from time to time and at any time to file such financing statements naming Agent or its designee as secured party and such Borrower or Guarantor as debtor, or any amendments to any financing statements, covering any such commercial tort claim as Collateral. In addition, each Borrower and Guarantor shall promptly upon Agent's request, execute and deliver, or cause to be executed and delivered, to Agent such other agreements, documents and instruments as Agent may require in connection with such commercial tort claim.

(h) Borrowers and Guarantors do not have any goods, documents of title or other Collateral in the custody, control or possession of a third party as of the date hereof, except as set forth in the Information Certificate and except for goods located in the United States in transit to a location of a Borrower or Guarantor permitted herein in the ordinary course of business of such Borrower or Guarantor in the possession of the carrier transporting such goods.

In the event that any goods, documents of title or other Collateral are at any time after the date hereof in the custody, control or possession of any other person not referred to in the Information Certificate or such carriers, Borrowers and Guarantors shall promptly notify Agent thereof in writing. Promptly upon Agent's request, Borrowers and Guarantors shall deliver to Agent a Collateral Access Agreement duly authorized, executed and delivered by such person and the Borrower or Guarantor that is the owner of such Collateral.

(i) Borrowers and Guarantors shall take any other actions reasonably requested by Agent from time to time to cause the attachment, perfection and first priority of, and the ability of Agent to enforce, the security interest of Agent in any and all of the Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC or other applicable law, to the extent, if any, that any Borrower's or Guarantor's signature thereon is required therefor, (ii) causing Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Agent to enforce, the security interest of Agent in such Collateral (other than motor vehicles, if any), (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Agent to enforce, the security interest of Agent in such Collateral, (iv) obtaining the consents and approvals of any Governmental Authority or third party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, and taking all actions required by any earlier versions of the UCC or by other law, as applicable in any relevant jurisdiction.

SECTION 6. COLLECTION AND ADMINISTRATION

6.1 Borrowers' Loan Accounts. Agent, for and on behalf of Lenders, shall maintain one or more loan account(s) on its books in which shall be recorded (a) all Revolving Loans, Letter of Credit Accommodations and other Obligations and the Collateral, (b) all payments made by or on behalf of Borrowers and (c) all other appropriate debits and credits as provided in this Agreement, including, without limitation, fees, charges, costs, expenses and interest. All entries in the loan account(s) shall be made in accordance with Agent's customary practices as in effect from time to time.

6.2 Statements. Agent shall render to Borrower Agent, as agent for Borrowers, each month a statement setting forth the balance in Borrowers' loan account(s) maintained by Agent for Borrowers pursuant to the provisions of this Agreement, including principal, interest, fees, costs and expenses. Each such statement shall be subject to subsequent adjustment by Agent but shall, absent manifest errors or omissions, be considered correct and deemed accepted by Borrowers and Guarantors and conclusively binding upon Borrowers and Guarantors as an account stated except to the extent that Agent receives a written notice from Borrower Agent of any specific exceptions of Borrower Agent thereto within sixty (60) days after the date such statement has been received by Borrower Agent. Until such time as Agent shall have rendered to any Borrower or Borrower Agent, a written statement as provided above, the balance in a Borrower's loan account(s) shall be presumptive evidence of the amounts due and owing to Agent by Borrowers.

6.3 Collection of Accounts.

(a) Each Borrower and Guarantor shall establish and maintain, at its expense, deposit account arrangements and merchant payment arrangements with the banks set forth on Schedule 8.10 to the Information Certificate and subject to Section 5.2(d) hereof such other banks as such Borrower or Guarantor may hereafter select. The banks set forth on Schedule 8.10 to the Information Certificate constitute all of the banks with which Borrowers and Guarantors have deposit account arrangements and merchant payment arrangements as of the date hereof and identifies each of the deposit accounts at such banks that are used solely for receiving store receipts from a retail store location of a Borrower (together with any other deposit accounts at any time established or used by any Borrower for receiving such store receipts from any retail store location, collectively, the "Store Accounts" and each individually, a "Store Account") or otherwise describes the nature of the use of such deposit account by such Borrower.

(i) Each Borrower shall deposit all proceeds from sales of Inventory in every form, including, without limitation, cash, checks, credit card sales drafts, credit card sales or charge slips or receipts and other forms of daily store receipts, from each retail store location of such Borrower on each Business Day into the Store Account of such Borrower used solely for such purpose. All such funds deposited into the Store Accounts shall be sent by wire transfer or other electronic funds transfer no less frequently than weekly or more frequently upon Agent's request at any time that an Event of Default exists or has occurred and is continuing to the Blocked Accounts as provided in Section 6.3(a)(ii) below, except nominal amounts which are required to be maintained in such Store Accounts under the terms of such Borrower's arrangements with the bank at which such Store Accounts are maintained, which nominal amounts shall not exceed \$5,000 as to any individual Store Account at any time.

(ii) Each Borrower shall establish and maintain, at its expense, deposit accounts with such banks as are reasonably acceptable to Agent (the "Blocked Accounts") into which each Borrower shall promptly either cause all amounts on deposit in the Store Accounts of such Borrower to be sent as provided in Section 6.3(a)(i) above or shall itself deposit or cause to be deposited all proceeds from sales of Inventory, all amounts payable to each Borrower from Credit Card Issuers and Credit Card Processors and all other proceeds of Collateral. Borrowers and Guarantors shall deliver, or cause to be delivered to Agent a Deposit Account Control Agreement duly authorized, executed and delivered by each bank where a Blocked Account is maintained as provided in Section 5.2 hereof or at any time and from time to time Agent may become the bank's customer with respect to any of the Blocked Accounts and promptly upon Agent's request, Borrowers shall execute and deliver such agreements and documents as Agent may reasonably require in connection therewith. Each Borrower and Guarantor agrees that all payments made to such Blocked Accounts or other funds received and collected by Agent or any Lender, whether in respect of the Receivables, as proceeds of Inventory or other Collateral or otherwise shall be treated as payments to Agent, for the benefit of Lenders, in respect of the Obligations and therefore shall constitute the property of Agent and Lenders to the extent of the then outstanding Obligations.

(b) For purposes of calculating the amount of the Revolving Loans available to each Borrower and for purposes of calculating interest on the Obligations, such payments will be applied (conditional upon final collection) to the Obligations on the Business Day of receipt by

Agent of immediately available funds in the Agent Payment Account provided such payments and notice thereof are received in accordance with Agent's usual and customary practices as in effect from time to time and within sufficient time to credit such Borrower's loan account on such day, and if not, then on the next Business Day.

(c) Each Borrower and Guarantor and their respective shareholders, directors, employees, agents, Subsidiaries or other Affiliates shall, acting as trustee for Agent, receive, as the property of Agent, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of Receivables or other Collateral which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Agent. In no event shall the same be commingled with a Borrower's own funds. Each Borrower agrees to reimburse Agent and Lenders on demand for any amounts owed or paid to any bank at which a Blocked Account is established or any other bank or person involved in the transfer of funds to or from the Blocked Accounts arising out of the payments by Agent or any Lender to or indemnification of such bank or person in connection with such Blocked Account or any amounts received therein or transferred therefrom. The obligation of Borrowers to reimburse Agent and Lenders for such amounts pursuant to this Section 6.3 shall survive the termination or non-renewal of this Agreement.

(d) On or before April 30, 2005, (i) Borrowers and Guarantors shall use reasonable efforts to execute and deliver, and cause to be executed and delivered to, Agent the Deposit Account Control Agreements by and among Agent, each Borrower and Guarantor, as the case may be, and Wachovia Bank, National Association as to any deposit account of a Borrower or Guarantor maintained at such bank and (ii) Borrowers and Guarantors shall execute and deliver, and cause to be executed and delivered to Agent, the Deposit Account Control Agreements or Investment Property Control Agreements by and among Agent, each Borrower and Guarantor, as the case may be, at each other bank or other institution where such Borrower (or Guarantor) has a deposit account or investment account for which it is required to obtain a Deposit Account Control Agreement pursuant to Section 6.3 hereof or an Investment Property Control Agreement pursuant to Section 5.2(e) or otherwise, in each case, duly authorized, executed and delivered by such bank and Borrower or Guarantor, as the case may be.

6.4 Payments.

(a) All Obligations shall be payable to the Agent Payment Account as provided in Section 6.3 or such other place as Agent may designate from time to time. Agent shall apply payments received or collected from any Borrower or Guarantor or for the account of any Borrower or Guarantor (including the monetary proceeds of collections or of realization upon any Collateral) as follows: first, to pay any fees, indemnities or expense reimbursements then due to Agent and Lenders from any Borrower or Guarantor; second, to pay interest due in respect of any Revolving Loans (and including any Special Agent Advances); third, to pay or prepay principal in respect of Special Agent Advances; fourth, to pay principal due in respect of the Revolving Loans and to pay any Obligations then due arising under or pursuant to any Hedge Agreements of a Borrower or Guarantor with Agent, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent (up to the amount of any then effective Reserve established in respect of such Obligations), on a pro rata basis; fifth, to pay or prepay

any other Obligations consisting of Revolving Loans, whether or not then due, and any other Obligations then due, in each case in such order and manner as Agent determines or on and after an Event of Default, to be held as cash collateral in connection with any Letter of Credit Accommodations or other contingent Obligations (but not including for this purpose any Obligations arising under or pursuant to any Hedge Agreements) and sixth, to pay any Obligations then due arising under or pursuant to Hedge Agreements (other than to the extent provided for above) on a pro rata basis. Notwithstanding anything to the contrary contained in this Agreement, (i) unless so directed by Borrower Agent, or unless a Default or an Event of Default shall exist or have occurred and be continuing, Agent shall not apply any payments which it receives to any Eurodollar Rate Loans, except (A) on the expiration date of the Interest Period applicable to any such Eurodollar Rate Loans or (B) in the event that there are no outstanding Prime Rate Loans and (ii) to the extent any Borrower uses any proceeds of the Revolving Loans or Letter of Credit Accommodations to acquire rights in or the use of any Collateral or to repay any Indebtedness used to acquire rights in or the use of any Collateral, payments in respect of the Obligations shall be deemed applied first to the Obligations arising from Revolving Loans and Letter of Credit Accommodations that were not used for such purposes and second to the Obligations arising from Revolving Loans and Letter of Credit Accommodations the proceeds of which were used to acquire rights in or the use of any Collateral in the chronological order in which such Borrower acquired such rights in or the use of such Collateral. So long as no Event of Default shall exist or have occurred and be continuing and there is Excess Availability after giving effect thereto, amounts received by Agent from Borrowers pursuant to this Section 6.4(a) that are not applied to the Obligations in accordance herewith shall, at the request of Borrower Agent received by Agent on or before 12:00 noon New York City time on any Business Day, be remitted to Borrower Agent or any Borrower as Agent may direct.

(b) At Agent's option, all principal, interest, fees, costs, expenses and other charges provided for in this Agreement or the other Financing Agreements may be charged directly to the loan account(s) of any Borrower maintained by Agent.

(c) Except as otherwise required by law, any and all payments by or on behalf of any Borrower or Guarantor hereunder and under any other Financing Agreement shall be made, in accordance with Section 6.4 hereof, free and clear of and without deduction for any and all Indemnified Taxes. In addition, Borrowers agree to pay to the relevant Governmental Authority in accordance with applicable law any Other Taxes.

(d) If any Borrower or Guarantor shall be required by law to deduct or withhold in respect of any Indemnified Taxes or Other Taxes from or in respect of any sum payable hereunder to Agent or any Lender, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Lender (or Agent on behalf of such Lender) receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) such Borrower or Guarantor shall make such deductions and withholdings;

(iii) such Borrower or Guarantor shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) to the extent not paid to Agent and Lenders pursuant to clause (i) above, such Borrower or Guarantor shall also pay to Agent or any Lender, at the time interest is paid, all additional amounts which Agent or any Lender specifies as necessary to preserve the after-tax yield such Lender would have received if such Indemnified Taxes or Other Taxes had not been imposed.

(e) Within thirty (30) days after the date of any payment by any Borrower or Guarantor of Indemnified Taxes or Other Taxes, upon Agent's request, such Borrower or Guarantor shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment reasonably satisfactory to Agent.

(f) Borrowers will indemnify Agent and each Lender (or Transferee) for the full amount of Indemnified Taxes and Other Taxes paid by Agent or such Lender (or Transferee, as the case may be). If Agent or such Lender (or Transferee) receives a refund in respect of any Indemnified Taxes or Other Taxes for which Lender (or Transferee) has received payment from any Borrower or Guarantor hereunder, so long as no Default or Event of Default shall exist or have occurred and be continuing, Agent or such Lender (as the case may be) shall credit to the loan account of Borrowers the amount of such refund plus any interest received (but only to the extent of indemnity payments made, or additional amounts paid, by Borrowers or Guarantors under this Section 6.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund). If a Lender (or any Transferee) claims a tax credit in respect of any Indemnified Taxes or Other Taxes for which it has been indemnified by Borrowers or Guarantors pursuant to this Section 6.4, such Lender will apply the amount of the actual dollar benefit received by such Lender as a result thereof, as reasonably calculated by Lender and net of all expenses related thereto, to the Revolving Loans. If Indemnified Taxes or Other Taxes were not correctly or legally asserted, Agent or such Lender shall, upon Borrower Agent's request and at Borrowers' expense, provide such documents to Borrower Agent in form and substance reasonably satisfactory to both Borrower Agent and Agent, as Borrower Agent may reasonably request, to enable Borrowers to contest such Indemnified Taxes or Other Taxes pursuant to appropriate proceedings then available to such Borrower (so long as providing such documents shall not, in the good faith determination of Agent, have a reasonable likelihood of resulting in any liability of Agent or any Lender).

(g) If after receipt of any payment of, or proceeds of Collateral applied to the payment of, any of the Obligations, Agent or any Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Agent or such Lender. Borrowers and Guarantors shall be liable to pay to Agent, and do hereby indemnify and hold Agent and Lenders harmless for the amount of any payments or proceeds surrendered or

returned. This Section 6.4(g) shall remain effective notwithstanding any contrary action which may be taken by Agent or any Lender in reliance upon such payment or proceeds. This Section 6.4 shall survive the payment of the Obligations and the termination of this Agreement.

(h) Each Foreign Lender, on or prior to the date of its execution and delivery of this Agreement, or on or prior to the date on which it first becomes a Lender in the case of each Transferee, and from time to time thereafter if requested in writing by Borrower Agent or the Agent, shall provide Borrower Agent and Agent with (i) two duly completed copies of Internal Revenue Service Form W-8BEN, or any successor form prescribed by the Internal Revenue Service, certifying that such Foreign Lender is entitled to benefits under any income tax treaty to which the United States is a party which reduces to zero the rate of withholding tax on payments of interest, or (ii) two duly completed copies of Internal Revenue Service Form W-8ECI, or any successor form prescribed by the Internal Revenue Service, certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. Each Foreign Lender (or Transferee) also agrees to deliver to Borrower Agent and Agent two further copies of Form W-8BEN or W-8ECI or successor applicable forms on or before the date that any such form expires or becomes obsolete or after the occurrence of any event (including, without limitation, a change in such Foreign Lender's (or Transferee's) lending office) requiring a change in the most recent form previously delivered by it to Borrower Agent and Agent, and to obtain such extensions of the time for filing and to renew such forms as may reasonably be requested by Borrower Agent or Agent. Notwithstanding the foregoing provisions of this Section 6.4(h), no Foreign Lender (or Transferee) shall be required to deliver or provide any form pursuant to this Section 6.4 if such Foreign Lender (or Transferee) is not then legally able to do so as a result of a Change in Law that occurs following the date such Foreign Lender (or Transferee) becomes a party hereto. From time to time if requested in writing by Borrower Agent, Agent shall provide Borrower Agent with Internal Revenue Service Form W-8ECI, or any successor form prescribed by the Internal Revenue Service, certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. Each Lender or Transferee that is a "United States person," as defined under Section 7701(a)(30) of the Code, and that is not a corporation, agrees that it will deliver to Borrower Agent and Agent a Form W-9 stating that it is entitled to an exemption from United States backup withholding tax.

6.5 Authorization to Make Revolving Loans. Agent and Lenders are authorized to make the Loans and provide the Letter of Credit Accommodations based upon telephonic or other instructions received from anyone purporting to be an officer of Borrower Agent or any Borrower or other authorized person or, at the discretion of Agent, if such Loans are necessary to satisfy any Obligations. All requests for Revolving Loans or Letter of Credit Accommodations hereunder shall specify the date on which the requested advance is to be made or Letter of Credit Accommodations established (which day shall be a Business Day) and the amount of the requested Revolving Loan. Requests received after 12:00 noon New York City time on any day shall be deemed to have been made as of the opening of business on the immediately following Business Day. All Revolving Loans and Letter of Credit Accommodations under this Agreement shall be conclusively presumed to have been made to, and at the request of and for the benefit of, any Borrower or Guarantor when deposited to the credit of any Borrower or Guarantor or otherwise disbursed or established in accordance with the instructions of any Borrower or Guarantor or in accordance with the terms and conditions of this Agreement.

6.6 Use of Proceeds. All Revolving Loans made or Letter of Credit Accommodations provided to or for the benefit of any Borrower pursuant to the provisions hereof shall be used by such Borrower only for general operating, working capital and other corporate purposes of such Borrower not otherwise prohibited by the terms hereof. None of the proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Revolving Loans to be considered a “purpose credit” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended.

6.7 Appointment of Borrower Agent as Agent for Requesting Revolving Loans and Receipts of Revolving Loans and Statements .

(a) Each Borrower hereby irrevocably appoints and constitutes Borrower Agent as its agent to request and receive Revolving Loans and Letter of Credit Accommodations pursuant to this Agreement and the other Financing Agreements from Agent or any Lender in the name or on behalf of such Borrower. Agent and Lenders may disburse the Loans to such bank account of Borrower Agent or a Borrower or otherwise make such Loans to a Borrower and provide such Letter of Credit Accommodations to a Borrower as Borrower Agent may designate or direct, without notice to any other Borrower or Obligor. Notwithstanding anything to the contrary contained herein, Agent may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) Borrower Agent hereby accepts the appointment by Borrowers to act as the agent of Borrowers pursuant to this Section 6.7.

(c) Borrower Agent shall ensure that the disbursement of any Revolving Loans to each Borrower requested by or paid to or for the account of Parent, or the issuance of any Letter of Credit Accommodations for a Borrower hereunder, shall be paid to or for the account of such Borrower.

(d) Each Borrower and other Guarantor hereby irrevocably appoints and constitutes Borrower Agent as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Financing Agreements.

(e) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower or any Guarantor by Borrower Agent shall be deemed for all purposes to have been made by such Borrower or Guarantor, as the case may be, and shall be binding upon and enforceable against such Borrower or Guarantor to the same extent as if made directly by such Borrower or Guarantor.

(f) No purported termination of the appointment of Borrower Agent as agent as aforesaid shall be effective, except after ten (10) days’ prior written notice to Agent.

6.8 Pro Rata Treatment. Except to the extent otherwise provided in this Agreement: (a) the making and conversion of Revolving Loans shall be made among the Lenders based on their respective Pro Rata Shares as to the Revolving Loans and (b) each payment on account of any Obligations to or for the account of one or more of Lenders in respect of any Obligations due on a particular day shall be allocated among the Lenders entitled to such payments based on their respective Pro Rata Shares and shall be distributed accordingly.

6.9 Sharing of Payments, Etc.

(a) Each Borrower and Guarantor agrees that, in addition to (and without limitation of) any right of setoff, banker's lien or counterclaim Agent or any Lender may otherwise have, each Lender shall be entitled, at its option (but subject, as among Agent and Lenders, to the provisions of Section 12.3(b) hereof), to offset balances held by it for the account of such Borrower or Guarantor at any of its offices, in dollars or in any other currency, against any principal of or interest on any Revolving Loans owed to such Lender or any other amount payable to such Lender hereunder, that is not paid when due (regardless of whether such balances are then due to such Borrower or Guarantor), in which case it shall promptly notify Borrower Agent and Agent thereof; provided, that, such Lender's failure to give such notice shall not affect the validity thereof.

(b) If any Lender (including Agent) shall obtain from any Borrower or Guarantor payment of any principal of or interest on any Revolving Loan owing to it or payment of any other amount under this Agreement or any of the other Financing Agreements through the exercise of any right of setoff, banker's lien or counterclaim or similar right or otherwise (other than from Agent as provided herein), and, as a result of such payment, such Lender shall have received more than its Pro Rata Share of the principal of the Revolving Loans or more than its share of such other amounts then due hereunder or thereunder by any Borrower or Guarantor to such Lender than the percentage thereof received by any other Lender, it shall promptly pay to Agent, for the benefit of Lenders, the amount of such excess and simultaneously purchase from such other Lenders a participation in the Loans or such other amounts, respectively, owing to such other Lenders (or such interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) in accordance with their respective Pro Rata Shares or as otherwise agreed by Lenders. To such end all Lenders shall make appropriate adjustments among themselves (by the resale of participation sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) Each Borrower and Guarantor agrees that any Lender purchasing a participation (or direct interest) as provided in this Section may exercise, in a manner consistent with this Section, all rights of setoff, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Revolving Loans or other amounts (as the case may be) owing to such Lender in the amount of such participation.

(d) Nothing contained herein shall require any Lender to exercise any right of setoff, banker's lien, counterclaims or similar rights or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other Indebtedness or obligation of any Borrower or Guarantor. If, under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section applies, such Lender shall, to the extent practicable, assign such rights to Agent for the benefit of Lenders and, in any event, exercise its rights in respect of such secured claim in a manner consistent with the rights of Lenders entitled under this Section to share in the benefits of any recovery on such secured claim.

6.10 Settlement Procedures.

(a) In order to administer the Credit Facility in an efficient manner and to minimize the transfer of funds between Agent and Lenders, Agent may, at its option, subject to the terms hereof, make available, on behalf of Lenders, the full amount of the Revolving Loans requested or charged to any Borrower's loan account(s) or otherwise to be advanced by Lenders pursuant to the terms hereof, without requirement of prior notice to Lenders of the proposed Loans.

(b) With respect to all Loans made by Agent on behalf of Lenders as provided in this Section, the amount of each Lender's Pro Rata Share of the outstanding Loans shall be computed weekly, and shall be adjusted upward or downward on the basis of the amount of the outstanding Loans as of 5:00 p.m. New York City time on the Business Day immediately preceding the date of each settlement computation; provided, that, Agent retains the absolute right at any time or from time to time to make the above described adjustments at intervals more frequent than weekly, but in no event more than twice in any week. Agent shall deliver to each of the Lenders after the end of each week, or at such lesser period or periods as Agent shall determine, a summary statement of the amount of outstanding Loans for such period (such week or lesser period or periods being hereinafter referred to as a "Settlement Period"). If the summary statement is sent by Agent and received by a Lender prior to 12:00 p.m. New York City time, then such Lender shall make the settlement transfer described in this Section by no later than 3:00 p.m. New York City time on the same Business Day and if received by a Lender after 12:00 p.m. New York City time, then such Lender shall make the settlement transfer by not later than 3:00 p.m. New York City time on the next Business Day following the date of receipt. If, as of the end of any Settlement Period, the amount of a Lender's Pro Rata Share of the outstanding Revolving Loans is more than such Lender's Pro Rata Share of the outstanding Loans as of the end of the previous Settlement Period, then such Lender shall forthwith (but in no event later than the time set forth in the preceding sentence) transfer to Agent by wire transfer in immediately available funds the amount of the increase. Alternatively, if the amount of a Lender's Pro Rata Share of the outstanding Revolving Loans in any Settlement Period is less than the amount of such Lender's Pro Rata Share of the outstanding Loans for the previous Settlement Period, Agent shall forthwith transfer to such Lender by wire transfer in immediately available funds the amount of the decrease. The obligation of each of the Lenders to transfer such funds and effect such settlement shall be irrevocable and unconditional and without recourse to or warranty by Agent. Agent and each Lender agrees to mark its books and records at the end of each Settlement Period to show at all times the dollar amount of its Pro Rata Share of the outstanding Revolving Loans and Letter of Credit Accommodations. Each Lender shall only be entitled to receive interest on its Pro Rata Share of the Revolving Loans to the extent such Loans have been funded by such Lender. Because the Agent on behalf of Lenders may be advancing and/or may be repaid Loans prior to the time when Lenders will actually advance and/or be repaid such Revolving Loans, interest with respect to Revolving Loans shall be allocated by Agent in accordance with the amount of Revolving Loans actually advanced by and repaid to each Lender and the Agent and shall accrue from and including the date such Revolving Loans are so advanced to but excluding the date such Revolving Loans are either repaid by Borrowers or actually settled with the applicable Lender as described in this Section.

(c) To the extent that Agent has made any such amounts available and the settlement described above shall not yet have occurred, upon repayment of any Revolving Loans by Borrowers, Agent may apply such amounts repaid directly to any amounts made available by Agent pursuant to this Section. In lieu of weekly or more frequent settlements, Agent may, at its option, at any time require each Lender to provide Agent with immediately available funds representing its Pro Rata Share of each Revolving Loan, prior to Agent's disbursement of such Revolving Loan to Borrowers. In such event, all Revolving Loans under this Agreement shall be made by the Lenders simultaneously and proportionately to their Pro Rata Shares. No Lender shall be responsible for any default by any other Lender in the other Lender's obligation to make a Revolving Loan requested hereunder nor shall the Commitment of any Lender be increased or decreased as a result of the default by any other Lender in the other Lender's obligation to make a Revolving Loan hereunder.

(d) If Agent is not funding a particular Revolving Loan to Borrowers (or Borrower Agent for the benefit of Borrowers) pursuant to this Section on any day, Agent may assume that each Lender will make available to Agent such Lender's Pro Rata Share of the Revolving Loan requested or otherwise made on such day and Agent may, in its discretion, but shall not be obligated to, cause a corresponding amount to be made available to or for the benefit of such Borrower on such day. If Agent makes such corresponding amount available to a Borrower and such corresponding amount is not in fact made available to Agent by such Lender, Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon for each day from the date such payment was due until the date such amount is paid to Agent at the Federal Funds Rate for each day during such period (as published by the Federal Reserve Bank of New York or at Agent's option based on the arithmetic mean determined by Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of the three leading brokers of Federal funds transactions in New York City selected by Agent) and if such amounts are not paid within three (3) days of Agent's demand, at the highest Interest Rate provided for in Section 3.1 hereof applicable to Prime Rate Loans. During the period in which such Lender has not paid such corresponding amount to Agent, notwithstanding anything to the contrary contained in this Agreement or any of the other Financing Agreements, the amount so advanced by Agent to or for the benefit of any Borrower shall, for all purposes hereof, be a Loan made by Agent for its own account. Upon any such failure by a Lender to pay Agent, Agent shall promptly thereafter notify Borrower Agent of such failure and Borrowers shall pay such corresponding amount to Agent for its own account within five (5) Business Days of Borrower Agent's receipt of such notice. A Lender who fails to pay Agent its Pro Rata Share of any Loans made available by the Agent on such Lender's behalf, or any Lender who fails to pay any other amount owing by it to Agent, is a "Defaulting Lender". Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Agent for the Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Agent. Agent may hold and, in its discretion, relend to a Borrower the amount of all such payments received or retained by it for the account of such Defaulting Lender. For purposes of voting or consenting to matters with respect to this Agreement and the other

Financing Agreements and determining Pro Rata Shares, such Defaulting Lender shall be deemed not to be a “Lender” and such Lender’s Commitment shall be deemed to be zero (0). This Section shall remain effective with respect to a Defaulting Lender until such default is cured. The operation of this Section shall not be construed to increase or otherwise affect the Commitment of any Lender, or relieve or excuse the performance by any Borrower or Obligor of their duties and obligations hereunder.

(e) Nothing in this Section or elsewhere in this Agreement or the other Financing Agreements shall be deemed to require Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Commitment hereunder or to prejudice any rights that any Borrower may have against any Lender as a result of any default by any Lender hereunder in fulfilling its Commitment.

6.11 Obligations Several; Independent Nature of Lenders’ Rights. The obligation of each Lender hereunder is several, and no Lender shall be responsible for the obligation or commitment of any other Lender hereunder. Nothing contained in this Agreement or any of the other Financing Agreements and no action taken by the Lenders pursuant hereto or thereto shall be deemed to constitute the Lenders to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and subject to Section 12.3 hereof, each Lender shall be entitled to protect and enforce its rights arising out of this Agreement and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

SECTION 7. COLLATERAL REPORTING AND COVENANTS

7.1 Collateral Reporting

(a) Borrowers, or Borrower Agent on behalf of Borrowers, shall provide Agent with the following documents in a form reasonably satisfactory to Agent:

(i) as soon as possible after the end of each month (but in any event within ten (10) Business Days after the end thereof) so long as no Default or Event of Default exists and Excess Availability shall be greater than \$20,000,000 (and more frequently as Agent may require at any time a Default or Event of Default exists or Excess Availability is less than \$20,000,000), a Borrowing Base Certificate setting forth the calculation of the Borrowing Base as of the last Business Day of the immediately preceding period as to the Accounts and Inventory, duly completed and executed by the chief financial officer, vice president of finance, treasurer or controller of Borrower Agent, together with all schedules required pursuant to the terms of the Borrowing Base Certificate duly completed, including but not limited to (A) a monthly aging of Credit Card Receivables identifying those outstanding more than five (5) Business Days since the sale date giving rise thereto and (B) an inventory summary report by category (consisting of retail, factory outlet and direct inventory (and upon Agent’s request, letter of credit inventory) and identifying in the case of each of retail, factory outlet and direct, the applicable store and warehouse where such Inventory is located;

(ii) as soon as possible after the end of each month (but in any event within ten (10) Business Days after the end thereof), on a monthly basis or more frequently as Agent may request, (A) perpetual inventory reports by location and category (and including the amounts of Inventory and the value thereof at any leased locations and at premises of warehouses, processors or other third parties), (B) list of outstanding accounts payable (and including information indicating the amounts owing to owners and lessors of leased premises, warehouses, fulfillment centers, processors and other third parties from time to time in possession of any Collateral), and (C) reports on sales and use tax collections, deposits and payments, including monthly sales and use tax accruals;

(iii) as soon as possible after the end of each month (but in any event ten (10) Business Days after the end thereof), in each case certified by the chief financial officer or controller of Borrowers or Borrower Agent as true and correct: (A) a statement confirming the payment of rent and other amounts due to owners and lessors of real property used by Borrower in the immediately preceding month, subject to year-end or monthly percentage rent payment adjustments, (B) the addresses of all new retail store locations (including factory store locations) of Borrowers and Guarantors opened and existing retail store locations (including factory store locations) closed or sold, in each case since the date of the most recent certificate delivered to Agent containing the information required under this clause, and (C) a report of any new deposit account established or used by any Borrower or Guarantor with any bank or other financial institution, including the Borrower or Guarantor in whose name the account is maintained, the account number, the name and address of the financial institution at which such account is maintained, the purpose of such account and, if any, the amount held in such account on or about the date of such report;

(iv) upon Agent's request, (A) reports of sales for each category of Inventory, (B) reports of aggregate Inventory purchases (including all costs related thereto, such as freight, duty and taxes) and identifying items of Inventory in transit to any Borrower or Guarantor related to the applicable documentary letter of credit and/or bill of lading number, (C) copies of remittance advices and reports, and copies of deposit slips and bank statements, (D) copies of shipping and delivery documents, (E) copies of purchase orders, invoices and delivery documents for Inventory and Equipment acquired by Borrowers and Guarantor, and (F) reports by retail store location of sales and operating profits for each such retail store location;

(v) upon Agent's request, the monthly statements received by any Borrower or any of its Affiliates from any Credit Card Issuers or Credit Card Processors, together with such additional information with respect thereto as shall be sufficient to enable Agent to monitor the transactions pursuant to the Credit Card Agreements;

(vi) such other reports as to the Collateral as Agent shall reasonably request from time to time.

(b) Nothing contained in any Borrowing Base Certificate shall be deemed to limit, impair or otherwise affect the rights of Agent contained herein and in the event of any conflict or inconsistency between the calculation of the Borrowing Base as set forth in any Borrowing Base Certificate and as determined by Agent in its good faith, the determination of Agent shall govern and be conclusive and binding upon Borrowers and Guarantors, absent manifest error. Without limiting the foregoing, Borrowers shall furnish to Agent any information which Agent may reasonably request regarding the determination and calculation of any of the amounts set forth in any Borrowing Base Certificate. The Borrowing Base may be adjusted based on the information set forth in the reports received by Agent pursuant to Section 7.1(a)(i) above.

7.2 Accounts Covenants.

(a) Each Borrower shall notify Agent promptly of the assertion of (i) any claims, offsets, defenses or counterclaims by any account debtor, Credit Card Issuer or Credit Card Processor or any disputes with any of such persons or any settlement, adjustment or compromise thereof, to the extent any of the foregoing exceeds \$75,000 in any one case or \$200,000 in the aggregate and (ii) all material adverse information relating to the financial condition of any account debtor, Credit Card Issuer or Credit Card Processor. No credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any account debtor, Credit Card Issuer or Credit Card Processor except in the ordinary course of a Borrower's business in accordance with the current practices of such Borrower as in effect on the date hereof. So long as no Event of Default exists or has occurred and is continuing, no Borrower shall settle, adjust or compromise any claim, offset, counterclaim or dispute with any account debtor, Credit Card Issuer, Credit Card Processor. At any time that an Event of Default exists or has occurred and is continuing, Agent shall, at its option, have the exclusive right to settle, adjust or compromise any claim, offset, counterclaim or dispute with account debtors, Credit Card Issuers or Credit Card Processors or grant any credits, discounts or allowances.

(b) With respect to each Account: (i) no payments shall be made thereon except payments delivered to Agent pursuant to the terms of this Agreement, (ii) there shall be no setoffs, deductions, contra, defenses, counterclaims or disputes existing or asserted with respect thereto except as reported to Agent in accordance with the terms of this Agreement and (iii) none of the transactions giving rise thereto will violate in any material respect any applicable State or Federal Laws or regulations, all documentation relating thereto will be legally sufficient under such laws and regulations and all such documentation will be legally enforceable in accordance with its terms.

(c) Each Borrower shall notify Agent promptly of: (i) any notice of a material default by such Borrower under any of the Credit Card Agreements or of any default which has a reasonable likelihood of resulting in the Credit Card Issuer or Credit Card Processor ceasing to make payments or suspending payments to such Borrower, (ii) any notice from any Credit Card Issuer or Credit Card Processor that such person is ceasing or suspending, or will cease or suspend, any present or future payments due or to become due to such Borrower from such person, or that such person is terminating or will terminate any of the Credit Card Agreements, and (iii) the failure of such Borrower to comply with any material terms of the Credit Card Agreements or any terms thereof which has a reasonable likelihood of resulting in the Credit Card Issuer or Credit Card Processor ceasing or suspending payments to such Borrower.

(d) Agent shall have the right at any time or times, in Agent's name or in the name of a nominee of Agent, to verify the validity, amount or any other matter relating to any Receivables or other Collateral, by mail, telephone, facsimile transmission or otherwise.

7.3 Equipment and Real Property Covenants. With respect to the Inventory: (a) each Borrower and Guarantor shall at all times maintain inventory records reasonably satisfactory to Agent, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, such Borrower's or Guarantor's cost therefor and daily withdrawals therefrom and additions thereto; (b) Borrowers and Guarantors shall conduct a physical count of the Inventory either through periodic cycle counts or wall to wall counts, so that all Inventory is subject to such counts at least once each year, but at any time or times as Agent may request at any time an Event of Default exists or has occurred and is continuing, and promptly following such physical inventory (whether through periodic cycle counts or wall to wall counts) shall supply Agent with a report in the form and with such specificity as may be reasonably satisfactory to Agent concerning such physical count; (c) Borrowers and Guarantors shall not remove any Inventory from the locations set forth or permitted herein, without the prior written consent of Agent, except for sales of Inventory in the ordinary course of Borrowers' business and except to move Inventory directly from one location set forth or permitted herein to another such location and except for Inventory shipped from the manufacturer thereof to such Borrower or Guarantor which is in transit to the locations set forth or permitted herein; (d) upon Agent's request, Borrowers shall, at their expense, no more than three (3) times in any twelve (12) month period, but at any time or times as Agent may request at Agent's expense, or at any time or times as Agent may request at Borrowers' expense at any time an Event of Default exists or has occurred and is continuing, deliver or cause to be delivered to Agent written reports or appraisals as to the Inventory in form, scope and methodology acceptable to Agent and by an appraiser acceptable to Agent, addressed to Agent and upon which Agent and Lenders are expressly permitted to rely; (e) upon Agent's request, Borrowers shall, at their expense, conduct through RGIS Inventory Specialists, Inc. or another inventory counting service acceptable to Agent, a physical count of the Inventory in form, scope and methodology acceptable to Agent no more than two (2) times in any twelve (12) month period, but at any time or times as Agent may request at any time an Event of Default exists or has occurred and is continuing or at any time or times as Agent may request in the event of test count variances in excess of the shrinkage reserve established by any Borrower, the results of which shall be reported directly by such inventory counting service to Agent and Borrowers shall promptly deliver confirmation in a form satisfactory to Agent that appropriate adjustments have been made to the inventory records of Borrowers to reconcile the inventory count to Borrowers' inventory records; (f) each Borrower and Guarantor shall produce, use, store and maintain the Inventory, with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws (including the requirements of the Federal Fair Labor Standards Act of 1938, as amended and all rules, regulations and orders related thereto); (g) none of the Inventory or other Collateral constitutes farm products or the proceeds thereof; (h) each Borrower and Guarantor assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory; (i) Borrowers and Guarantors shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate any Borrower or Guarantor to repurchase such Inventory except for the right of return given to retail customers of such Borrower in the ordinary course of the business of such Borrower in accordance with the then current return policy of such Borrower; (j) Borrowers and Guarantors shall keep the Inventory in good and marketable condition; (k) Borrowers and Guarantors shall not, without prior written notice to Agent or the specific identification of such Inventory in a report with respect thereto provided by Borrower Agent to Agent pursuant to Section 7.1 (a) hereof, acquire or accept any Inventory on consignment or approval.

7.4 Equipment and Real Property Covenants. With respect to the Equipment and Real Property subject to the Mortgages: (a) Borrowers and Guarantors shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted); (b) Borrowers and Guarantors shall use the Equipment and Real Property with all reasonable care and caution and in accordance with applicable standards of any insurance and in material conformity with all applicable laws; (c) the Equipment is and shall be used in the business of Borrowers and Guarantors and not for personal, family, household or farming use; (d) Borrowers and Guarantors shall not remove any Equipment from the locations set forth or permitted herein, except to the extent necessary to have any Equipment repaired or maintained in the ordinary course of its business or to move Equipment directly from one location set forth or permitted herein to another such location and except for the movement of motor vehicles used by or for the benefit of such Borrower or Guarantor in the ordinary course of business; (e) the Equipment is now and shall remain personal property and Borrowers and Guarantors shall not permit any of the Equipment to be or become a part of or affixed to real property; and (f) each Borrower and Guarantor assumes all responsibility and liability arising from the use of the Equipment and Real Property.

7.5 Power of Attorney. Each Borrower and Guarantor hereby irrevocably designates and appoints Agent (and all persons designated by Agent) as such Borrower's and Guarantor's true and lawful attorney-in-fact, and authorizes Agent, in such Borrower's, Guarantor's or Agent's name, to: (a) at any time an Event of Default exists or has occurred and is continuing (i) demand payment on Receivables or other Collateral, (ii) enforce payment of Receivables by legal proceedings or otherwise, (iii) exercise all of such Borrower's or Guarantor's rights and remedies to collect any Receivable or other Collateral, (iv) sell or assign any Receivable upon such terms, for such amount and at such time or times as the Agent deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Receivable, (vii) prepare, file and sign such Borrower's or Guarantor's name on any proof of claim in bankruptcy or other similar document against an account debtor or other obligor in respect of any Receivables or other Collateral, (viii) notify the post office authorities to change the address for delivery of remittances from account debtors or other obligors in respect of Receivables or other proceeds of Collateral to an address designated by Agent, and open and dispose of all mail addressed to such Borrower or Guarantor and handle and store all mail relating to the Collateral; (ix) sign any Borrower's or Guarantor's name on any verification of Receivables and notices thereof to account debtors or any secondary obligors or other obligors in respect thereof, and (x) do all acts and things which are necessary, in Agent's determination, to fulfill such Borrower's or Guarantor's obligations under this Agreement and the other Financing Agreements and (b) at any time to (i) take control in any manner of any item of payment in respect of Receivables or constituting Collateral or otherwise received in or for deposit in the Blocked Accounts or otherwise received by Agent or any Lender, (ii) have access to any lockbox or postal box into which remittances from account debtors or other obligors in respect of Receivables or other proceeds of Collateral are sent or received, (iii) endorse such Borrower's or Guarantor's name upon any items of payment in respect of Receivables or constituting Collateral or otherwise received by Agent and any Lender and deposit the same in Agent's account for application to the Obligations, (iv) endorse such Borrower's or Guarantor's name upon any chattel paper,

document, instrument, invoice, or similar document or agreement relating to any Receivable or any goods pertaining thereto or any other Collateral, including any warehouse or other receipts, or bills of lading and other negotiable or non-negotiable documents, and (v) clear Inventory the purchase of which was financed with Letter of Credit Accommodations through U.S. Customs or foreign export control authorities in such Borrower's or Guarantor's name, Agent's name or the name of Agent's designee, and to sign and deliver to customs officials powers of attorney in such Borrower's or Guarantor's name for such purpose, and to complete in such Borrower's or Guarantor's or Agent's name, any order, sale or transaction, obtain the necessary documents in connection therewith and collect the proceeds thereof. Each Borrower and Guarantor hereby releases Agent and Lenders and their respective officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Agent's or any Lender's own gross negligence or wilful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

7.6 Right to Cure. Agent may, at its option, upon notice to Borrower Agent, (a) cure any default by any Borrower or Guarantor under any material agreement with a third party that affects the Collateral, its value or the ability of Agent to collect, sell or otherwise dispose of the Collateral or the rights and remedies of Agent or any Lender therein or the ability of any Borrower or Guarantor to perform its obligations hereunder or under any of the other Financing Agreements, (b) pay or bond on appeal any judgment entered against any Borrower or Guarantor, (c) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral and pay any amount, incur any expense or perform any act which, in Agent's good faith judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Agent and Lenders with respect thereto. Agent may add any amounts so expended to the Obligations and charge any Borrower's account therefor, such amounts to be repayable by Borrowers on demand. Agent and Lenders shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of any Borrower or Guarantor. Any payment made or other action taken by Agent or any Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

7.7 Access to Premises. From time to time as requested by Agent, at the cost and expense of Borrowers, (a) Agent or its designee shall have complete access to all of each Borrower's and Guarantor's premises during normal business hours and after reasonable notice to Parent, or at any time and without notice to Borrower Agent if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of each Borrower's and Guarantor's books and records, including the Records, and (b) each Borrower and Guarantor shall promptly furnish to Agent such copies of such books and records or extracts therefrom as Agent may reasonably request, and Agent or any Lender or Agent's designee may use during normal business hours such of any Borrower's and Guarantor's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing (provided, that, Borrowers and Guarantors shall make such personnel, equipment, supplies and premises available to Agent or its designee in such manner so as to minimize any interference with the operations of Borrowers and Guarantors) and if an Event of Default exists or has occurred and is continuing for the collection of Receivables and realization of other Collateral.

7.8 Intellectual Property Appraisal. At Agent's request, no more than once in any twelve (12) month period, but at any time or times as Agent may request at Agent's expense, or at any time as Agent may request at Borrowers' expense on or after an Event of Default, deliver or cause to be delivered to Agent written appraisals as to the Intellectual Property by an appraiser acceptable to Agent, in form, scope and methodology acceptable to Agent, addressed to Agent and upon which Agent and Lenders are expressly permitted to rely.

SECTION 8. REPRESENTATIONS AND WARRANTIES

Each Borrower and Guarantor hereby represents and warrants to Agent and Lenders the following (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which are a continuing condition of the making of Revolving Loans and providing Letter of Credit Accommodations to Borrowers:

8.1 Corporate or Limited Liability Company Existence, Power and Authority. Each Borrower and Guarantor is a corporation or limited liability company duly organized and in good standing under the laws of its state of organization and is duly qualified as a foreign corporation or limited liability company and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a Material Adverse Effect. The execution, delivery and performance of this Agreement, the other Financing Agreements and the transactions contemplated hereunder and thereunder (a) are all within each Borrower's and Guarantor's corporate or limited liability company powers, (b) have been duly authorized, (c) are not in contravention of law or the terms of any Borrower's or Guarantor's certificate of incorporation, certificate of formation, by-laws, membership agreement or other organizational documentation, or any indenture, agreement or undertaking to which any Borrower or Guarantor is a party or by which any Borrower or Guarantor or its property are bound and (d) will not result in the creation or imposition of, or require or give rise to any obligation to grant, any lien, security interest, charge or other encumbrance upon any property of any Borrower or Guarantor. This Agreement and the other Financing Agreements to which any Borrower or Guarantor is a party constitute legal, valid and binding obligations of such Borrower and Guarantor enforceable in accordance with their respective terms.

8.2 Name; State of Organization; Chief Executive Office; Collateral Locations

(a) The exact legal name of each Borrower and Guarantor is as set forth on the signature page of this Agreement and in the Information Certificate. No Borrower or Guarantor has, during the past five years, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth in the Information Certificate.

(b) Each Borrower and Guarantor is an organization of the type and organized in the jurisdiction set forth in the Information Certificate. The Information Certificate accurately sets forth the organizational identification number of each Borrower and Guarantor or accurately states that such Borrower or Guarantor has none and accurately sets forth the federal employer identification number of each Borrower and Guarantor.

(c) The chief executive office and mailing address of each Borrower and Guarantor and each Borrower's and Guarantor's Records concerning Accounts are located only at the address identified as such in Schedule 8.2 to the Information Certificate and its only other places of business and the only other locations of Collateral, if any, are the addresses set forth in Schedule 8.2 to the Information Certificate, subject to the rights of any Borrower or Guarantor to establish new locations in accordance with Section 9.2 below. The Information Certificate correctly identifies any of such locations which are not owned by a Borrower or Guarantor and sets forth the owners and/or operators thereof.

8.3 Financial Statements; No Material Adverse Change. All financial statements relating to any Borrower or Guarantor which have been or may hereafter be delivered by any Borrower or Guarantor to Agent and Lenders have been prepared in accordance with GAAP (except as to any interim financial statements, to the extent such statements are subject to normal year-end adjustments and do not include any notes) and fairly present in all material respects the financial condition and the results of operation of such Borrower and Guarantor as at the dates and for the periods set forth therein. Except as disclosed in any interim financial statements furnished by Borrowers and Guarantors to Agent prior to the date of this Agreement, there has been no act, condition or event which has had or is reasonably likely to have a Material Adverse Effect since the date of the most recent audited financial statements of any Borrower or Guarantor furnished by any Borrower or Guarantor to Agent prior to the date of the Existing Agreement.

8.4 Priority of Liens; Title to Properties. The security interests and liens granted to Agent under this Agreement and the other Financing Agreements constitute valid and upon the filing of a financing statement, control or possession by Agent, as applicable, perfected first priority liens and security interests in and upon the Collateral subject only to the liens indicated on Schedule 8.4 to the Information Certificate and the other liens permitted under Section 9.8 hereof, including as to priority to the extent that such liens have priority under applicable law or as specified in Section 9.8. Each Borrower and Guarantor has good and marketable fee simple title to or valid leasehold interests in all of its Real Property and good, valid and merchantable title to all of its other properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to Agent and such others as are specifically listed on Schedule 8.4 to the Information Certificate or permitted under Section 9.8 hereof.

8.5 Tax Returns. Each Borrower and Guarantor has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations which are required to be filed by it, where the failure to so file has or could reasonably be expected to have a Material Adverse Effect. All information in such tax returns, reports and declarations is complete and accurate in all material respects. Each Borrower and Guarantor has paid or caused to be paid all material Taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Borrower or Guarantor and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid Federal, State, county, local, foreign and other Taxes whether or not yet due and payable and whether or not disputed.

8.6 Litigation. Except as set forth on Schedule 8.6 to the Information Certificate, (a) there is no investigation by any Governmental Authority pending, or to the best of any Borrower's or Guarantor's knowledge threatened, against or affecting any Borrower or Guarantor, its or their assets or business and (b) there is no action, suit, proceeding or claim by any Person pending, or to the best of any Borrower's or Guarantor's knowledge threatened, against any Borrower or Guarantor or its or their assets or goodwill, or against or affecting any transactions contemplated by this Agreement, in each case, which has a reasonable possibility of being adversely determined and which, if adversely determined against such Borrower or Guarantor, has or could reasonably be expected to have a Material Adverse Effect.

8.7 Compliance with Other Agreements and Applicable Laws. To Borrowers' and Guarantors' knowledge, no Borrower or Guarantor is in default in any respect under, or in violation in any respect of any of the terms of, any material agreement, contract, instrument, lease or other commitment to which it is a party or by which it or any of its assets are bound where such default or violation has or could reasonably be expected to have a Material Adverse Effect. To Borrowers' and Guarantors' knowledge, each Borrower is in compliance with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority relating to its business, including, without limitation, those set forth in or promulgated pursuant to the Occupational Safety and Health Act of 1970, as amended, the Fair Labor Standards Act of 1938, as amended, ERISA, the Code, as amended, and the rules and regulations thereunder, all Federal, State and local statutes, regulations, rules and orders relating to consumer credit (including, without limitation, as each has been amended, the Truth-in-Lending Act, the Fair Credit Billing Act, the Equal Credit Opportunity Act and the Fair Credit Reporting Act, and regulations, rules and orders promulgated thereunder), all Federal, State and local states, regulations, rules and orders pertaining to sales of consumer goods (including, without limitation, the Consumer Products Safety Act of 1972, as amended, and the Federal Trade Commission Act of 1914, as amended, and all regulations, rules and orders promulgated thereunder) where the failure to so comply has or could reasonably be expected to have a Material Adverse Effect.

8.8 Environmental Compliance.

(a) Except as set forth on Schedule 8.8 to the Information Certificate, Borrowers, Guarantors and any Subsidiary of any Borrower or Guarantor have not generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates any applicable Environmental Law or Permit that is required under any applicable Environmental Laws where such violation has or could reasonably be expected to have a Material Adverse Effect, and the operations of Borrowers, Guarantors and any Subsidiary of any Borrower or Guarantor complies with all Environmental Laws and all Permits that are required under any applicable Environmental Law where the failure to so comply has or could reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 8.8 to the Information Certificate, there has been no investigation by any Governmental Authority or any proceeding, complaint, order, directive, claim, citation or notice by any Governmental Authority or any other person nor is any pending or to any Borrower's or Guarantor's knowledge threatened, with respect to any non-compliance

with or violation of the requirements of any Environmental Law by any Borrower or Guarantor and any Subsidiary of any Borrower or Guarantor or the release, spill or discharge, threatened or actual, of any Hazardous Material or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter, which has or could reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth on Schedule 8.8 to the Information Certificate, Borrowers, Guarantors and their Subsidiaries have no liability (contingent or otherwise) in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials, which has had or could reasonably be expected to have a Material Adverse Effect.

(d) Borrowers, Guarantors and their Subsidiaries have all Permits required to be obtained or filed in connection with the operations of Borrowers and Guarantors under any Environmental Law and all of such licenses, certificates, approvals or similar authorizations and other Permits are valid and in full force and effect, where failure to have obtained or filed such could reasonably be expected to have a Material Adverse Effect.

8.9 Credit Card Agreements. Set forth in Schedule 8.9 hereto is a correct and complete list of all of the Credit Card Agreements and all other agreements, documents and instruments existing as of the date hereof between or among any Borrower, any of its Affiliates, the Credit Card Issuers, the Credit Card Processors and any of their Affiliates. The Credit Card Agreements constitute all of such agreements necessary for each Borrower to operate its business as presently conducted with respect to credit cards and debit cards and no Receivables of any Borrower arise from purchases by customers of Inventory with credit cards or debit cards, other than those which are issued by Credit Card Issuers with whom such Borrower has entered into one of the Credit Card Agreements set forth on Schedule 8.9 hereto or with whom Borrower has entered into a Credit Card Agreement in accordance with Section 9.16 hereof. Each of the Credit Card Agreements constitutes the legal, valid and binding obligations of the Borrower that is party thereto and to the best of each Borrower's and Guarantor's knowledge, the other parties thereto, enforceable in accordance with their respective terms and is in full force and effect. No material default or material event of default, or act, condition or event which after notice or passage of time or both, would constitute a material default or a material event of default under any of the Credit Card Agreements (other than any Credit Card Agreement with a Credit Card Issuer or Credit Card Processor where the sales using the applicable card are less than ten (10%) percent of all such sales in the immediately preceding fiscal year) exists or has occurred that would entitle the other party thereto to suspend, withhold or reduce amounts that would otherwise be payable to a Borrower. Each Borrower and the other parties thereto have complied in all material respects with all of the terms and conditions of the Credit Card Agreements (other than any Credit Card Agreement with a Credit Card Issuer or Credit Card Processor where the sales using the applicable card are less than ten (10%) percent of all such sales in the immediately preceding fiscal year) to the extent necessary for such Borrower to be entitled to receive all payments thereunder. Borrowers have delivered, or caused to be delivered to Agent, true, correct and complete copies of all of the Credit Card Agreements.

8.10 Interrelated Businesses. Borrowers and Guarantors make up a related organization of various entities constituting a single economic and business enterprise so that Borrowers and Guarantors share an identity of interests such that any benefit received by any one of them benefits the others. Borrowers and Guarantors render services to or for the benefit of the other Borrowers and/or Guarantors, as the case may be, purchase or sell and supply goods to or from or for the benefit of the others, make loans, advances and provide other financial accommodations to or for the benefit of the other Borrowers and Guarantors (including inter alia, the payment by Borrowers and Guarantors of creditors of the other Borrowers or Guarantors and guarantees by Borrowers and Guarantors of indebtedness of the other Borrowers and Guarantors and provide administrative, marketing, payroll and management services to or for the benefit of the other Borrowers and Guarantors). Substantially all of the Inventory is paid for pursuant to Letter of Credit Accommodations funded by Operating on behalf of the other Borrowers or are otherwise paid for by Operating, and Borrowers use substantially all of the proceeds from the disposition of the Inventory so purchased to repay the amounts owing to Operating as a result of such arrangements. Borrowers and Guarantors (other than JCI) have the same chief executive office, centralized accounting and legal services, certain common officers and directors and generally do not provide consolidating financial statements to creditors. Nothing contained herein should be construed to mean that each Borrower and Guarantor is not a separate corporate entity and entitled to the rights and privileges thereof, and except to the extent contractually agreed or required under applicable law, no Borrower or Guarantor is obligated for the liabilities of any other Borrower or Guarantor.

8.11 Employee Benefits.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or State law. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service and to the best of any Borrower's or Guarantor's knowledge, nothing has occurred which would cause the loss of such qualification. Each Borrower and its ERISA Affiliates have made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) There are no pending, or to the best of any Borrower's or Guarantor's knowledge, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) the current value of each Plan's assets are not less than such Plan's liabilities under Section 4001(a)(16) of ERISA; (iii) each Borrower and Guarantor, and their ERISA Affiliates, have not incurred and do not reasonably expect to incur, any liability under Title IV of ERISA with respect to any Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) each Borrower and Guarantor, and their ERISA Affiliates, have not incurred and do not reasonably expect to incur, any liability (and no event has occurred which, with the giving of

notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) each Borrower and Guarantor, and their ERISA Affiliates, have not engaged in a transaction that would be subject to Section 4069 or 4212(c) of ERISA.

8.12 Bank Accounts. All of the deposit accounts, investment accounts or other accounts in the name of or used by any Borrower or Guarantor maintained at any bank or other financial institution are set forth on Schedule 8.10 to the Information Certificate, subject to the right of each Borrower and Guarantor to establish new accounts in accordance with Section 5.2 hereof.

8.13 Intellectual Property. Each Borrower and Guarantor owns or licenses or otherwise has the right to use all Intellectual Property necessary for the operation of its business as presently conducted or proposed to be conducted. As of the date hereof, Borrowers and Guarantors do not have any Intellectual Property registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Schedule 8.11 or Schedule 8.6 to the Information Certificate and has not granted any licenses with respect thereto other than as set forth in Schedule 8.11 to the Information Certificate. To the best of any Borrower's and Guarantor's knowledge, no slogan or other advertising device, product, process, method, substance or other Intellectual Property or goods bearing or using any Intellectual Property presently contemplated to be sold by or employed by any Borrower or Guarantor infringes any patent, trademark, servicemark, tradename, copyright, license or other Intellectual Property owned by any other Person presently and no claim or litigation is pending or threatened against or affecting any Borrower or Guarantor contesting its right to sell or use any such Intellectual Property except as set forth on Schedule 8.11 to the Information Certificate. Schedule 8.11 to the Information Certificate sets forth all of the agreements or other arrangements of each Borrower and Guarantor pursuant to which such Borrower or Guarantor has a license or other right to use any trademarks, logos, designs, representations or other Intellectual Property owned by another person as in effect on the date hereof and the dates of the expiration of such agreements or other arrangements of such Borrower or Guarantor as in effect on the date hereof (collectively, together with such agreements or other arrangements as may be entered into by any Borrower or Guarantor after the date hereof, collectively, the "License Agreements" and individually, a "License Agreement"). No trademark, servicemark, copyright or other Intellectual Property at any time used by any Borrower or Guarantor which is owned by another person, or owned by such Borrower or Guarantor subject to any security interest, lien, collateral assignment, pledge or other encumbrance in favor of any person other than Agent, is affixed to any Eligible Inventory, except (a) to the extent permitted under the term of the license agreements listed on Schedule 8.11 to the Information Certificate and (b) to the extent the sale of Inventory to which such Intellectual Property is affixed is permitted to be sold by such Borrower or Guarantor under applicable law (including the United States Copyright Act of 1976) and (c) to the extent permitted under Section 9.8(o) hereof.

8.14 Subsidiaries; Affiliates; Capitalization; Solvency; Inactive Entities.

(a) Each Borrower and Guarantor does not have any direct or indirect Subsidiaries or Affiliates and is not engaged in any joint venture or partnership except as set forth in Schedule 8.12 to the Information Certificate.

(b) Each Borrower and Guarantor is the record and beneficial owner of all of the issued and outstanding shares of Capital Stock of each of the Subsidiaries listed on Schedule 8.12 to the Information Certificate as being owned by such Borrower or Guarantor and there are no proxies, irrevocable or otherwise, with respect to such shares and no equity securities of any of the Subsidiaries are or may become required to be issued by reason of any options, warrants, rights to subscribe to, calls or commitments of any kind or nature and there are no contracts, commitments, understandings or arrangements by which any Subsidiary is or may become bound to issue additional shares of its Capital Stock or securities convertible into or exchangeable for such shares.

(c) The issued and outstanding shares of Capital Stock of each Borrower and Guarantor are directly and beneficially owned and held by the persons indicated in the Information Certificate, and in each case all of such shares or membership interests have been duly authorized and are fully paid and non-assessable, free and clear of all claims, liens, pledges and encumbrances of any kind, except as disclosed in writing to Agent prior to the date hereof.

(d) There is no debt outstanding that is convertible into membership interests in Intermediate, and there are no outstanding rights, options or warrants to acquire any membership interests in or debt convertible into membership interests in Intermediate.

(e) Each Borrower and International is Solvent and will continue to be Solvent after the creation of the Obligations, the security interests of Agent and the other transaction contemplated hereunder.

(f) Each of C&W Outlet Inc., a New York corporation, J. Crew Services, Inc., a Delaware corporation, and ERL, Inc., a New Jersey corporation, is an Inactive Subsidiary and does not and will not engage in any business or commercial activities and each does not and will not own or hold any assets or properties. The only activity of J. Crew Virginia, Inc., a Virginia corporation, is in connection with the issuance of gift cards and store credits for and on behalf of Borrowers. J. Crew Virginia, Inc. does not and will not engage in any other business or activity and does not and will not hold any assets or properties.

8.15 Labor Disputes.

(a) Set forth on Schedule 8.13 to the Information Certificate is a list (including dates of termination) of all collective bargaining or similar agreements between or applicable to each Borrower and Guarantor and any union, labor organization or other bargaining agent in respect of the employees of any Borrower or Guarantor on the date hereof.

(b) There is (i) no significant unfair labor practice complaint pending against any Borrower or Guarantor or, to the best of any Borrower's or Guarantor's knowledge, threatened against it, before the National Labor Relations Board, and no significant grievance or significant arbitration proceeding arising out of or under any collective bargaining agreement is pending on the date hereof against any Borrower or Guarantor or, to best of any Borrower's or

Guarantor's knowledge, threatened against it, and (ii) no significant strike, labor dispute, slowdown or stoppage is pending against any Borrower or Guarantor or, to the best of any Borrower's or Guarantor's knowledge, threatened against any Borrower or Guarantor.

8.16 Restrictions on Subsidiaries. Except for restrictions contained in this Agreement or any other agreement with respect to Indebtedness of any Borrower or Guarantor permitted hereunder as in effect on the date hereof, there are no contractual or consensual restrictions on any Borrower or Guarantor or any of its Subsidiaries which prohibit or otherwise restrict (a) the transfer of cash or other assets (i) between any Borrower or Guarantor and any of its or their Subsidiaries or (ii) between any Subsidiaries of any Borrower or Guarantor or (b) the ability of any Borrower or Guarantor or any of its or their Subsidiaries to incur Indebtedness or grant security interests to Agent or any Lender in the Collateral.

8.17 Material Contracts. Schedule 8.15 to the Information Certificate sets forth all Material Contracts to which any Borrower or Guarantor is a party or is bound as of the date hereof. Agent has received true, correct and complete copies of such Material Contracts on or before the date hereof. To Borrowers' and Guarantors' knowledge, Borrowers and Guarantors are not in breach (for a period equal to the lesser of ten (10) days or the applicable cure period, if any, with respect thereto) or in default in any material respect of or under any Material Contract and have not received any notice of the intention of any other party thereto to terminate any Material Contract.

8.18 Black Canyon Documents. Neither the execution and delivery of any of the Black Canyon Documents nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof (a) has violated or will violate any of the Securities Laws or any other law or regulation or any order or decree of any court or governmental instrumentality in any respect, or (b) does or shall conflict with or result in the breach of, or constitute a default in any respect under, any indenture, mortgage, deed of trust, security agreement, agreement or instrument to which any Borrower or Guarantor is a party or by which it or any of its assets may be bound, or (c) violate any provision of the Certificate of Incorporation, By-Laws, Articles of Formation or Operating Agreement of any Borrower or Guarantor.

8.19 Accuracy and Completeness of Information. All written information furnished by or on behalf of any Borrower or Guarantor to Agent or any Lender in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, including all information on the Information Certificate is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred prior to the date hereof which has had or could reasonably be expected to have a Material Adverse Affect, which has not been disclosed to Agent in writing prior to the date hereof.

8.20 Survival of Warranties; Cumulative. All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to Agent and Lenders on the date of each additional borrowing or other credit accommodation hereunder and shall be

conclusively presumed to have been relied on by Agent and Lenders regardless of any investigation made or information possessed by Agent or any Lender. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which any Borrower or Guarantor shall now or hereafter give, or cause to be given, to Agent or any Lender.

SECTION 9. AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 Maintenance of Existence.

(a) Each Borrower and Guarantor shall at all times preserve, renew and keep in full force and effect its corporate or limited liability company existence and rights and franchises with respect thereto and maintain in full force and effect all licenses, trademarks, tradenames, approvals, authorizations, leases, contracts and Permits necessary to carry on the business as presently or proposed to be conducted, except as to any Guarantor other than Parent as permitted in Section 9.7 hereof or to the extent that the failure to maintain the same has or could reasonably be expected to have a Material Adverse Effect.

(b) No Borrower or Guarantor shall change its name unless each of the following conditions is satisfied: (i) Agent shall have received not less than thirty (30) days prior written notice from Borrower Agent of such proposed change in its corporate or limited liability company name, which notice shall accurately set forth the new name; and (ii) Agent shall have received a copy of the amendment to the Certificate of Incorporation or Articles of Incorporation (or Certificate of Formation or other organizational document as applicable) of such Borrower or Guarantor providing for the name change certified by the Secretary of State of the jurisdiction of incorporation or organization of such Borrower or Guarantor as soon as it is available.

(c) No Borrower or Guarantor shall change its chief executive office or its mailing address or organizational identification number (or if it does not have one, shall not acquire one) unless Agent shall have received not less than thirty (30) days' prior written notice from Borrower Agent of such proposed change, which notice shall set forth such information with respect thereto as Agent may require and Agent shall have received such agreements as Agent may reasonably require in connection therewith. No Borrower or Guarantor shall change its type of organization, jurisdiction of organization or other legal structure.

9.2 New Collateral Locations. Each Borrower and Guarantor may only open any new location within the continental United States provided such Borrower or Guarantor (a) gives Agent ten (10) days prior written notice of the intended opening of any such new location and (b) executes and delivers, or causes to be executed and delivered, to Agent such agreements, documents, and instruments as Agent may deem reasonably necessary or desirable to protect its interests in the Collateral at such location; provided, that, without limiting the obligations of Borrowers and Guarantors pursuant to Section 7.1 hereof or otherwise hereunder, Borrowers and Guarantors shall not be required to comply with the foregoing conditions with respect to the opening by them of any new retail or factory store locations.

9.3 Compliance with Laws, Regulations, Etc.

(a) Each Borrower and Guarantor shall, and shall cause any Subsidiary to, at all times, comply in all material respects with all laws, rules, regulations, licenses, approvals, orders and other Permits applicable to it and duly observe all requirements of any foreign, Federal, State or local Governmental Authority, including ERISA, the Code, the Occupational Safety and Health Act of 1970, as amended, the Fair Labor Standards Act of 1938, as amended, all Federal, State and local statutes, regulations, rules and orders relating to consumer credit (including, without limitation, as each has been amended, the Truth-in-Lending Act, the Fair Credit Billing Act, the Equal Credit Opportunity Act and the Fair Credit Reporting Act, and regulations, rules and orders promulgated thereunder), all Federal, State and local statutes, regulations, rules and orders pertaining to sales of consumer goods (including, without limitation, the Consumer Products Safety Act of 1972, as amended, and the Federal Trade Commission Act of 1914, as amended, and all regulations, rules and orders promulgated thereunder) and all applicable Environmental Laws, in each case where the failure to so comply or observe has or could reasonably be expected to have a Material Adverse Effect.

(b) Borrowers and Guarantors shall give written notice to Agent promptly upon any Borrower's or Guarantor's receipt of any notice of, or any Borrower's or Guarantor's otherwise obtaining knowledge of, with respect to the Real Property subject to the Mortgages, (i) the occurrence of any event involving the release, spill or discharge, threatened or actual, of any Hazardous Material or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any Environmental Law by any Borrower or Guarantor or (B) the release, spill or discharge, threatened or actual, of any Hazardous Material other than in the ordinary course of business and other than as permitted under any applicable Environmental Law which is reasonably likely to result in a material liability. Copies of all environmental surveys, audits, assessments, feasibility studies and results of remedial investigations of such matters shall be promptly furnished, or caused to be furnished, by such Borrower or Guarantor to Agent. Each Borrower and Guarantor shall take action in a commercially reasonable manner to respond to any material non-compliance with any of the Environmental Laws as required by law and shall regularly report to Agent on such response.

(c) Without limiting the generality of the foregoing, whenever Agent reasonably determines that, with respect to the Real Property subject to the Mortgages, there is non-compliance, or any condition which requires any action by or on behalf of any Borrower or Guarantor in order to avoid any non-compliance, with any Environmental Law which is reasonably likely to result in a material liability, Borrowers shall, at Agent's request and Borrowers' expense: (i) cause an independent environmental engineer reasonably acceptable to Agent to conduct such tests of any such Real Property subject to the Mortgages where non-compliance or alleged non-compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to Agent a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any requirements of Environmental Laws with respect to the findings of such tests and an estimate of the costs thereof and (ii) provide to Agent a supplemental report of such engineer whenever the scope of such non-compliance, or such Borrower's or Guarantor's response thereto or the estimated costs thereof, shall change in any material respect.

(d) Each Borrower and Guarantor shall indemnify and hold harmless Agent and Lenders and their respective directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material at the Real Property subject to the Mortgages, including the costs of any required or necessary repair, cleanup or other remedial work with respect to any Real Property of any Borrower or Guarantor subject to the Mortgages and the preparation and implementation of any closure, remedial or other plans required by Environmental Laws. All representations, warranties, covenants and indemnifications in this Section 9.3 shall survive the payment of the Obligations and the termination of this Agreement.

9.4 Payment of Taxes and Claims. Each Borrower and Guarantor shall, and shall cause any Subsidiary to, duly pay and discharge all Taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for Taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Borrower, Guarantor or Subsidiary, as the case may be, and with respect to which adequate reserves have been set aside on its books. Each Borrower and Guarantor shall be liable for any Tax or penalties other than Excluded Taxes imposed on Agent or any Lender as a result of the financing arrangements provided for herein and each Borrower and Guarantor agrees to indemnify and hold Agent harmless with respect to the foregoing, and to repay to Agent, for the benefit of Lenders, on demand the amount thereof, and until paid by such Borrower or Guarantor such amount shall be added and deemed part of the Revolving Loans, provided, that, nothing contained herein shall be construed to require any Borrower or Guarantor to pay any income or franchise taxes attributable to the income of Agent or Lenders from any amounts charged or paid hereunder to Agent or Lenders. The foregoing indemnity shall survive the payment of the Obligations and the termination of this Agreement. If Agent or any Lender receives a tax refund or credit ("Tax Benefit"), or otherwise would have received a Tax Benefit in respect of Agent's or such Lender's Taxes which, in the good faith determination of Agent or such Lender, as the case may be, is allocable to a Borrower or Guarantor, Agent shall promptly remit such Tax Refund to such Borrower or Guarantor; provided, that, no Event of Default exists or has occurred and is continuing.

9.5 Insurance. Each Borrower and Guarantor shall, and shall cause any Subsidiary to, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be reasonably satisfactory to Agent as to form, amount and insurer. Borrowers and Guarantors shall furnish certificates, policies or endorsements to Agent as Agent shall reasonably require as proof of such insurance, and, if any Borrower or Guarantor fails to do so, Agent is authorized, but not required, to obtain such insurance at the expense of Borrowers. All policies shall provide for at least thirty (30) days prior written notice to Agent of any cancellation or reduction of coverage and that Agent may act as attorney for each Borrower and Guarantor in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and canceling such insurance. Borrowers and Guarantors shall cause Agent to be named as a loss

payee and an additional insured (but without any liability for any premiums) under such insurance policies and Borrowers and Guarantors shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to Agent. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Agent as its interests may appear and further specify that Agent and Lenders shall be paid regardless of any act or omission by any Borrower, Guarantor or any of its or their Affiliates. Without limiting any other rights of Agent or Lenders, any insurance proceeds received by Agent at any time may be applied to payment of the Obligations, whether or not then due, in any order and in such manner as Agent may determine. Upon application of such proceeds to the Revolving Loans, Revolving Loans may be available subject and pursuant to the terms hereof to be used for the costs of repair or replacement of the Collateral lost or damages resulting in the payment of such insurance proceeds.

9.6 Financial Statements and Other Information.

(a) Each Borrower and Guarantor shall, and shall cause any Subsidiary to, keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of such Borrower, Guarantor and its Subsidiaries in accordance with GAAP. Borrowers and Guarantors shall furnish or cause to be furnished to Agent, the following: (i) within thirty (30) days after the end of each fiscal month, monthly unaudited consolidated financial statements (including balance sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), and unaudited consolidating financial statements (consisting of balance sheets and statements of income and loss), all in reasonable detail, fairly presenting in accordance with GAAP the financial position and the results of the operations of Parent and its Subsidiaries as of the end of and through such fiscal month, certified by the chief financial officer or controller of Parent, subject to normal year-end adjustments and no footnotes and accompanied by a compliance certificate substantially in the form of Exhibit C hereto, along with a schedule in a form satisfactory to Agent of the calculations used in determining, as of the end of such month, whether Borrowers and Guarantors are in compliance with the covenants set forth in Sections 9.18 and 9.19 of this Agreement for such month and (ii) within ninety (90) days after the end of each fiscal year, audited consolidated financial statements (including in each case, balance sheets and statements of income and loss, statements of cash flow and statements of shareholders' equity) of Parent and its Subsidiaries, and the accompanying notes thereto (including in each case, balance sheets and statements of income and loss, statements of cash flow, and statements of shareholders' equity), all in reasonable detail, fairly presenting the financial position and the results of the operations of Parent and its Subsidiaries as of the end of and for such fiscal year, together with the unqualified opinion of independent certified public accountants with respect to the audited consolidated financial statements, which accountants shall be an independent accounting firm selected by Borrowers and acceptable to Agent, that such audited consolidated financial statements have been prepared in accordance with GAAP, and present fairly the results of operations and financial condition of Parent and its Subsidiaries as of the end of and for the fiscal year then ended.

(b) At such time as available, but in no event later than five (5) days prior to the end of each fiscal year (commencing with the fiscal year of Parent ending in January of 2003), projected consolidated financial statements (including in each case, balance sheets and

statements of income and loss, statements of cash flow, and statements of shareholders' equity) of Parent and its Subsidiaries for the next fiscal year (including forecasted income statements, cash flow statements and balance sheets and statements of income and loss), all in reasonable detail, and in a format consistent with the projections delivered by Parent to Agent prior to the date hereof, together with such supporting information as Agent may reasonably request. Such projected financial statements shall be prepared on a monthly basis for the next succeeding year. Such projections shall represent Borrowers' reasonable best estimate of the future financial performance of Borrowers for the periods set forth therein and shall have been prepared on the basis of the assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions (it being understood that actual results may differ from those set forth in such projected financial statements). Each year Borrowers shall provide to Agent a semi-annual update with respect to such projections.

(c) At such time as available, but in no event later than thirty (30) days after the end of each fiscal quarter, Borrower Agent shall furnish to Agent a profit and loss summary analysis on a store-by-store basis for all store locations with respect to the immediately preceding twelve (12) months.

(d) Borrowers and Guarantors shall promptly notify Agent in writing of the details of (i) any loss, damage, investigation, action, suit, proceeding or claim relating to Collateral having a value of more than \$1,000,000 or which if adversely determined would have a Material Adverse Effect, (ii) any Material Contract being terminated or amended or any new Material Contract entered into (in which event Borrowers and Guarantors shall provide Agent with a copy of such Material Contract), (iii) any order, judgment or decree in excess of \$1,000,000 shall have been entered against any Borrower or Guarantor any of its or their properties or assets, (iv) any written notification of a material violation of laws or regulations received by any Borrower or Guarantor, (v) any ERISA Event, and (vi) the occurrence of any Default or Event of Default.

(e) Borrowers and Guarantors shall promptly after the sending or filing thereof furnish or cause to be furnished to Agent copies of all reports which any Borrower or Guarantor sends to its stockholders generally and copies of all reports and registration statements which any Borrower or Guarantor files with the Securities and Exchange Commission, any national securities exchange or the National Association of Securities Dealers, Inc.

(f) Borrowers and Guarantors shall furnish or cause to be furnished to Agent such budgets, forecasts, projections and other information respecting the Collateral and the business of Borrowers and Guarantors, as Agent may, from time to time, reasonably request. Agent is hereby authorized to deliver a copy of any financial statement or any other information relating to the business of Borrowers and Guarantors to any court or other Governmental Authority or to any Lender or Participant or prospective Lender or Participant or any Affiliate of any Lender or Participant. Each Borrower and Guarantor hereby irrevocably authorizes and directs all accountants or auditors to deliver to Agent, at Borrowers' expense, copies of the financial statements of any Borrower and Guarantor and any reports or management letters prepared by such accountants or auditors on behalf of any Borrower or Guarantor and to disclose to Agent and Lenders such information as they may have regarding the business of any Borrower

and Guarantor. Any documents, schedules, invoices or other papers delivered to Agent or any Lender may be destroyed or otherwise disposed of by Agent or such Lender one (1) year after the same are delivered to Agent or such Lender, except as otherwise designated by Borrower Agent to Agent or such Lender in writing.

9.7 Sale of Assets, Consolidation, Merger, Dissolution, Etc. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary to, directly or indirectly,

(a) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with it except that any wholly-owned Subsidiary of Parent (other than any Borrower) may merge with and into or consolidate with any other wholly-owned Subsidiary of Parent (other than any Borrower), and any Borrower may merge with and into or consolidate with any other Borrower, provided, that, each of the following conditions is satisfied as determined by Agent in good faith: (i) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of such Subsidiaries to so merge or consolidate, which notice shall set forth in reasonable detail satisfactory to Agent, the persons that are merging or consolidating, which person will be the surviving entity, the locations of the assets of the persons that are merging or consolidating, and the material agreements and documents relating to such merger or consolidation, (ii) Agent shall have received such other information with respect to such merger or consolidation as Agent may reasonably request, (iii) as of the effective date of the merger or consolidation and after giving effect thereto, no Default or Event of Default shall exist or have occurred, (iv) Agent shall have received, true, correct and complete copies of all agreements, documents and instruments relating to such merger or consolidation, including, but not limited to, the certificate or certificates of merger to be filed with each appropriate Secretary of State (with a copy as filed promptly after such filing), (v) the surviving corporation shall expressly confirm, ratify and assume the Obligations and the Financing Agreements to which it is a party in writing, in form and substance reasonably satisfactory to Agent, and Borrowers and Guarantors shall execute and deliver such other agreements, documents and instruments as Agent may request in connection therewith;

(b) sell, issue, assign, lease, license, transfer, abandon or otherwise dispose of any Capital Stock or Indebtedness to any other Person or any of its assets to any other Person, except for

(i) sales of Inventory in the ordinary course of business,

(ii) the sale or other disposition of Equipment (including worn-out or obsolete Equipment or Equipment no longer used or useful in the business of any Borrower or Guarantor) so long as such sales or other dispositions do not involve Equipment having an aggregate fair market value in excess of \$7,500,000 for all such Equipment disposed of in any fiscal year of Borrowers or as Agent may otherwise agree,

(iii) the issuance and sale by any Borrower or Guarantor of Capital Stock of such Borrower or Guarantor after the date hereof; provided, that, (A) Agent shall have received not less than ten (10) Business Days' prior written notice of such issuance and sale by such Borrower or Guarantor, which notice shall specify the parties to whom such shares are to be sold, the terms of such sale, the total amount which it is anticipated will be realized from the

issuance and sale of such stock and the net cash proceeds which it is anticipated will be received by such Borrower or Guarantor from such sale, (B) such Borrower or Guarantor shall not be required to pay any cash dividends or repurchase or redeem such Capital Stock or make any other payments in respect thereof, except as otherwise permitted in Section 9.11 hereof and except after the end of the then current term of this Agreement and the payment in full in cash or other immediately available funds of all of the Obligations, (C) the terms of such Capital Stock, and the terms and conditions of the purchase and sale thereof, shall not include any terms that include any limitation on the right of any Borrower to request or receive Revolving Loans or Letter of Credit Accommodations or the right of any Borrower and Guarantor to amend or modify any of the terms and conditions of this Agreement or any of the other Financing Agreements or otherwise in any way relate to or affect the arrangements of Borrowers and Guarantors with Agent and Lenders or are more restrictive or burdensome to any Borrower or Guarantor than the terms of any Capital Stock in effect on the date hereof, (D) except with respect to any sale and issuance of Capital Stock of Parent or Operating and as to the other Borrowers and Guarantors and their respective Subsidiaries, except as Agent may otherwise agree in writing, all of the proceeds of the sale and issuance of such Capital Stock shall be paid to Agent for application to the Obligations in accordance with Section 6.4(a) hereof and (E) after giving effect thereto, no Default or Event of Default shall exist or have occurred,

(iv) the issuance of Capital Stock of any Borrower or Guarantor consisting of common stock pursuant to an employee stock option or grant or similar equity plan or 401(k) plans of such Borrower or Guarantor for the benefit of its employees, directors and consultants, provided, that, in no event shall such Borrower or Guarantor be required to issue, or shall such Borrower or Guarantor issue, Capital Stock pursuant to such stock plans or 401(k) plans which would result in a Change of Control or other Event of Default,

(v) sales or other dispositions by any Borrower of assets in connection with the closing or sale of a retail store location of such Borrower in the ordinary course of such Borrower's business which consist of leasehold interests in the premises of such store, the Equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such store; provided, that, as to each and all such sales and closings, (A) on the date of, and after giving effect to, any such closing or sale, the aggregate number of retail store locations operated by Retail and Factory closed or sold by Borrowers in any fiscal year minus the number of retail stores operated by Retail and Factory opened by Borrowers in such fiscal year, shall not exceed the amount equal to twenty (20%) percent of the number of retail store locations of Borrowers operated by Retail and Factory, as of the end of the immediately preceding fiscal year, (B) Agent shall have received not less than ten (10) Business Days prior written notice of such sale or closing, which notice shall set forth in reasonable detail satisfactory to Agent, the parties to such sale or other disposition, the assets to be sold or otherwise disposed of, the purchase price and the manner of payment thereof and such other information with respect thereto as Agent may request, (C) after giving effect thereto, no Event of Default shall exist or have occurred and be continuing, (D) such sale shall be on commercially reasonable prices and terms in a bona fide arm's length transaction, and (E) any and all proceeds payable or delivered to such Borrower in respect of such sale or other disposition shall be paid or delivered, or caused to be paid or delivered, to Agent in accordance with the terms of this Agreement (except to the extent such proceeds reflect payment in respect of Indebtedness secured by a properly perfected first priority security interest in the assets sold, in which case, such proceeds shall be applied to such indebtedness secured thereby),

(vi) the grant by any Borrower or Guarantor after the date hereof of a non-exclusive license or an exclusive license to any person for the use of any Intellectual Property consisting of trademarks owned by such Borrower or Guarantor; provided, that, as to any such license, each of the following conditions is satisfied, (A) such license is only for the use of trademarks in the manufacture, distribution or sale of products outside the United States of America and Canada or, if such license is for the use of such trademarks in the manufacture, distribution or sale of products within the United States of America or Canada, it is only for categories or types of Inventory other than men's or women's wearing apparel of the type or category being sold by any Borrower or Guarantor as of the date of this Agreement or that Borrower and Guarantors do not manufacture, distribute or sell, (B) such licenses shall be on commercially reasonable prices and terms in a bona fide arms' length transactions, (C) in the case of a non-exclusive license, the rights of the licensee shall be subject to the rights of Agent, and in the case of any license, shall not adversely affect, limit or restrict the rights of Agent to use any Intellectual Property of a Borrower or Guarantor to sell or otherwise dispose of any Inventory or other Collateral, (D) Agent shall have received, true, correct and complete copies of the executed license agreement, promptly upon the execution thereof and (E) as of the date of the grant of any such license, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing,

(vii) sales, transfers and dispositions to Operating or a Subsidiary of Operating (other than an Inactive Subsidiary); provided, that, any such sales, transfers or dispositions involving a Subsidiary that is not a Borrower or Guarantor shall be made in compliance with Section 9.12 hereof,

(c) wind up, liquidate or dissolve except that any Guarantor (other than Parent) may wind up, liquidate and dissolve, provided, that, each of the following conditions is satisfied, (i) the winding up, liquidation and dissolution of such Guarantor shall not violate any law or any order or decree of any court or other Governmental Authority in any material respect and shall not conflict with or result in the breach of, or constitute a default under, any indenture, mortgage, deed of trust, or any other agreement or instrument to which any Borrower or Guarantor is a party or may be bound, (ii) such winding up, liquidation or dissolution shall be done in accordance with the requirements of all applicable laws and regulations, (iii) effective upon such winding up, liquidation or dissolution, all of the assets and properties of such Guarantor shall be duly and validly transferred and assigned to its shareholders, free and clear of any liens, restrictions or encumbrances other than the security interest and liens of Agent (and Agent shall have received such evidence thereof as Agent may require) and Agent shall have received such deeds, assignments or other agreements as Agent may request to evidence and confirm the transfer of such assets to of such Guarantor to such shareholders, (iv) Agent shall have received all documents and agreements that any Borrower or Guarantor has filed with any Governmental Authority or as are otherwise required to effectuate such winding up, liquidation or dissolution, (v) no Borrower or Guarantor shall assume any Indebtedness, obligations or liabilities as a result of such winding up, liquidation or dissolution, or otherwise become liable in respect of any obligations or liabilities of the entity that is winding up, liquidating or dissolving, unless such Indebtedness is otherwise expressly permitted hereunder, (vi) Agent shall have received not less

than ten (10) Business Days prior written notice of the intention of such Guarantor to wind up, liquidate or dissolve, and (vii) as of the date of such winding up, liquidation or dissolution and after giving effect thereto, no Event of Default shall exist or have occurred; or

(d) agree to any of the foregoing set forth in subsections (a) through (c) of this Section 9.7.

9.8 Encumbrances. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary to, create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any security interest or lien with respect to any such assets or properties, except:

(a) the security interests and liens of Agent for itself and the benefit of Lenders and the security interests and liens of Agent for the benefit of itself, any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent (and in each case as to any such Lender, Affiliate or other financial institution only to the extent approved by Agent) that is party to a Hedge Agreement to the extent provided for herein and subject to the terms hereof;

(b) liens securing the payment of taxes, assessments or other governmental charges or levies either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Borrower, or Guarantor or Subsidiary, as the case may be and with respect to which adequate reserves have been set aside on its books;

(c) non-consensual statutory liens (other than liens securing the payment of taxes) arising in the ordinary course of such Borrower's, Guarantor's or Subsidiary's business to the extent: (i) such liens secure Indebtedness which is not overdue or which is being contested in good faith and by appropriate proceedings, diligently pursued and available to such Borrower, Guarantor or Subsidiary or (ii) such liens secure Indebtedness relating to claims or liabilities that are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to such Borrower, Guarantor or such Subsidiary, but in each case under clause (i) and (ii) hereof, (A) prior to the commencement of foreclosure or other similar proceedings, (B) with respect to which adequate reserves have been set aside on its books, (C) subject to the right of Agent, at its option, to establish a Reserve in respect thereof (which Reserve shall be terminated upon the payment and satisfaction in full of such Indebtedness and the receipt by Agent of evidence thereof satisfactory to Agent or may be used by Agent to pay such Indebtedness after notice to Borrower Agent in the event of the commencement or threatened commencement (to the extent such threat is imminent as determined in good faith by Agent) of any action by the party to whom such Indebtedness is owed to exercise its remedies with respect thereto or to the extent necessary for Agent to exercise any of its rights or remedies); and (D) as to any such liens (or the Indebtedness secured thereby) that are being contested, the aggregate amount of the Indebtedness secured by all such liens at any time outstanding shall not exceed \$1,000,000;

(d) zoning restrictions, easements, licenses, covenants and other restrictions affecting the use of Real Property which do not interfere in any material respect with the use of such Real Property or ordinary conduct of the business of such Borrower, Guarantor or such Subsidiary as presently conducted thereon or, in the case of Real Property subject to the Mortgages, materially impair the value of the Real Property which may be subject thereto;

(e) purchase money security interests in Equipment (including Capital Leases) and purchase money mortgages on Real Property to secure Indebtedness permitted under Section 9.9(b) hereof;

(f) pledges and deposits of cash by any Borrower or Guarantor after the date hereof in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security benefits consistent with the current practices of such Borrower or Guarantor as of the date hereof;

(g) pledges and deposits of cash by any Borrower or Guarantor after the date hereof to secure the performance of tenders, bids, leases, trade contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations in each case in the ordinary course of business consistent with the current practices of such Borrower or Guarantor as of the date hereof; provided, that, in connection with any performance bonds issued by a surety or other person, the issuer of such bond shall have waived in writing any rights in or to, or other interest in, any of the Collateral in an agreement, in form and substance satisfactory to Agent in good faith;

(h) liens arising from (i) operating leases and the precautionary UCC financing statement filings in respect thereof and (ii) equipment or other materials which are not owned by any Borrower or Guarantor located on the premises of such Borrower or Guarantor (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of business and consistent with current practices of such Borrower or Guarantor and the precautionary UCC financing statement filings in respect thereof;

(i) liens or rights of setoff against credit balances of Borrowers with Credit Card Issuers or Credit Card Processors or amounts owing by such Credit Card Issuers or Credit Card Processors to Borrower in the ordinary course of business, but not liens on or rights of setoff against any other property or assets of Borrowers, pursuant to the Credit Card Agreements (as in effect on the date hereof) to secure the obligations of Borrowers to the Credit Card Issuers or Credit Card Processors as a result of fees and chargebacks;

(j) statutory or common law liens or rights of setoff of depository banks with respect to funds of Borrowers or Guarantors at such banks to secure fees and charges in connection with returned items or the standard fees and charges of such banks in connection with the deposit accounts maintained by Borrowers and Guarantors at such banks (but not any other Indebtedness or obligations);

(k) deposits of cash with the owner or lessor of premises leased and operated by Borrowers in the ordinary course of the business of Borrowers to secure the performance by Borrowers of their respective obligations under the terms of the lease for such premises;

(l) judgments and other similar liens arising in connection with court proceedings that do not constitute an Event of Default, provided that, (i) such liens are being contested in good faith and by appropriate proceedings diligently pursued and available to such Borrower, Guarantor or Subsidiary, (ii) adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor, (iii) a stay of enforcement of any such liens is in effect and (iv) Agent may establish a Reserve with respect thereto (which Reserve shall be terminated simultaneously with the payment and satisfaction in full of the Indebtedness secured thereby and the receipt by Agent of evidence thereof satisfactory to Agent or may be used by Agent to pay such Indebtedness after notice to Borrower Agent in the event of the commencement or threatened commencement (to the extent such threat is imminent as determined in good faith by Agent) of any action by the party to whom such Indebtedness is owed to exercise its remedies with respect thereto or to the extent necessary for Agent to exercise any of its rights or remedies); and

(m) the security interests and liens set forth on Schedule 8.4 to the Information Certificate;

(n) the security interests and liens of the Noteholder Collateral Agent in the Collateral pursuant to the Black Canyon Security Agreement to secure (i) the Indebtedness of Operating and the Black Canyon Guarantors under the Black Canyon Documents to the extent such Indebtedness is permitted under Section 9.9(r) hereof and (ii) the Indebtedness of Intermediate evidenced by the remaining portion of the 16% Senior Discount Notes on an equal and ratable basis to the extent such Indebtedness is permitted under Section 9.9(q) hereof, which security interests and liens of the Noteholder Collateral Agent are and shall at all times be junior and subordinate to the security interests and liens of Agent pursuant to the Black Canyon Intercreditor Agreement;

(o) the security interests and liens of the financial institution or institutions providing the Indebtedness permitted pursuant to Section 9.9(t) hereof on the Intellectual Property and all other Collateral, in each case to secure the Indebtedness of Borrowers and Guarantors permitted under Section 9.9(t) hereof, which security interests and liens of such financial institution or institutions shall at all times be subject to an intercreditor agreement on terms and conditions reasonably acceptable to Agent, including a subordinate and junior lien of such financial institution or institutions as to all Collateral (other than Intellectual Property) and the priority of the security interests and liens of such financial institution or institutions as to the Intellectual Property and the right of Agent to use the Intellectual Property to realize on the Collateral.

9.9 Indebtedness. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary to, incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly), the Indebtedness, performance, obligations or dividends of any other Person, except:

(a) the Obligations;

(b) purchase money Indebtedness (including Capital Leases) arising after the date hereof to the extent secured by purchase money security interests in Equipment (including Capital Leases) and purchase money mortgages on Real Property not to exceed \$20,000,000 in the aggregate at any time outstanding so long as such security interests and mortgages do not apply to any property of such Borrower, Guarantor or Subsidiary other than the Equipment or Real Property so acquired, and the Indebtedness secured thereby does not exceed the cost of the Equipment or Real Property so acquired, as the case may be;

(c) guarantees by any Borrower or Guarantor of the Obligations of the other Borrowers or Guarantors in favor of Agent for the benefit of Lenders;

(d) unsecured guarantees by Parent or a Borrower of the obligations of a Borrower arising pursuant to a lease or license by a third party in a bona fide arm's length transaction of real property for use as a retail store location in the ordinary course of the business of such Borrower; provided, that, (i) the Person issuing such guarantee is permitted hereunder to incur directly the obligation that is being guaranteed and (ii) as of the date on which such guarantee is issued no Event of Default exists or has occurred and is continuing;

(e) unsecured guarantees by any Borrower or Guarantor of the obligations to a third party of any other Borrower or Guarantor (other than Parent); provided, that, (i) the Person issuing such guarantee is permitted hereunder to incur directly the Indebtedness that is being guaranteed, and (ii) as of the date on which such guarantee is issued, no Event of Default exists or has occurred and is continuing;

(f) the Indebtedness of any Borrower or Guarantor to any other Borrower or Guarantor arising after the date hereof pursuant to loans by any Borrower or Guarantor permitted under Section 9.10(g) hereof;

(g) unsecured Indebtedness of any Borrower or Guarantor arising after the date hereof to any third party (but not to any other Borrower or Guarantor and other than any Indebtedness permitted under Sections 9.9(h) or 9.9(i) below) pursuant to loans in cash or other immediately available funds by such person to such Borrower or Guarantor, provided, that, each of the following conditions is satisfied as determined by Agent: (i) such Indebtedness shall be on terms and conditions reasonably acceptable to Agent, (ii) in no event shall any Borrower or Guarantor make, or be required to make under the terms thereof, payments in respect of such Indebtedness prior to the date one hundred eighty (180) days after the end of the then current term of this Agreement (other than regularly scheduled payments of interest and fees or payments pursuant to the issuance of additional Indebtedness on substantially the same terms as the initial Indebtedness), (iii) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of such Borrower or Guarantor to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent the amount of such Indebtedness, the person or persons to whom such Indebtedness will be owed, the interest rate, the schedule of repayments and maturity date with respect thereto and such other information as Agent may reasonably request with respect thereto, (iv) Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, (v) except as Agent may otherwise agree in writing, all of the proceeds of the loans or other accommodations giving rise to such Indebtedness shall be paid to

Agent for application to the Obligations in such order and manner as Agent may determine, (vi) the aggregate principal amount of all such Indebtedness shall not exceed \$20,000,000, (vii) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred, (viii) such Borrower and Guarantor shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto, except, that, such Borrower or Guarantor may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness (except pursuant to regularly scheduled payments permitted herein), or set aside or otherwise deposit or invest any sums for such purpose, and (ix) Borrowers and Guarantors shall furnish to Agent all notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be;

(h) unsecured Indebtedness of Parent arising after the date hereof to any Person (but not to any other Borrower or Guarantor and other than any Indebtedness permitted under Sections 9.9(g) above or 9.9(i) below) pursuant to loans in cash or other immediately available funds by such person to Parent, provided, that, each of the following conditions is satisfied as determined by Agent: (i) such Indebtedness shall be on terms and conditions reasonably acceptable to Agent, (ii) in no event shall any Borrower or Guarantor make, or be required to make under the terms thereof, payments in respect of such Indebtedness prior to the termination of this Agreement and the payment in full in cash or other immediately available funds of all of the Obligations (other than payments pursuant to the issuance of additional Indebtedness by Parent on substantially the same terms as the initial Indebtedness), (iii) Agent shall have received prior written notice of the intention of Parent to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent the amount of such Indebtedness, the person or persons to whom such Indebtedness will be owed, the interest rate, the schedule of repayments and maturity date with respect thereto and such other information as Agent may reasonably request with respect thereto, (iv) Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, (v) Parent shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto, except, that, Parent may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness (except pursuant to payments in the form permitted herein), or set aside or otherwise deposit or invest any sums for such purpose, and (vi) Borrowers and Guarantors shall furnish to Agent all notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be;

(i) unsecured Indebtedness of Operating arising after the date hereof to TPG Partners, any Affiliate of TPG Partners or any third party to the extent such Indebtedness of Operating to such third party is guaranteed by TPG Partners or any Affiliate of TPG Partners (other than any Indebtedness permitted under Sections 9.9(g) or 9.9(h) above) pursuant to loans in cash or other immediately available funds by such person to Operating, provided, that, each of the following conditions is satisfied as determined by Agent: (i) such Indebtedness shall be on terms and conditions reasonably acceptable to Agent, and such Indebtedness shall be subject and subordinate in right of payment to the right of Agent and Lenders to receive the prior indefeasible payment and satisfaction in full in cash or other immediately available funds of all of the Obligations pursuant to the terms of an intercreditor agreement between Agent and the person to whom such Indebtedness is owed, in form and substance satisfactory to Agent, (ii) Agent shall have received prior written notice of the intention of Operating to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent the amount of such Indebtedness, the person or persons to whom such Indebtedness will be owed, the interest rate, the schedule of repayments and maturity date with respect thereto and such other information as Agent may reasonably request with respect thereto, (iii) Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, (iv) Operating shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto, except, that, Operating may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness (except pursuant to regularly scheduled payments that may be permitted under the terms of the intercreditor agreement referred to above), or set aside or otherwise deposit or invest any sums for such purpose, and (v) Borrowers and Guarantors shall furnish to Agent all notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be;

(j) Indebtedness of Parent evidenced by the Senior Discount Debentures as in effect on the date hereof or as permitted to be amended pursuant to the terms hereof, provided, that:

(i) the aggregate amount of such Indebtedness shall not exceed \$25,000,000, less the aggregate amount of all repayments or redemptions, whether optional or mandatory, in respect thereof, plus interest thereon at the rate provided for in the Senior Discount Debentures as in effect on the date hereof,

(ii) the Credit Facility is and shall at all times continue to be the "New Credit Facility" as such term is defined in the Senior Debenture Indenture as in effect on the date hereof and is and shall be entitled to all of the rights and benefits thereof, if any, under the Senior Debenture Indenture as in effect on the date hereof,

(iii) Borrowers and Guarantors shall not, directly or indirectly, make any payments in respect of such Indebtedness, except that they may make (A) regularly scheduled payments of interest and fees, if any, in respect of such Indebtedness when due in accordance with the terms of the Senior Discount Debentures and the Senior Debenture Indenture, in each case as in effect on the date hereof and any reasonable and customary fees required to be paid to holders of the Senior Discount Debentures in connection with a consent solicitation and (B) payments permitted under clause (j)(v) below of this Section 9.9,

(iv) Borrowers and Guarantors shall not, directly or indirectly, amend, modify, alter or change, in each case, in any material respect any terms of such Indebtedness or any of the Senior Discount Debentures, the Senior Debenture Indenture or any related agreements, documents and instruments, except that Borrowers and Guarantors may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness other than pursuant to payments thereof, or to reduce the interest rate or any fees in connection therewith, or to eliminate any covenants contained therein, or make any such covenants less restrictive or otherwise more favorable to any Borrower or Guarantor, and

(v) Borrowers and Guarantors shall not, directly or indirectly, redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness other than at maturity (as set forth in the Senior Debenture Indenture as in effect on the date hereof or as extended after the date hereof), or set aside or otherwise deposit or invest any sums for such purpose, except that

(A) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness with Refinancing Indebtedness with respect thereto to the extent permitted under Section 9.9(o) hereof,

(B) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any portion of such Indebtedness with the net proceeds of the issuance and sale of Capital Stock of Parent or Operating permitted hereunder received by such Borrower or Guarantor in cash or other immediately available funds, provided, that, as of the date of any such redemption or purchase or any payment in respect thereof and after giving effect thereto, (1) Borrowers and Guarantors shall have complied with all of the requirements of Sections 9.7(b)(iii)(A), (B), (C) and (E) with respect to such issuance and sale of Capital Stock and in addition to such requirements, the notice provided to Agent pursuant thereto shall specify that the proceeds are to be used for the redemption, retirement, defeasance, purchase or acquisition of all or any part all of such Indebtedness (and shall specify which of the foregoing is intended), the maximum amount that Borrowers and Guarantors will pay in respect thereof and the range of the principal amount of the Senior Discount Debentures that Borrowers and Guarantors anticipate will be so redeemed, retired, defeased, purchased or otherwise acquired, (2) the redemption, retirement, defeasance, repurchase or acquisition of all or any part of such Indebtedness shall be substantially contemporaneous with the issuance and sale of the Capital Stock of Parent or Operating subject to such notice provided to Agent, (3) as of the date of any such payment and after giving effect thereto, there shall be Excess Availability, and (4) as of the date of any such payment and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing,

(C) Borrowers or Guarantors may redeem or repurchase such Indebtedness in cash or other immediately available funds (other than with proceeds of the issuance and sale of Capital Stock of Parent or Operating as provided in clause (B) above); provided, that, (1) Borrower Agent shall have provided to Agent not less than ten (10) Business Days' notice of the intention of such Borrower or Guarantor to redeem or repurchase such Indebtedness (specifying the amount to be paid by Borrowers or Guarantors and the principal amount of the Senior Discount Debentures that Borrowers and Guarantors anticipate will be so redeemed or repurchased), (2) for the two consecutive month period immediately prior to the date of any payment in respect of such redemption or repurchase, Excess Availability shall have been not less than \$30,000,000, (3) Agent shall have received, not more than twenty (20) Business Days prior to such payment and not less than five (5) Business Days prior to such payment, current, updated projections of the amount of the Borrowing Base and Excess Availability for the one month period after the date of any payment in respect of such redemption or repurchase, in a form reasonably satisfactory to Agent, representing Borrowers' reasonable best estimate of the future Borrowing Base and Excess Availability for the period set forth therein as of the date not more than ten (10) days prior to the date of the payment in respect of such redemption and repurchase, which projections shall have been prepared on the basis of the assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions, (4) the amount of the Excess Availability as set forth in such projections for such one month period shall be not less than \$20,000,000, and (5) as of the date of any such payment and after giving effect thereto, no Default or Event of Default exists or has occurred and is continuing;

(k) intentionally omitted;

(l) contingent Indebtedness arising pursuant to the guarantee existing on the date hereof by any Subsidiary of Operating of the Indebtedness of Operating evidenced by the 10 3/8% Subordinated Notes to the extent such Indebtedness of Operating is permitted hereunder, set forth in the 10 3/8% Subordinated Note Indenture as in effect on the date hereof;

(m) Indebtedness incurred in respect of workers' compensation claims, self-insurance obligations, performance, surety and similar bonds and completion guarantees provided by a Borrower or Guarantor in the ordinary course of business consistent with current practices as of the date hereof;

(n) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (other than daylight overdrafts and drafts in the controlled disbursement accounts to be covered by Revolving Loans) inadvertently drawn against insufficient funds in the ordinary course of business; provided, that, such Indebtedness shall be repaid within five (5) days of its incurrence and shall not exceed \$1,000,000 outstanding at any one time;

(o) Indebtedness of Parent, Operating or Intermediate, as the case may be, arising after the date hereof issued in exchange for, or the proceeds of which are used to extend, refinance, replace or substitute for Indebtedness permitted under Sections 9.9(j), 9.9(q), 9.9(r), 9.9(s), 9.9(t) or 9.9(u) hereof (the "Refinancing Indebtedness"); provided, that, as to any such Refinancing Indebtedness, each of the following conditions is satisfied: (i) Agent shall have

received not less than ten (10) Business Days' prior written notice of the intention to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent, the amount of such Indebtedness, the schedule of repayments and maturity date with respect thereto and such other information with respect thereto as Agent may reasonably request, (ii) promptly upon Agent's request, Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto, (iii) the Refinancing Indebtedness shall have a Weighted Average Life to Maturity and a final maturity equal to or greater than the Weighted Average Life to Maturity and the final maturity, respectively, of the Indebtedness being extended, refinanced, replaced, or substituted for, (iv) the Refinancing Indebtedness shall rank in right of payment no more senior than, and be at least as subordinated (if subordinated) to, the Obligations as the Indebtedness being extended, refinanced, replaced or substituted for, (v) the Refinancing Indebtedness shall not include terms and conditions with respect to any Borrower or Guarantor which are more burdensome or restrictive in any material respect than those included in the Indebtedness so extended, refinanced, replaced or substituted for, (vi) such Indebtedness incurred by any Borrower or Guarantor shall be at rates and with fees or other charges that are commercially reasonable, (vii) the incurring of such Indebtedness shall not result in an Event of Default, (viii) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of the Indebtedness so extended, refinanced, replaced or substituted for (plus the amount of refinancing fees and expenses incurred in connection therewith outstanding on the date of such event), (ix) Borrowers and Guarantors may only make payments of principal, interest and fees, if any, in respect of such Indebtedness to the extent such payments would have been permitted hereunder in respect of the Indebtedness so extended, refinanced, replaced or substituted for (and except as otherwise permitted below), (x) Borrowers and Guarantors shall not, directly or indirectly, (A) amend, modify, alter or change any terms of the agreements with respect to such Refinancing Indebtedness, except that Borrowers and Guarantors may, after prior written notice to Agent, amend, modify, alter or change the terms thereof to the extent permitted with respect to the Indebtedness so extended, refinanced, replaced or substituted for, or (B) redeem, retire, defease, purchase or otherwise acquired such Indebtedness, or set aside or otherwise deposit or invest any sums for such purpose (other than with Refinancing Indebtedness to the extent permitted herein and to the extent permitted with respect to the Indebtedness so extended, refinanced, replaced or substituted for), and (xi) Borrowers and Guarantors shall furnish to Agent copies of all material notices or demands in connection with Indebtedness received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be; and

(p) the Indebtedness set forth on Schedule 9.9 to the Information Certificate; provided, that, (i) Borrowers and Guarantors may only make regularly scheduled payments of principal and interest in respect of such Indebtedness in accordance with the terms of the agreement or instrument evidencing or giving rise to such Indebtedness as in effect on the date hereof, (ii) Borrowers and Guarantors shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto as in effect on the date hereof except, that, Borrowers and Guarantors may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the

interest rate or any fees in connection therewith, or (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness, or set aside or otherwise deposit or invest any sums for such purpose, and (iii) Borrowers and Guarantors shall furnish to Agent all notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf, promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf, concurrently with the sending thereof, as the case may be.

(q) Indebtedness of Intermediate evidenced by the 16% Senior Discount Notes as in effect on the date hereof or as permitted to be amended pursuant to the terms hereof, provided, that:

(i) the aggregate amount of such Indebtedness shall not exceed \$75,000,000, plus Contingent Principal, less the aggregate amount of all repayments or redemptions, whether optional or mandatory, in respect thereof, plus interest thereon at the rate provided for in the 16% Senior Discount Note Indenture as in effect on the date hereof;

(ii) the Credit Facility is and shall at all times continue to be the "New Credit Facility" as such term is defined in the 16% Senior Discount Note Indenture as in effect on the date hereof and is and shall be entitled to all of the rights and benefits thereof, if any, under the 16% Senior Discount Note Indenture as in effect on the date hereof,

(iii) Borrowers and Guarantors shall not, directly or indirectly, make any payments in respect of such Indebtedness, except that (A) they may make regularly scheduled payments of interest by capitalizing such interest and adding such capitalized amount to the outstanding principal amount of such Indebtedness, and fees, if any, in respect of such Indebtedness when due in accordance with the terms of the 16% Senior Discount Notes in effect on the date hereof and the 16% Senior Discount Note Indenture as in effect on the date hereof, in each case in accordance with the terms of the Exchange Offer Documents as in effect on the date hereof and any reasonable and customary fees required to be paid to holders of the 16% Senior Discount Notes in connection with a consent solicitation, it being understood and agreed that in no event shall the provisions of the 16% Senior Discount Notes as in effect on the date hereof and the 16% Senior Discount Note Indenture as in effect on the date hereof with respect thereto, vary from the provisions of the Exchange Offer Documents and (B) payments permitted under clause (q)(v) below of this Section 9.9 ,

(iv) Borrowers and Guarantors shall not, directly or indirectly, amend, modify, alter or change, in each case, in any material respect any terms of such Indebtedness or any of the 16% Senior Discount Notes, the 16% Senior Discount Note Indenture or any related agreements, documents and instruments, except that Borrowers and Guarantors may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness other than pursuant to payments thereof, or to reduce the interest rate or any fees in connection therewith, or to eliminate any covenants contained therein, or make any such covenants less restrictive or otherwise more favorable to any Borrower or Guarantor, and

(v) Borrowers and Guarantors shall not, directly or indirectly, redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness other than at maturity (as set forth in the 16% Senior Discount Note Indenture as in effect on the date hereof or as extended after such date), or set aside or otherwise deposit or invest any sums for such purpose, except that

(A) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness with Refinancing Indebtedness with respect thereto to the extent permitted under Section 9.9(o) hereof,

(B) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any portion of such Indebtedness with the net proceeds of the issuance and sale of Capital Stock of Parent or Operating permitted hereunder received by such Borrower or Guarantor in cash or other immediately available funds; provided, that, as of the date of any such redemption or purchase or any payment in respect thereof and after giving effect thereto, (1) Borrowers and Guarantors shall have complied with all of the requirements of Sections 9.7(b)(iii)(A), (B), (C) and (E) with respect to such issuance and sale of Capital Stock and in addition to such requirements, the notice provided to Agent pursuant thereto shall specify that the proceeds are to be used for the redemption, retirement, defeasance, purchase or acquisition of all or any part all of such Indebtedness (and shall specify which of the foregoing is intended), the maximum amount that Borrowers and Guarantors will pay in respect thereof and the range of the principal amount of the 16% Senior Discount Notes that Borrowers and Guarantors anticipate will be so redeemed, retired, defeased, purchased or otherwise acquired, (2) the redemption, retirement, defeasance, repurchase or acquisition of all or any part of such Indebtedness shall be substantially contemporaneous with the issuance and sale of the Capital Stock of Parent or Operating subject to such notice provided to Agent, (3) as of the date of any such payment and after giving effect thereto, there shall be Excess Availability, and (4) as of the date of any such payment and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, and

(C) Borrowers or Guarantors may redeem or repurchase such Indebtedness in cash or other immediately available funds (other than with proceeds of the issuance and sale of Capital Stock of Parent or Operating as provided in clause (B) above); provided, that, (1) Borrower Agent shall have provided to Agent not less than ten (10) Business Days' notice of the intention of such Borrower or Guarantor to redeem or purchase such Indebtedness (specifying the amount to be paid by Borrowers or Guarantors and the principal amount of the 16% Senior Discount Notes that Borrowers and Guarantors anticipate will be so redeemed or repurchased), (2) for the two consecutive month period immediately prior to the date of any payment in respect of such redemption or repurchase, Excess Availability shall have been not less than \$30,000,000, (3) Agent shall have received, not more than twenty (20) Business Days prior to such payment and not less than five (5) Business Days prior to such payment, current, updated projections of the amount of the Borrowing Base and Excess Availability for the one month period after the date of any payment in respect of such redemption or repurchase, in a form reasonably satisfactory to Agent, representing Borrowers' reasonable best estimate of the future Borrowing Base and Excess Availability for the period set forth therein as of the date not more than ten (10) days prior to the date of the payment in respect of such redemption and repurchase, which projections shall have been prepared on the basis of the

assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions, and (4) the amount of the Excess Availability as set forth in such projections for such one month period shall be not less than \$20,000,000, and (5) as of the date of any such payment and after giving effect thereto, no Default or Event of Default exists or has occurred and is continuing;

(r) Indebtedness of Operating arising on the Black Canyon Closing Date under the Black Canyon Credit Agreement (or under the Black Canyon Indenture upon its execution and delivery after the Black Canyon Closing Date), provided, that:

(i) the aggregate amount of such Indebtedness shall not exceed \$275,000,000 (or such greater amount as is permitted below), less the aggregate amount of all repayments or redemptions, whether optional or mandatory, in respect thereof, plus interest thereon at the rate provided for in the Black Canyon Credit Agreement (or provided for in the Black Canyon Indenture upon its execution and delivery after the date hereof), except, that, at the option of Borrowers, the aggregate principal amount of such Indebtedness outstanding at such time may be increased, provided, that, (A) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of Borrowers to exercise such option, which notice shall specify the then current amounts of such Indebtedness, the amount of such increase and such other information with respect thereto as Agent may reasonably request, (B) each of the conditions to any such increase under the terms of the Black Canyon Credit Agreement as in effect on the date hereof have been satisfied and Agent shall have received such evidence thereof as Agent may request, (C) such Indebtedness shall be on the same terms and conditions as the Indebtedness of Borrowers under the Black Canyon Credit Agreement as in effect on the date hereof (or as permitted to be amended hereunder) or the same terms and conditions of the Black Canyon Indenture (as such terms and conditions are permitted hereunder) or terms and conditions more favorable to Borrowers and Guarantors and subject in all respects to the Black Canyon Intercreditor Agreement or other intercreditor agreements no less favorable to Agent in any respect, (D) Agent shall receive written confirmation from Borrower Agent that Borrowers have received the proceeds of the loans in immediately available funds giving rise to such increase in Indebtedness promptly upon the receipt thereof and the amount of such funds, (E) in no event shall the aggregate amount of all such increases exceed at any time the amount equal to \$50,000,000 minus the amount of the outstanding Indebtedness permitted under Section 9.9(u) hereof, (F) after giving effect to any such increase, Excess Availability shall be not less than \$20,000,000 and (G) as of the date of such increase and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing,

(ii) the Credit Facility is and shall at all times continue to be the "Congress Credit Facility" as such term is defined in the Black Canyon Documents and the Obligations are and shall at all times constitute "Senior Debt" and "Designated Senior Debt" as each of such terms is defined in the Black Canyon Documents and is and shall be entitled to all of the rights and benefits thereof, if any, under the Black Canyon Documents,

(iii) Borrowers and Guarantors shall not, directly or indirectly, make any payments in respect of such Indebtedness, except that (A) they may make regularly scheduled payments of interest and fees, if any, in respect of such Indebtedness when due in accordance with the terms of the Black Canyon Credit Agreement (or in accordance with the terms of the

Black Canyon Indenture upon its execution and delivery after the Black Canyon Closing Date), and any reasonable and customary fees required to be paid to lenders or holders of the Indebtedness of Operating under the Black Canyon Documents and (B) payments permitted under clause (r)(v) below of this Section 9.9,

(iv) Borrowers and Guarantors shall not, directly or indirectly, amend, modify, alter or change, in each case, in any material respect any terms of such Indebtedness or any of the Black Canyon Documents or any related agreements, documents and instruments, except that Borrowers and Guarantors may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness other than pursuant to payments thereof, or to reduce the interest rate or any fees in connection therewith, or to eliminate any covenants contained therein, or make any such covenants less restrictive or otherwise more favorable to any Borrower or Guarantor or to execute and deliver a loan guarantee in the form attached as Exhibit B to the Black Canyon Credit Agreement (or the equivalent form attached to the Black Canyon Indenture), and

(v) Borrowers and Guarantors shall not, directly or indirectly, redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness other than at maturity (as set forth in the Black Canyon Credit Agreement or the Black Canyon Indenture upon its execution and delivery after the Black Canyon Closing Date), or set aside or otherwise deposit or invest any sums for such purpose, except that

(A) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any part of such Indebtedness with Refinancing Indebtedness with respect thereto to the extent permitted under Section 9.9(o) hereof,

(B) Borrowers or Guarantors may redeem, retire, defease, purchase or otherwise acquire all or any portion of such Indebtedness with the net proceeds of the issuance and sale of Capital Stock of Parent or Operating permitted hereunder received by such Borrower or Guarantor in cash or other immediately available funds; provided, that, as of the date of any such redemption or purchase or any payment in respect thereof and after giving effect thereto, (1) Borrowers and Guarantors shall have complied with all of the requirements of Sections 9.7(b)(iii)(A), (B), (C) and (E) with respect to such issuance and sale of Capital Stock and in addition to such requirements, the notice provided to Agent pursuant thereto shall specify that the proceeds are to be used for the redemption, retirement, defeasance, purchase or acquisition of all or any part all of such Indebtedness (and shall specify which of the foregoing is intended), the maximum amount that Borrowers and Guarantors will pay in respect thereof and the range of the principal amount of such Indebtedness that Borrowers and Guarantors anticipate will be so redeemed, retired, defeased, purchased or otherwise acquired, (2) the redemption, retirement, defeasance, repurchase or acquisition of all or any part of such Indebtedness shall be substantially contemporaneous with the issuance and sale of the Capital Stock of Parent or Operating subject to such notice provided to Agent, (3) as of the date of any such payment and after giving effect thereto, there shall be Excess Availability, and (4) as of the date of any such payment and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, and

(C) Borrowers or Guarantors may redeem or repurchase such Indebtedness in cash or other immediately available funds (other than with proceeds of the issuance and sale of Capital Stock of Parent or Operating as provided in clause (B) above); provided, that, (1) Borrower Agent shall have provided to Agent not less than ten (10) Business Days' notice of the intention of such Borrower or Guarantor to redeem or repurchase such Indebtedness (specifying the amount to be paid by Borrowers or Guarantors and the principal amount of such Indebtedness that Borrowers and Guarantors anticipate will be so redeemed or repurchased), (2) for the two consecutive month period immediately prior to the date of any payment in respect of such redemption or repurchase, Excess Availability shall have been not less than \$30,000,000, (3) Agent shall have received, not more than ten (10) Business Days prior to such payment and not less than five (5) Business Days prior to such payment, current, updated projections of the amount of the Borrowing Base and Excess Availability for the one month period after the date of any payment in respect of such redemption or repurchase, in a form reasonably satisfactory to Agent, representing Borrowers' reasonable best estimate of the future Borrowing Base and Excess Availability for the period set forth therein as of the date not more than ten (10) days prior to the date of the payment in respect of such redemption and repurchase, which projections shall have been prepared on the basis of the assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions, (4) the amount of the Excess Availability as set forth in such projections for such one month period shall be not less than \$20,000,000, and (5) as of the date of any such payment and after giving effect thereto, no Default or Event of Default exists or has occurred and is continuing.

(s) contingent Indebtedness arising pursuant to the guarantees existing on November 24, 2004 by the Black Canyon Guarantors (or thereafter pursuant to any person that becomes a Black Canyon Guarantor after November 24, 2004 in accordance with the terms of the Black Canyon Documents) of the Indebtedness of Operating arising under the Black Canyon Documents to the extent such Indebtedness of Operating is permitted hereunder, set forth in the Black Canyon Credit Agreement, or on substantially the same terms, in the Black Canyon Indenture upon the execution and delivery thereof.

(t) Indebtedness of any Borrower or Guarantor arising after the date hereof to any financial institution or institutions pursuant to loans in cash or other immediately available funds by such institution or institutions to such Borrower or Guarantor, provided, that, each of the following conditions is satisfied as determined by Agent: (i) such Indebtedness shall be owing to a financial institution or institutions reasonably acceptable to Agent, (ii) in no event shall any Borrower or Guarantor make, or be required to make under the terms thereof, any payments in respect of such Indebtedness prior to the date one hundred eighty (180) days after the end of the then current term of this Agreement, except for (A) regularly scheduled payments of interest and (B) regularly scheduled payments of principal so long as the aggregate amount of such payments of principal in any twelve (12) consecutive month period (but not including payments on the final maturity date of such Indebtedness) do not exceed \$10,000,000 (provided, that, the amount of any such payments of principal in excess of \$2,500,000 to be made in any such twelve (12) month period shall be included in the calculation of the Fixed Interest Charge Coverage Ratio as provided herein), (iii) the terms and conditions of such Indebtedness shall be on "market" terms (based on the market for a secured term loan provided in conjunction with an asset-based facility of the type provided for in this Agreement) and otherwise on commercially

reasonable rates and terms in a bona fide transaction, (iv) such Indebtedness shall be secured only by a first priority security interest in the Intellectual Property and a security interest in such other Collateral as such financial institution or institutions may require which is subordinate and junior in all respects to the security interest and lien of Agent therein, (v) Agent shall have received an intercreditor agreement, in form and substance reasonably satisfactory to Agent, duly authorized, executed and delivered by the persons to whom such Indebtedness is owed, and acknowledged and agreed to by Borrowers and Guarantors, (vi) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of such Borrower or Guarantor to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent the amount of such Indebtedness, the person or persons to whom such Indebtedness will be owed, the interest rate, the schedule of repayments and maturity date with respect thereto and such other information as Agent may reasonably request with respect thereto, (vii) on and after the incurrence of such Indebtedness, the Adjusted Borrowing Base shall be used for purposes hereof and as of the date of incurring such Indebtedness, immediately after giving effect to the Adjusted Borrowing Base, Excess Availability shall be not less than \$20,000,000, (viii) Agent shall have received true, correct and complete copies of all material agreements, documents and instruments evidencing or otherwise related to such Indebtedness and such other agreements, documents and instruments as Agent may reasonably request, (ix) the net cash proceeds of such loans received by the Borrowers shall not be less than \$20,000,000 and shall not exceed \$80,000,000, (x) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (xi) such Borrower and Guarantor shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto, except, that, such Borrower or Guarantor may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or in such other manner as Agent may agree or (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness (except pursuant to regularly scheduled payments permitted herein), or set aside or otherwise deposit or invest any sums for such purpose, and (xii) Borrowers and Guarantors shall furnish to Agent all material notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be;

(u) Indebtedness of any Borrower or Guarantor arising after the date hereof to any financial institution or institutions pursuant to loans in cash or other immediately available funds by such institution or institutions to such Borrower or Guarantor, provided, that, each of the following conditions is satisfied as determined by Agent: (i) such Indebtedness shall be owing to a financial institution or institutions reasonably acceptable to Agent, (ii) each of the conditions to any increase in the amount of Indebtedness under the terms of the Black Canyon Credit Agreement as in effect on the date hereof shall have been satisfied and Agent shall have received such evidence thereof as Agent may request, (iii) such Indebtedness shall be on the same terms and conditions as the Indebtedness of Borrowers under the Black Canyon Credit Agreement as in effect on the date hereof (or as permitted to be amended hereunder) or the terms and conditions of the Black Canyon Indenture (as such terms and conditions are permitted hereunder) or terms and conditions more favorable to Borrowers and Guarantors, (iv) Agent shall

have received an intercreditor agreement, in form and substance satisfactory to Agent, duly authorized, executed and delivered by the persons to whom such Indebtedness is owed, and acknowledged and agreed to by Borrowers and Guarantors, which shall be no less favorable to Agent and Lenders than the Black Canyon Intercreditor Agreement, (v) Agent shall receive written confirmation from Borrower Agent that Borrowers have received the proceeds of the loans in immediately available funds giving rise to such Indebtedness on the date of the receipt thereof and the amount of such funds, (vi) in no event shall the aggregate amount of all such Indebtedness exceed at any time the amount equal to \$50,000,000 minus the amount of all increases in the Indebtedness permitted under Section 9.9(r)(i) hereof above, (vii) after giving effect to any such Indebtedness, Excess Availability shall be not less than \$20,000,000, (viii) Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of such Borrower or Guarantor to incur such Indebtedness, which notice shall set forth in reasonable detail satisfactory to Agent the amount of such Indebtedness, the person or persons to whom such Indebtedness will be owed, the interest rate, the schedule of repayments and maturity date with respect thereto and such other information as Agent may reasonably request with respect thereto, (ix) Agent shall have received true, correct and complete copies of all material agreements, documents and instruments evidencing or otherwise related to such Indebtedness and such other agreements, documents and instruments as Agent may reasonably request, (x) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (xi) such Borrower and Guarantor shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto, except, that, such Borrower or Guarantor may, after prior written notice to Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or in such other manner as Agent may agree, (B) redeem, retire, defease, purchase or otherwise acquire such Indebtedness (except pursuant to regularly scheduled payments permitted herein), or set aside or otherwise deposit or invest any sums for such purpose, and (xii) Borrowers and Guarantors shall furnish to Agent all material notices or demands in connection with such Indebtedness either received by any Borrower or Guarantor or on its behalf promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf concurrently with the sending thereof, as the case may be; and

(v) Indebtedness of any Borrower or Guarantor entered into in the ordinary course of business pursuant to a Hedge Agreement; provided, that, (i) such arrangements are either with Agent, any Lender, or any Affiliate of any Lender or other financial institutions acceptable to Agent (and in each case as to any such Lender, Affiliate or other financial institution only to the extent approved by Agent), (ii) such arrangements are not for speculative purposes, and (iii) such Indebtedness shall be unsecured, except to the extent such Indebtedness constitutes part of the Obligations arising under or pursuant to Hedge Agreements with Agent, any Lender, any Affiliate of any Lender or another financial institution that are secured under the terms hereof.

9.10 Loans, Investments, Etc. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary to, directly or indirectly, make any loans or advance money or property to any person, or invest in (by capital contribution or otherwise) or purchase or repurchase the Capital Stock or Indebtedness or all or a substantial part of the assets or property of any person, or form or acquire any Subsidiaries, or agree to do any of the foregoing, except:

(a) the endorsement of instruments for collection or deposit in the ordinary course of business;

(b) investments in cash or Cash Equivalents, provided, that, (i) no Revolving Loans are then outstanding and (ii) the terms and conditions of Section 5.2 hereof shall have been satisfied with respect to the deposit account, investment account or other account in which such cash or Cash Equivalents are held;

(c) the equity investments of each Borrower and Guarantor in its Subsidiaries, provided, that, no Borrower or Guarantor shall have any further obligations or liabilities to make any capital contributions or other additional investments or other payments to or in or for the benefit of any of such Subsidiaries;

(d) loans and advances by any Borrower or Guarantor to employees of such Borrower or Guarantor not to exceed the principal amount of \$3,000,000 in the aggregate at any time outstanding for: (i) reasonably and necessary work-related travel or other ordinary business expenses to be incurred by such employee in connection with their work for such Borrower or Guarantor and (ii) reasonable and necessary relocation expenses of such employees (including home mortgage financing for relocated employees);

(e) stock or obligations issued to any Borrower or Guarantor by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to such Borrower or Guarantor in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person; provided, that, the original of any such stock or instrument evidencing such obligations shall be promptly delivered to Agent, upon Agent's request, together with such stock power, assignment or endorsement by such Borrower or Guarantor as Agent may request;

(f) obligations of account debtors to any Borrower or Guarantor arising from Accounts which are past due evidenced by a promissory note made by such account debtor payable to such Borrower or Guarantor; provided, that, promptly upon the receipt of the original of any such promissory note by such Borrower or Guarantor, such promissory note shall be endorsed to the order of Agent by such Borrower or Guarantor and promptly delivered to Agent as so endorsed;

(g) loans by Operating to any Subsidiary of Operating (other than an Inactive Subsidiary) or by Intermediate or any Subsidiary of Operating to Operating or any other Subsidiary of Operating (other than an Inactive Subsidiary); provided, that, as to all of such loans, the Indebtedness arising pursuant to any such loan shall not be evidenced by a promissory note or other instrument, unless the single original of such note or other instrument is promptly delivered to Agent upon its request to hold as part of the Collateral, with such endorsement and/or assignment by the payee of such note or other instrument as Agent may require,

(h) the formation by Parent of a direct wholly-owned Subsidiary after the date hereof that is incorporated under the laws of a State of the United States of America; provided, that, each of the following conditions is satisfied: (i) the only asset of such wholly-owned Subsidiary shall be Capital Stock of Operating issued after the date hereof to the extent such issuance is permitted under this Agreement and such Subsidiary shall not engage in any business or commercial activity or own or hold any other assets or properties, (ii) Parent shall cause any such Subsidiary to execute and deliver to Agent, each of the following, in each case in form and substance satisfactory to Agent: (A) an absolute and unconditional guarantee of payment of the Obligations, (B) a security agreement granting to Agent a first security interest in and lien upon all of the assets of any such Subsidiary, and (C) such other agreements, documents and instruments as Agent may require and (iii) Parent shall (A) execute and deliver to Agent, a pledge and security agreement, in form and substance satisfactory to Agent, granting to Agent a first pledge of and lien on all of the issued and outstanding shares of Capital Stock of any such Subsidiary, and (B) deliver the original stock certificates evidencing such shares of Capital Stock (or such other evidence as may be issued in the case of a limited liability company), together with stock powers with respect thereto duly executed in blank (or the equivalent thereof in the case of a limited liability company in which such interests are certificated, or otherwise take such actions as Agent shall require with respect to Agent's security interests therein),

(i) other investments in an aggregate amount not to exceed \$ 1,000,000 at any time outstanding, provided, that, as of the date of any such investment and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing;

(j) the loans and advances set forth on Schedule 9.10 to the Information Certificate; provided, that, as to such loans and advances, Borrowers and Guarantors shall not, directly or indirectly, amend, modify, alter or change the terms of such loans and advances or any agreement, document or instrument related thereto and Borrowers and Guarantors shall furnish to Agent all notices or demands in connection with such loans and advances either received by any Borrower or Guarantor or on its behalf, promptly after the receipt thereof, or sent by any Borrower or Guarantor or on its behalf, concurrently with the sending thereof, as the case may be;

(k) an intercompany loan by Operating to Intermediate on or about the Black Canyon Closing Date with a portion of the proceeds of the loans received by Operating under the Black Canyon Credit Agreement, the proceeds of which shall be used on or about the Black Canyon Closing Date by Intermediate solely to prepay a portion of the 16% Senior Discount Notes, provided, that, the Indebtedness arising pursuant to such loan shall not be evidenced by a promissory note or other instrument, unless the single original of such note or other instrument is promptly delivered to Agent upon its request to hold as part of the Collateral, with such endorsement and/or assignment by the payee of such note or other instrument as Agent may require.

(l) the acquisition after the date of the date hereof by any Borrower or Guarantor of any direct wholly-owned Subsidiary of such Borrower or Guarantor organized under the laws of a jurisdiction in the United States of America; provided, that, as to any such acquisition of any such Subsidiary, each of the following conditions is satisfied:

(i) as of the date of any such acquisition of such Subsidiary or any payments in connection with the acquisition of such Subsidiary, and in each case after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing,

(ii) as of the date of any such acquisition of such Subsidiary or any payments in connection with the acquisition of such Subsidiary, for the two consecutive month period immediately prior to the date of any payment in respect of such redemption or repurchase, Excess Availability shall have been not less than \$30,000,000,

(iii) Agent shall have received, not more than twenty (20) Business Days prior to the acquisition of such Subsidiary or any payment in connection with the acquisition of such Subsidiary, and not less than five (5) Business Days prior to such payment, current, updated projections of the amount of the Borrowing Base and Excess Availability for the one month period after the date of any payment in respect of such acquisition, in a form reasonably satisfactory to Agent, representing Borrowers' reasonable best estimate of the future Borrowing Base and Excess Availability for the period set forth therein as of the date not more than ten (10) days prior to the date of such acquisition or any payment in connection with it, which projections shall have been prepared on the basis of the assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions,

(iv) the amount of the Excess Availability as set forth in such projections for such one month period shall be not less than \$20,000,000,

(v) the Subsidiary acquired shall be engaged in a business related, ancillary or complementary to the business of Borrowers permitted in this Agreement,

(vi) the Borrower or Guarantor forming such Subsidiary shall, except as Agent may otherwise agree, (A) execute and deliver to Agent, a pledge and security agreement, in form and substance satisfactory to Agent, granting to Agent a first pledge of and lien on all of the issued and outstanding shares of Capital Stock of any such Subsidiary, and (B) deliver the original stock certificates evidencing such shares of Capital Stock (or such other evidence as may be issued in the case of a limited liability company), together with stock powers with respect thereto duly executed in blank (or the equivalent thereof in the case of a limited liability company in which such interests are certificated, or otherwise take such actions as Agent shall require with respect to Agent's security interests therein),

(vii) as to any such Subsidiary, except as Agent may otherwise agree, (A) the Borrower or Guarantor forming such Subsidiary shall cause any such Subsidiary to execute and deliver to Agent, the following (each in form and substance satisfactory to Agent), (A) an absolute and unconditional guarantee of payment of the Obligations, (B) a security agreement granting to Agent a first security interest and lien (except as otherwise consented to in writing by Agent) upon all of the assets of any such Subsidiary, and (C) such other agreements, documents and instruments as Agent may reasonably require in connection with the documents referred to above, including, but not limited to, supplements and amendments hereto and other loan agreements or instruments evidencing Indebtedness of such new Subsidiary to Agent,

(viii) Agent shall have received (A) not less than ten (10) Business Days' prior written notice thereof setting forth in reasonable detail the nature and terms thereof, (B) true, correct and complete copies of all material agreements, documents and instruments relating thereto and (C) such other agreements, documents and instruments relating thereto and information with respect thereto as Agent may reasonably request.

9.11 Restricted Payments. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) Parent or Operating may make Restricted Payments with respect to its Capital Stock payable solely in additional shares of its Capital Stock that satisfies the requirements for issuance of Capital Stock by Parent or Operating under Section 9.7(b)(iii) hereof;

(b) Parent may make Restricted Payments with respect to the 14.50% Series A Preferred Stock of Parent and the 14.50% payment-in-kind Series B Redeemable Cumulative Preferred Stock of Parent, payable solely in additional shares of such preferred stock;

(c) Subsidiaries of Operating may make Restricted Payments to Operating and to wholly owned Subsidiaries of Operating (other than Inactive Subsidiaries) and may declare and pay dividends ratably with respect to their common stock;

(d) if at the time thereof and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, Operating may pay cash dividends to Parent, in an aggregate amount not exceeding \$1,500,000 during any fiscal year, at such time and in such amounts as shall be necessary to permit Parent to (i) pay Taxes imposed upon it and liabilities incidental to its existence when due and (ii) pay directors' fees and management compensation to its directors when due; provided, that, any dividends permitted to be paid to Parent shall not be paid prior to the date that Parent will apply the proceeds of such dividends to the purposes for which such dividends are permitted;

(e) Operating and its Subsidiaries may make payments to Parent pursuant to and in accordance with the tax sharing agreement by and among Parent and its Subsidiaries to reimburse Parent for their respective shares of income taxes paid by Parent determined as if Operating or such Subsidiary had filed its tax returns separately from Parent;

(f) (i) Operating may declare and pay a dividend to Parent (directly, or by payment of such dividend to Intermediate), and Intermediate may declare and pay a dividend to Parent, from time to time, (A) in the amount equal to any payment by Parent of cash interest permitted to be made by Parent pursuant to Section 9.9(j) hereof in respect of the Senior Discount Debentures, the proceeds of which shall be used by Parent only to make a payment of the interest then due and payable in accordance with the terms of the Senior Discount Debentures as in effect on the date hereof, and (B) in the amount up to the amount of any prepayments of principal that Parent is then permitted to make in respect of the Senior Discount Debentures under Section 9.9(j)(v)(C) hereof, the proceeds of which shall only be used by Parent to make prepayments of principal under the Senior Discount Debentures to the extent that Parent is

permitted to make such prepayments permitted under Section 9.9(j)(v)(C) hereof and (C) in the amount of the payment of principal required to be made by Parent on the scheduled final maturity date under the Senior Discount Debentures as in effect on the date hereof (or as such maturity date may be extended), the proceeds of which shall only be used by Parent to make such required payment on such scheduled final maturity date and (ii) Operating may declare and pay a dividend to Intermediate, from time to time, (A) in the amount up to the amount of any prepayments of principal that Intermediate is then permitted to make in respect of the 16% Senior Discount Notes under Section 9.9(q)(v)(C) hereof, the proceeds of which shall only be used by Intermediate to make such prepayments permitted under Section 9.9(q)(v)(C) and (B) in the amount of the payment of principal required to be made by Intermediate on the scheduled final maturity date under the 16% Senior Discount Notes as in effect on the date hereof (or as such maturity date may be extended), the proceeds of which shall only be used by Intermediate to make such required payment on such scheduled final maturity date; provided, that, as to any of the dividends referred to in clauses (i)(A) and (i)(C) and (ii)(B) above, any such dividend shall not be paid more than ninety (90) days prior to the date such payment of interest or principal is due and payable and if such dividend is paid by Operating to Parent or Intermediate prior to the date that such interest or principal is due and payable, all such funds shall be held in an investment account or deposit account subject to an Investment Property Control Agreement or Deposit Account Control Agreement, as the case may be, in favor of Agent, as duly authorized, executed and delivered by the financial intermediary where such funds are held, Parent and/or Intermediate and Agent and as to any of the dividends referred to in clause (i)(B) and (ii)(A) above, any such dividend shall not be paid more than five (5) Business Days prior to the date of such prepayment and Agent shall have received not less than ten (10) Business Days' prior written notice of the intention of Operating to pay such dividends, which notice shall set forth the amount thereof that Operating is intending to pay,

(g) Operating may declare and pay to a dividend to Parent from time to time, in each case, in the amount equal to any payment by Parent of cash interest permitted to be made by Parent pursuant to Section 9.9(o) hereof in respect of Refinancing Indebtedness with respect to the Senior Discount Debentures, the proceeds of which shall be used by Parent only to make a payment of the interest then due and payable in accordance with the terms of such Refinancing Indebtedness, provided, that, any such dividend shall not be paid more than ninety (90) days prior to the date such payment of interest is due and payable and if such dividend is paid by Operating to Parent prior to the date that such interest is due and payable, all such funds shall be held in an investment account subject to an Investment Property Control Agreement in favor of Agent, as duly authorized, executed and delivered by the financial intermediary where such funds are held, Parent and Agent;

(h) Borrowers and Guarantors may repurchase Capital Stock consisting of common stock held by employees pursuant to any employee stock ownership plan thereof upon the termination, retirement or death of any such employee in accordance with the provisions of such plan, provided, that, as to any such repurchase, each of the following conditions is satisfied: (i) as of the date of the payment for such repurchase and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (ii) such repurchase shall be paid with funds legally available therefor, (iii) such repurchase shall not violate any law or regulation or the terms of any indenture, agreement or undertaking to which such Borrower or Guarantor is a party or by which such Borrower or Guarantor or its or their property are bound, and (iv) the aggregate amount of all payments for such repurchases in any calendar year shall not exceed \$500,000;

(i) Borrowers and Guarantors may make Restricted Payments for the purpose of paying dividends and paying other distributions in respect of Capital Stock or the repurchase of Capital Stock, provided, that, (A) Borrower Agent shall have provided to Agent not less than ten (10) Business Days' prior written notice of the intention of such Borrower or Guarantor to pay such dividends or other distributions or make such other repurchases (specifying the amount to be paid by Borrowers or Guarantors), (B) for the two consecutive month period immediately prior to the date of any payment in respect of such dividends or other distributions or repurchases, Excess Availability shall have been not less than \$30,000,000, (C) Agent shall have received, not more than twenty (20) Business Days prior to such payment and not less than five (5) Business Days prior to such payment, current, updated projections of the amount of the Borrowing Base and Excess Availability for the one month period after the date of any payment in respect of such dividends, other distributions or repurchases, in a form reasonably satisfactory to Agent, representing Borrowers' reasonable best estimate of the future Borrowing Base and Excess Availability for the period set forth therein as of the date not more than ten (10) days prior to the date of the payment in respect of such dividend or other distributions, which projections shall have been prepared on the basis of the assumptions set forth therein which Borrowers believe are fair and reasonable as of the date of preparation in light of current and reasonably foreseeable business conditions, (D) the amount of the Excess Availability as set forth in such projections for such one month period shall be not less than \$20,000,000, and (E) as of the date of any such payment and after giving effect thereto, no Default or Event of Default exists or has occurred and is continuing.

9.12 Transactions with Affiliates. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary, directly or indirectly, to sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except: (a) transactions in the ordinary course of business that do not involve Parent and are at prices and on terms no less favorable to such Borrower or Guarantor than could be obtained on an arm's-length basis from unrelated third parties or are otherwise permitted under Section 9.9(i) hereof, (b) transactions between and among Operating and the other Borrowers and Guarantors not involving any other Affiliate, and (c) any Restricted Payment permitted by Section 9.11.

9.13 Compliance with ERISA. Each Borrower and Guarantor shall, and shall cause each of its ERISA Affiliates, to: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal and State law; (b) cause each Plan which is qualified under Section 401 (a) of the Code to maintain such qualification; (c) not terminate any of such Plans so as to incur any liability to the Pension Benefit Guaranty Corporation that would have a Material Adverse Effect; (d) not allow or suffer to exist any prohibited transaction involving any of such Plans or any trust created thereunder which would subject such Borrower, Guarantor or such ERISA Affiliate to a material tax or penalty or other material liability on prohibited transactions imposed under Section 4975 of the Code or ERISA; (e) make all required contributions to any Plan which it is obligated to pay under Section 302 of ERISA, Section 412 of the Code or the terms of such Plan; (f) not allow or suffer to exist any accumulated funding deficiency, whether or not waived, with respect to any such Plan; or (g)

allow or suffer to exist any occurrence of a reportable event or any other event or condition which presents a material risk of termination by the Pension Benefit Guaranty Corporation of any such Plan that is a single employer plan, which termination could result in any liability in excess of \$5,000,000.

9.14 End of Fiscal Years; Fiscal Quarters. Each Borrower and Guarantor shall, for financial reporting purposes, cause its, and each of its Subsidiaries' (a) fiscal years to end on the Saturday closest to January 31st of each year and (b) fiscal quarters to end on or around each of April 30th, July 31st, October 31st, and January 31st of each year.

9.15 Credit Card Agreements. Each Borrower shall (a) observe and perform all material terms, covenants, conditions and provisions of the Credit Card Agreements to be observed and performed by it at the times set forth therein; and (b) at all times maintain in full force and effect the Credit Card Agreements and not terminate, cancel, surrender, modify, amend, waive or release any of the Credit Card Agreements, or consent to or permit to occur any of the foregoing; except, that, (i) any Borrower may terminate or cancel any of the Credit Card Agreements in the ordinary course of the business of such Borrower; provided, that, such Borrower shall give Agent not less than fifteen (15) days prior written notice of its intention to so terminate or cancel any of the Credit Card Agreements; (d) not enter into any new Credit Card Agreements with any new Credit Card Issuer unless (i) Agent shall have received not less than thirty (30) days prior written notice of the intention of such Borrower to enter into such agreement (together with such other information with respect thereto as Agent may request) and (ii) such Borrower delivers, or causes to be delivered to Agent, a Credit Card Acknowledgment in favor of Agent, (e) give Agent immediate written notice of any Credit Card Agreement entered into by such Borrower after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as Agent may request; and (f) furnish to Agent, promptly upon the request of Agent, such information and evidence as Agent may require from time to time concerning the observance, performance and compliance by such Borrower or the other party or parties thereto with the terms, covenants or provisions of the Credit Card Agreements.

9.16 Changes in Business. Each Borrower and Guarantor shall not engage in any business other than the business of such Borrower or Guarantor on the date hereof and any business reasonably related, ancillary or complimentary to the business in which such Borrower or Guarantor is engaged on the date hereof. Operating does and shall continue to fund the payments under the Letter of Credit Accommodations and issue checks and other payments for the purchase of substantially all of the Inventory for which the other Borrowers shall repay Operating on a regular basis in a manner consistent with the current practices of Borrowers as of the date hereof.

9.17 Limitation of Restrictions Affecting Subsidiaries. Each Borrower and Guarantor shall not, directly, or indirectly, create or otherwise cause or suffer to exist any encumbrance or restriction which prohibits or limits the ability of any Subsidiary of such Borrower or Guarantor to (a) pay dividends or make other distributions or pay any Indebtedness owed to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor; (b) make loans or advances to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (c) transfer any of its properties or assets to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor; or (d) create, incur, assume or suffer to exist any lien upon any of its property, assets

or revenues, whether now owned or hereafter acquired, other than encumbrances and restrictions arising under (i) applicable law, (ii) this Agreement, (iii) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (iv) customary restrictions on dispositions of real property interests found in reciprocal easement agreements of such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (v) any agreement relating to permitted Indebtedness incurred by a Subsidiary of such Borrower or Guarantor prior to the date on which such Subsidiary was acquired by such Borrower or such Guarantor and outstanding on such acquisition date, and (vi) the extension or continuation of contractual obligations in existence on the date hereof; provided, that, any such encumbrances or restrictions contained in such extension or continuation are no less favorable to Agent and Lenders than those encumbrances and restrictions under or pursuant to the contractual obligations so extended or continued.

9.18 Fixed Interest Charge Coverage Ratio. At any time that Excess Availability is less than \$20,000,000, the Fixed Interest Charge Coverage Ratio of Operating and its Subsidiaries (on a consolidated basis) for the immediately preceding twelve (12) consecutive fiscal months (treated as a single account period) ending on the last day of the most recent fiscal month for which financial statements of Operating and its Subsidiaries have been received by Agent pursuant to Section 9.6(a) shall be not less than 1.10 to 1.00 with respect to such period.

9.19 Capital Expenditures.

(a) Subject to the terms of Section 9.19(b) below, Borrowers and Guarantors shall not permit the aggregate amount of all Capital Expenditures of Borrowers and Guarantors during the fiscal year of Borrowers and Guarantors ending on or about:

(i) January 31, 2005, to exceed \$ 15,000,000;

(ii) January 31, 2006, to exceed the greater of (A) the amount equal to: (1) \$40,000,000 as reduced by the amount by which the EBITDA of Operating and its Subsidiaries for the fiscal year ending January 31, 2005 as set forth in the audited year-end financial statements for such period is less than \$75,000,000 or (B) \$25,000,000;

(iii) January 31, 2007, to exceed the greater of (A) the amount equal to: (1) \$50,000,000 as reduced by the amount by which the EBITDA of Operating and its Subsidiaries for the fiscal year ending January 31, 2006 as set forth in the audited year-end financial statements for such period is less than \$85,000,000 or (B) \$25,000,000;

(iv) January 31, 2008, to exceed the greater of (A) the amount equal to: (1) \$60,000,000 as reduced by the amount by which the EBITDA of Operating and its Subsidiaries for the fiscal year ending January 31, 2007 as set forth in the audited year-end financial statements for such period is less than \$95,000,000 or (B) \$25,000,000;

(v) January 31, 2009, to exceed the greater of (A) the amount equal to: (1) \$70,000,000 as reduced by the amount by which the EBITDA of Operating and its Subsidiaries for the fiscal year ending January 31, 2008 as set forth in the audited year-end financial statements for such period is less than \$105,000,000 or (B) \$25,000,000;

(vi) January 31, 2010, to exceed the greater of (A) the amount equal to: (1) \$80,000,000 as reduced by the amount by which the EBITDA of Operating and its Subsidiaries for the fiscal year ending January 31, 2009 as set forth in the audited year-end financial statements for such period is less than \$115,000,000 or (B) \$25,000,000.

(b) To the extent that the actual amount of Capital Expenditures in any fiscal year shall be less than the amount otherwise permitted hereunder for such fiscal year, Capital Expenditures may be made in the immediately subsequent fiscal year in the amount of up to \$10,000,000 of such excess, in addition to the amount otherwise permitted hereunder for such subsequent fiscal year.

9.20 License Agreements.

(a) With respect to a License Agreement applicable to Intellectual Property that is owned by a third party and licensed to a Borrower or Guarantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, each Borrower and Guarantor shall (i) give Agent not less than ninety (90) days prior written notice of its intention to not renew or to terminate, cancel, surrender or release its rights under any such License Agreement, or to amend any such License Agreement or related arrangements to limit the scope of the right of such Borrower or Guarantor to use the Intellectual Property subject to such License Agreement, either with respect to product, territory, term or otherwise, or to increase the amounts to be paid by such Borrower or Guarantor thereunder or in connection therewith (and Agent may establish such Reserves as a result of any of the foregoing as Agent may reasonably determine), (ii) give Agent prompt written notice of any such License Agreement entered into by such Borrower or Guarantor after the date hereof, or any material amendment to any such License Agreement existing on the date hereof, in each case together with a true, correct and complete copy thereof and such other information with respect thereto as Agent may in good request, (iii) give Agent prompt written notice of any material breach of any obligation, or any default, by the third party that is the licensor or by the Borrower or Guarantor that is the licensee or any other party under any such License Agreement, and deliver to Agent (promptly upon the receipt thereof by such Borrower or Guarantor in the case of a notice to such Borrower or Guarantor and concurrently with the sending thereof in the case of a notice from such Borrower or Guarantor) a copy of each notice of default and any other notice received or delivered by such Borrower or Guarantor in connection with any such a License Agreement that relates to the scope of the right, or the continuation of the right, of such Borrower or Guarantor to use the Intellectual Property subject to such License Agreement or the amounts required to be paid thereunder.

(b) With respect to a License Agreement applicable to Intellectual Property that is owned by a third party and licensed to a Borrower or Guarantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, at any time an Event of Default shall exist or have occurred and be continuing or if after giving effect to any Reserves, or the reduction in the applicable Borrowing Base as a result of Eligible Inventory using such licensed Intellectual Property ceasing to be Eligible Inventory, Agent shall have, and is hereby granted, the irrevocable right and authority, at its option, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of Agent or in the name and behalf of such Borrower or Guarantor, subject

to and in accordance with the terms of such License Agreement. Agent may, but shall not be required to, perform any or all of such obligations of such Borrower or Guarantor under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Borrower or Guarantor thereunder. Any sums so paid by Agent shall constitute part of the Obligations.

9.21 After Acquired Real Property. If any Borrower or Guarantor hereafter acquires any Real Property, fixtures or any other property that is of the kind or nature described in the Mortgages and such Real Property, fixtures or other property is adjacent to, contiguous with or necessary or related to or used in connection with any Real Property then subject to a Mortgage, or if such Real Property is not adjacent to, contiguous with or related to or used in connection with such Real Property, then if such Real Property, fixtures or other property at any location (or series of adjacent, contiguous or related locations, and regardless of the number of parcels) has a fair market value in an amount equal to or greater than \$1,000,000 (or if an Event of Default exists, then regardless of the fair market value of such assets), without limiting any other rights of Agent or any Lender, or duties or obligations of any Borrower or Guarantor, promptly upon Agent's request, such Borrower or Guarantor shall execute and deliver to Agent a mortgage, deed of trust or deed to secure debt, as Agent may determine, in form and substance substantially similar to the Mortgages and as to any provisions relating to specific state laws satisfactory to Agent and in form appropriate for recording in the real estate records of the jurisdiction in which such Real Property or other property is located granting to Agent a first and only lien and mortgage on and security interest in such Real Property, fixtures or other property (except as such Borrower or Guarantor would otherwise be permitted to incur hereunder or under the Mortgages or as otherwise consented to in writing by Agent) and such other agreements, documents and instruments as Agent may require in connection therewith provided, that, as to any such Real Property that is not adjacent, contiguous or related to Real Property then subject to a Mortgage, if the purchase price for such Real Property is paid with the initial proceeds of a loan from a financial institution giving rise to Indebtedness permitted under Section 9.9(b) hereof, then such Borrower or Guarantor shall not be required to execute and deliver such mortgage, deed of trust or deed to secure debt in favor of Agent with respect to such Real Property.

9.22 Costs and Expenses. Borrowers and Guarantors shall pay to Agent on demand all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Agent's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including: (a) all out-of-pocket costs and expenses of filing or recording (including Uniform Commercial Code financing statement filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) out-of-pocket costs and expenses and fees for insurance premiums, environmental audits, title insurance premiums, surveys, assessments, engineering reports and inspections, appraisal fees and search fees, costs and expenses of remitting loan proceeds, collecting checks and other items of payment, and establishing and maintaining the Blocked Accounts, together with Agent's customary charges and fees with respect thereto; (c) charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit

Accommodations; (d) costs and expenses of preserving and protecting the Collateral; (e) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Agent, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against Agent or any Lender arising out of the transactions contemplated hereby and thereby (including preparations for and consultations concerning any such matters); (f) all out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Agent during the course of periodic field examinations of the Collateral and such Borrower's or Guarantor's operations, plus a per diem charge at Agent's then standard rate for Agent's examiners in the field and office (which rate as of the date hereof is \$850 per person per day), provided that periodic field examinations will be limited to two in any twelve (12) consecutive month period unless (i) Excess Availability is less than \$30,000,000, in which case, Agent shall be entitled to conduct a third field examination, and (ii) if an Event of Default shall have occurred and be continuing, there shall be no restriction on field examinations; and (g) the reasonable fees and disbursements of counsel (including legal assistants) to Agent in connection with any of the foregoing.

9.23 Further Assurances. At the request of Agent at any time and from time to time, Borrowers and Guarantors shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Agent may at any time and from time to time request a certificate from an officer of any Borrower or Guarantor representing that all conditions precedent to the making of Revolving Loans and providing Letter of Credit Accommodations contained herein are satisfied. In the event of such request by Agent, Agent and Lenders may, at Agent's option, cease to make any further Revolving Loans or provide any further Letter of Credit Accommodations until Agent has received such certificate and, in addition, Agent has determined that such conditions are satisfied.

9.24 Minimum Excess Availability. Operating and its Subsidiaries (on a consolidated basis) shall maintain Excess Availability at all times in excess of \$5,000,000.

9.25 Black Canyon Closing.

(a) On or prior to the Black Canyon Closing Date, the Black Canyon Credit Agreement shall have been duly authorized, issued and delivered by Operating, and the transactions contemplated thereunder shall have been performed in accordance with their terms by the respective parties thereto in all respects to the extent to be performed thereunder on or before the Black Canyon Closing Date, including the fulfillment (or the waiver) of all conditions precedent set forth therein.

(b) On or prior to the Black Canyon Closing Date, all actions and proceedings required by the Black Canyon Documents, applicable law or regulations, including, without limitation, all Securities Laws, shall have been taken in all material respects, and the transactions required thereunder shall have been (or will be when required to under the Black Canyon Documents or applicable law) duly and validly taken and consummated.

(c) Borrowers shall provide written notice to Agent of the Black Canyon Closing Date on such date.

(d) The Black Canyon Closing Date shall occur on or about December 23, 2004 and Borrowers and Guarantors shall have received the proceeds of the initial loans under the Black Canyon Credit Agreement on or about such date.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default. The occurrence or existence of any one or more of the following events are referred to herein individually as an "Event of Default", and collectively as "Events of Default":

(a) (i) any Borrower fails to pay any of the Obligations when due or (ii) any Borrower or Obligor fails to perform any of the covenants contained in Sections 7.1(a)(i), 7.1(a)(ii) or 7.1(a)(iii) of this Agreement and such failure shall continue for ten (10) days or Sections 9.2, 9.3, 9.4, 9.6(a), 9.6(c), 9.13, 9.14, 9.16 and 9.17 of this Agreement or any covenants contained in any of the Financing Agreements other than any note, guarantee, security agreement, mortgage or deed of trust and such failure shall continue for fifteen (15) days; provided, that, such five (5) day period or ten (10) day period, as applicable, shall not apply in the case of: (A) any failure to observe any such covenant which is not capable of being cured at all or within such ten (10) or fifteen (15) day period, as applicable, or which in the case of a failure to perform any covenant contained in Sections 7.1(a)(i), 7.1(a)(ii) or 7.1(a)(iii) has been the subject of two (2) prior failures within a calendar year or, in the case of a failure to perform any of the other covenants set forth in this clause (a)(ii) has been the subject of a prior failure within a six (6) month period or (B) an intentional breach by any Borrower or Obligor of any such covenant or (iii) any Borrower or Obligor fails to perform any of the terms, covenants, conditions or provisions contained in this Agreement or any of the other Financing Agreements other than those described in Sections 10.1(a)(i) and 10.1(a)(ii) above;

(b) any representation, warranty or statement of fact made by any Borrower or Guarantor to Agent in this Agreement, the other Financing Agreements shall when made or deemed made be false or misleading in any material respect;

(c) any Obligor revokes or terminates or purports to revoke or terminate or fails to perform any of the terms, covenants, conditions or provisions of any guarantee, endorsement or other agreement of such party in favor of Agent or any Lender;

(d) any judgment for the payment of money is rendered against any Borrower or Obligor in excess of \$7,500,000 in any one case or in excess of \$10,000,000 in the aggregate outstanding at any time (to the extent not covered by insurance where the insurer has assumed responsibility in writing for such judgment) and shall remain undischarged and unvacated for a period in excess of sixty (60) days or execution shall at any time not be effectively stayed, or any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against any Borrower or Obligor that has or is reasonably likely to have a Material Adverse Effect or any of the Collateral having a value in excess of \$7,000,000 and shall remain undischarged and unvacated for a period in excess of sixty (60) days;

(e) any Obligor (being a natural person or a general partner of an Obligor which is a partnership) dies or any Borrower or Obligor, which is a partnership, limited liability company, limited liability partnership or a corporation, dissolves or suspends or discontinues doing business;

(f) any Borrower or Obligor makes an assignment for the benefit of creditors, makes or sends notice of a bulk transfer;

(g) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed against any Borrower or Obligor or all or any part of its properties and such petition or application is not dismissed or vacated within sixty (60) days after the date of its filing or any Borrower or Obligor shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(h) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed by any Borrower or Obligor or for all or any part of its property;

(i) any default by any Borrower or any Obligor under any agreement, document or instrument relating to any Indebtedness owing to any person other than Lenders, or any capitalized lease obligations, contingent indebtedness in connection with any guarantee, letter of credit, indemnity or similar type of instrument in favor of any person other than Lenders, in any case in an amount in excess of \$5,000,000, which default continues for more than the applicable cure period, if any, with respect thereto, or any default by any Borrower or any Obligor under any Material Contract (including, without limitation, any of the Credit Card Agreements), which default continues for more than the applicable cure period, if any, with respect thereto which default has or could reasonably be expected to have a Material Adverse Effect, or any Credit Card Issuer or Credit Card Processor (other than with a Credit Card Issuer or Credit Card Processor where the sales using the applicable card are less than ten (10%) percent of all such sales in the immediately preceding fiscal year) withholds payment of amounts otherwise payable to a Borrower to fund a reserve account or otherwise hold as collateral, or shall require a Borrower to pay funds into a reserve account or for such Credit Card Issuer or Credit Card Processor to otherwise hold as collateral, or any Borrower shall provide a letter of credit, guarantee, indemnity or similar instrument to or in favor of such Credit Card Issuer or Credit Card Processor such that in the aggregate all of such funds in the reserve account, other amounts held as collateral and the amount of such letters of credit, guarantees, indemnities or similar instruments shall exceed \$2,000,000 or any such Credit Card Issuer or Credit Card Processor shall debit or deduct any amounts in excess of \$50,000 in the aggregate in any fiscal year of Borrowers and Guarantors from any deposit account of any Borrower;

(j) any Credit Card Issuer or Credit Card Processor shall send written notice to any Borrower that it is ceasing to make or suspending payments to any Borrower of amounts due or to become due to any Borrower or shall cease or suspend such payments, or shall send written notice to any Borrower that it is terminating its arrangements with any Borrower or such arrangements shall terminate as a result of any event of default under such arrangements, which continues for more than the applicable cure period, if any, with respect thereto, unless such Borrower shall have entered into arrangements with another Credit Card Issuer or Credit Card Processor, as the case may be, within sixty (60) days after the date of any such notice;

(k) any material provision hereof or of any of the other Financing Agreements shall for any reason cease to be valid, binding and enforceable with respect to any party hereto or thereto (other than Agent) in accordance with its terms, or any such party shall challenge the enforceability hereof or thereof, or shall assert in writing, or take any action or fail to take any action based on the assertion that any provision hereof or of any of the other Financing Agreements has ceased to be or is otherwise not valid, binding or enforceable in accordance with its terms, or any security interest provided for herein or in any of the other Financing Agreements shall cease to be a valid and perfected first priority security interest in any of the Collateral purported to be subject thereto (except as otherwise permitted herein or therein);

(l) an ERISA Event shall occur which results in or could reasonably be expected to result in liability of any Borrower in an aggregate amount in excess of \$5,000,000;

(m) any Change of Control;

(n) the indictment by any Governmental Authority, or as Agent may reasonably and in good faith determine, the threatened indictment by any Governmental Authority of any Borrower or Obligor of which any Borrower, Obligor or Agent receives notice, in either case, as to which there is a reasonable possibility of an adverse determination, in the good faith determination of Agent, under any criminal statute, or commencement or threatened commencement of criminal or civil proceedings against such Borrower or Obligor, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture of (i) any of the Collateral having a value in excess of \$5,000,000 or (ii) any other property of any Borrower or Guarantor which is necessary or material to the conduct of its business; or

(o) there shall be a Material Adverse Effect (it being understood that this Section 10.1(p) shall not constitute a limitation upon the dollar threshold amounts set forth in Section 10.1(d) hereof).

10.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, Agent and Lenders shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by any Borrower or Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Agent and Lenders hereunder, under any of the other Financing Agreements, the UCC or other applicable law, are cumulative, not exclusive and enforceable, in

Agent's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by any Borrower or Obligor of this Agreement or any of the other Financing Agreements. Subject to Section 12 hereof, Agent may, and at the direction of the Required Lenders shall, at any time or times, proceed directly against any Borrower or Obligor to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, Agent may, in its discretion, and upon the direction of the Required Lenders, shall (i) accelerate the payment of all Obligations and demand immediate payment thereof to Agent for itself and the ratable benefit of Lenders (~~provided, that~~, upon the occurrence of any Event of Default described in Sections 10.1(g) and 10.1(h), all Obligations shall automatically become immediately due and payable), (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (iii) require any Borrower or Obligor, at Borrowers' expense, to assemble and make available to Agent any part or all of the Collateral at any place and time designated by Agent, (iv) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Agent or elsewhere) at such prices or terms as Agent may deem reasonable, for cash, upon credit or for future delivery, with the Agent having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of any Borrower or Obligor, which right or equity of redemption is hereby expressly waived and released by Borrowers and Obligors and/or (vii) terminate this Agreement. If any of the Collateral is sold or leased by Agent upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Agent. If notice of disposition of Collateral is required by law, ten (10) days prior notice by Agent to Borrower Agent designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Borrowers and Obligors waive any other notice. In the event Agent institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, each Borrower and Obligor waives the posting of any bond which might otherwise be required. At any time an Event of Default exists or has occurred and is continuing, upon Agent's request, Borrowers will either, as Agent shall specify, furnish cash collateral to the issuer to be used to secure and fund Agent's reimbursement obligations to the issuer in connection with any Letter of Credit Accommodations or furnish cash collateral to Agent for the Letter of Credit Accommodations. Such cash collateral shall be in the amount equal to one hundred ten (110%) percent of the amount of the Letter of Credit Accommodations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of such Letter of Credit Accommodations.

(c) At any time or times that an Event of Default exists or has occurred and is continuing, Agent may, in its discretion, and upon the direction of the Required Lenders, Agent shall, enforce the rights of any Borrower or Obligor against any account debtor, secondary obligor or other obligor in respect of any of the Accounts or other Receivables. Without limiting the generality of the foregoing, Agent may, in its discretion, and upon the direction of the Required Lenders, Agent shall, at such time or times (i) notify any or all account debtors (including Credit Card Issuers and Credit Card Processors), secondary obligors or other obligors in respect thereof that the Receivables have been assigned to Agent and that Agent has a security interest therein and Agent may direct any or all accounts debtors (including Credit Card Issuers and Credit Card Processors), secondary obligors and other obligors to make payment of Receivables directly to Agent, (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Receivables or other obligations included in the Collateral and thereby discharge or release the account debtor or any secondary obligors or other obligors in respect thereof without affecting any of the Obligations, (iii) demand, collect or enforce payment of any Receivables or such other obligations, but without any duty to do so, and Agent and Lenders shall not be liable for any failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and (iv) take whatever other action Agent may deem necessary or desirable for the protection of its interests and the interests of Lenders. At any time that an Event of Default exists or has occurred and is continuing, at Agent's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Agent and are payable directly and only to Agent and Borrowers and Obligor shall deliver to Agent such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Agent may require. In the event any account debtor returns Inventory when an Event of Default exists or has occurred and is continuing, Borrowers shall, upon Agent's request, hold the returned Inventory in trust for Agent, segregate all returned Inventory from all of its other property, dispose of the returned Inventory solely according to Agent's instructions, and not issue any credits, discounts or allowances with respect thereto without Agent's prior written consent.

(d) To the extent that applicable law imposes duties on Agent or any Lender to exercise remedies in a commercially reasonable manner (which duties cannot be waived under such law), each Borrower and Guarantor acknowledges and agrees that it is not commercially unreasonable for Agent or any Lender (i) to fail to incur expenses reasonably deemed significant by Agent or any Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain consents of any Governmental Authority or other third party for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors, secondary obligors or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as any Borrower or Guarantor, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the

types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, (xi) to purchase insurance or credit enhancements to insure Agent or Lenders against risks of loss, collection or disposition of Collateral or to provide to Agent or Lenders a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Borrower and Guarantor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Agent or any Lender would not be commercially unreasonable in the exercise by Agent or any Lender of remedies against the Collateral and that other actions or omissions by Agent or any Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation of the foregoing, nothing contained in this Section shall be construed to grant any rights to any Borrower or Guarantor or to impose any duties on Agent or Lenders that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

(e) For the purpose of enabling Agent to exercise the rights and remedies hereunder, each Borrower and Obligor hereby grants to Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable at any time an Event of Default shall exist or have occurred and for so long as the same is continuing) without payment of royalty or other compensation to any Borrower or Obligor, to use, assign, license or sublicense any of the trademarks, service-marks, trade names, business names, trade styles, designs, logos and other source of business identifiers and other Intellectual Property and general intangibles now owned or hereafter acquired by any Borrower or Obligor, wherever the same maybe located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof, which license shall be provided for in, and subject to, the terms of the intercreditor agreement described in Section 9.8(o) hereof on and after the incurrence of any Indebtedness permitted pursuant to Section 9.9(t) hereof.

(f) Agent may apply the cash proceeds of Collateral actually received by Agent from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as Agent may elect, whether or not then due. Borrowers and Guarantors shall remain liable to Agent and Lenders for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of collection or enforcement, including attorneys' fees and expenses.

(g) Without limiting the foregoing, (i) upon the occurrence of a Default (other than a Default as a result of the failure of any Borrower or Obligor to perform any of the covenants contained in Sections 7.1(a)(i), 7.1(a)(ii), 7.1(a)(iii), 9.6(a), 9.6(b) or 9.6(c) hereof) or an Event of Default, Agent and Lenders may, at Agent's option, and upon the occurrence of an Event of Default at the direction of the Required Lenders, Agent and Lenders shall, without notice, (A) cease making Revolving Loans or arranging for Letter of Credit Accommodations or reduce the lending formulas or amounts of Revolving Loans and Letter of Credit Accommodations available to Borrowers and/or (B) terminate any provision of this Agreement providing for any future Revolving Loans or Letter of Credit Accommodations to be made by Agent and Lenders to Borrowers and (ii) Agent may, at its option, establish such Reserves as Agent determines, without limitation or restriction, notwithstanding anything to the contrary contained herein.

SECTION 11. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

11.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements (other than the Mortgages to the extent provided therein) and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Borrowers, Guarantors, Agent and Lenders irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York for New York County and the United States District Court for the Southern District of New York, whichever Agent may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Agent and Lenders shall have the right to bring any action or proceeding against any Borrower or Guarantor or its or their property in the courts of any other jurisdiction which Agent deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against any Borrower or Guarantor or its or their property).

(c) Each Borrower and Guarantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Agent's option, by service upon any Borrower or Guarantor (or Borrower Agent on behalf of such Borrower or Guarantor) in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, such Borrower or Guarantor shall appear in answer to such process, failing which such Borrower or Guarantor shall be deemed in default and judgment may be entered by Agent against such Borrower or Guarantor for the amount of the claim and other relief requested.

(d) BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN

RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWERS, GUARANTORS, AGENT AND LENDERS EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY BORROWER, ANY GUARANTOR, AGENT OR ANY LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Agent and Lenders shall not have any liability to any Borrower or Guarantor (whether in tort, contract, equity or otherwise) for losses suffered by such Borrower or Guarantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Agent and such Lender, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. Each Borrower and Guarantor: (i) certifies that neither Agent, any Lender nor any representative, agent or attorney acting for or on behalf of Agent or any Lender has represented, expressly or otherwise, that Agent and Lenders would not, in the event of litigation, seek to enforce any of the waivers provided for in this Agreement or any of the other Financing Agreements and (ii) acknowledges that in entering into this Agreement and the other Financing Agreements, Agent and Lenders are relying upon, among other things, the waivers and certifications set forth in this Section 11.1 and elsewhere herein and therein.

11.2 Waiver of Notices. Each Borrower and Guarantor hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and chattel paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on any Borrower or Guarantor which Agent or any Lender may elect to give shall entitle such Borrower or Guarantor to any other or further notice or demand in the same, similar or other circumstances.

11.3 Amendments and Waivers.

(a) Neither this Agreement nor any other Financing Agreement nor any terms hereof or thereof may be amended, waived, discharged or terminated unless such amendment, waiver, discharge or termination is in writing signed by Agent and the Required Lenders or at Agent's option, by Agent with the authorization of the Required Lenders, and as to amendments to any of the Financing Agreements (other than with respect to any provision of Section 12 hereof), by any Borrower; except, that, no such amendment, waiver, discharge or termination shall:

(i) reduce the interest rate or any fees or extend the time of payment of principal, interest or any fees or reduce the principal amount of any Loan or Letter of Credit Accommodations, in each case without the consent of each Lender directly affected thereby,

(ii) increase the Commitment of any Lender over the amount thereof then in effect or provided hereunder, in each case without the consent of the Lender directly affected thereby,

(iii) release any Collateral (except as expressly required hereunder or under any of the other Financing Agreements or applicable law and except as permitted under Section 12.11(b) hereof), without the consent of Agent and all of Lenders,

(iv) reduce any percentage specified in the definition of Required Lenders, without the consent of Agent and all of Lenders,

(v) consent to the assignment or transfer by any Borrower or Guarantor of any of their rights and obligations under this Agreement, without the consent of Agent and all of Lenders,

(vi) amend, modify or waive any terms of this Section 11.3 hereof, without the consent of Agent and all of Lenders, or

(vii) increase the advance rates constituting part of the Borrowing Base, without the consent of Agent and all of Lenders.

(b) Agent and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its or their rights, powers and/or remedies unless such waiver shall be in writing and signed as provided herein. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Agent or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Agent or any Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(c) Notwithstanding anything to the contrary contained in Section 11.3(a) above, in connection with any amendment, waiver, discharge or termination, in the event that any Lender whose consent thereto is required shall fail to consent or fail to consent in a timely manner (such Lender being referred to herein as a "Non-Consenting Lender"), but the consent of any other Lenders to such amendment, waiver, discharge or termination that is required are obtained, if any, then Congress shall have the right, but not the obligation, at any time thereafter, and upon the exercise by Congress of such right, such Non-Consenting Lender shall have the obligation, to sell, assign and transfer to Congress or such Eligible Transferee as Congress may specify, the Commitment of such Non-Consenting Lender and all rights and interests of such Non-Consenting Lender pursuant thereto. Congress shall provide the Non-Consenting Lender with prior written notice of its intent to exercise its right under this Section, which notice shall specify on date on which such purchase and sale shall occur. Such purchase and sale shall be pursuant to the terms of an Assignment and Acceptance (whether or not executed by the Non-Consenting Lender), except that on the date of such purchase and sale, Congress, or such Eligible Transferee specified by Congress, shall pay to the Non-Consenting Lender the amount equal to: (i) the principal balance of the Revolving Loans held by the Non-Consenting Lender outstanding as of the close of business on the business day immediately preceding the effective date of such purchase and sale, plus (ii) amounts accrued and unpaid in respect of interest and fees payable to

the Non-Consenting Lender to the effective date of the purchase (but in no event shall the Non-Consenting Lender be deemed entitled to any early termination fee), minus (iii) the amount of the closing fee received by the Non-Consenting Lender pursuant to the terms hereof or of any of the other Financing Agreements multiplied by the fraction, the numerator of which is the number of months remaining in the then current term of the Credit Facility and the denominator of which is the number of months in the then current term thereof. Such purchase and sale shall be effective on the date of the payment of such amount to the Non-Consenting Lender and the Commitment of the Non-Consenting Lender shall terminate on such date.

(d) The consent of Agent shall be required for any amendment, waiver or consent affecting the rights or duties of Agent hereunder or under any of the other Financing Agreements, in addition to the consent of the Lenders otherwise required by this Section and the exercise by Agent of any of its rights hereunder with respect to Reserves or Eligible Credit Card Receivables or Eligible Inventory shall not be deemed an amendment to the advance rates provided for in this Section 11.3.

(e) The consent of Agent and any Lender, any Affiliate of any Lender or any other financial institution acceptable to Agent, as the case may be, that is party to a Hedge Agreement at such time shall be required for any amendment to the priority of payment of Obligations arising under or pursuant to any Hedge Agreements of a Borrower or Guarantor as set forth in Section 6.4(a) hereof.

11.4 Waiver of Counterclaims. Each Borrower and Guarantor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

11.5 Indemnification. Each Borrower and Guarantor shall, jointly and severally, indemnify and hold Agent and each Lender, and its officers, directors, agents, employees, advisors and counsel and their respective Affiliates (each such person being an "Indemnitee"), harmless from and against any and all losses, claims, damages, liabilities, costs or expenses (including reasonable attorneys' fees and expenses) imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement (but only after notice to Borrower Agent), court costs, and the reasonable fees and expenses of counsel except that Borrowers and Guarantors shall not have any obligation under this Section 11.5 to indemnify an Indemnitee with respect to a matter covered hereby resulting from the gross negligence or wilful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction (but without limiting the obligations of Borrowers or Guarantors as to any other Indemnitee) or which is a liability for Taxes (to the extent that the indemnification for such Taxes is subject to Section 6.4 hereof). To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Borrowers and Guarantors shall pay the maximum portion which it is permitted to pay under applicable law to Agent and Lenders in

satisfaction of indemnified matters under this Section. To the extent permitted by applicable law, no Borrower or Guarantor shall assert, and each Borrower and Guarantor hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Financing Agreements or any undertaking or transaction contemplated hereby. All amounts due under this Section shall be payable upon demand. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

SECTION 12. THE AGENT

12.1 Appointment Powers and Immunities. Each Lender irrevocably designates, appoints and authorizes Congress to act as Agent hereunder and under the other Financing Agreements with such powers as are specifically delegated to Agent by the terms of this Agreement and of the other Financing Agreements, together with such other powers as are reasonably incidental thereto. Agent (a) shall have no duties or responsibilities except those expressly set forth in this Agreement and in the other Financing Agreements, and shall not by reason of this Agreement or any other Financing Agreement be a trustee or fiduciary for any Lender; (b) shall not be responsible to Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any of the other Financing Agreements, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any other Financing Agreement, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Financing Agreement or any other document referred to or provided for herein or therein or for any failure by any Borrower or any Obligor or any other Person to perform any of its obligations hereunder or thereunder; and (c) shall not be responsible to Lenders for any action taken or omitted to be taken by it hereunder or under any other Financing Agreement or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. Agent may deem and treat the payee of any note as the holder thereof for all purposes hereof unless and until the assignment thereof pursuant to an agreement (if and to the extent permitted herein) in form and substance satisfactory to Agent shall have been delivered to and acknowledged by Agent. Wachovia Capital Markets LLC is hereby designated as the sole lead arranger and sole bookrunner with respect to the Credit Facility, Wachovia Bank, National Association is hereby designated as the administrative agent with respect to the Credit Facility and Bank of America, N.A. is hereby designated as the syndication agent. The designation of Wachovia Capital Markets LLC as sole lead arranger and sole bookrunner, Wachovia Bank, National Association as administrative agent and Bank of America, N.A. as syndication agent shall not as to any of them create any rights in favor of it in such capacity nor subject it to any duties or obligations in such capacity.

12.2 Reliance by Agent. Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopy, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent

accountants and other experts selected by Agent. As to any matters not expressly provided for by this Agreement or any other Financing Agreement, Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Required Lenders or all of Lenders as is required in such circumstance, and such instructions of such Agents and any action taken or failure to act pursuant thereto shall be binding on all Lenders.

12.3 Events of Default.

(a) Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or an Event of Default or other failure of a condition precedent to the Revolving Loans and Letter of Credit Accommodations hereunder, unless and until Agent has received written notice from a Lender, or a Borrower specifying such Event of Default or any unfulfilled condition precedent, and stating that such notice is a "Notice of Default or Failure of Condition". In the event that Agent receives such a Notice of Default or Failure of Condition, Agent shall give prompt notice thereof to the Lenders. Agent shall (subject to Section 12.7) take such action with respect to any such Event of Default or failure of condition precedent as shall be directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to or by reason of such Event of Default or failure of condition precedent, as it shall deem advisable in the best interest of Lenders. Without limiting the foregoing, and notwithstanding the existence or occurrence and continuance of an Event of Default or any other failure to satisfy any of the conditions precedent set forth in Section 4 of this Agreement to the contrary, Agent may, but shall have no obligation to, continue to make Revolving Loans and issue or cause to be issued Letter of Credit Accommodations for the ratable account and risk of Lenders from time to time if Agent believes making such Revolving Loans or issuing or causing to be issued such Letter of Credit Accommodations is in the best interests of Lenders.

(b) Except with the prior written consent of Agent, no Lender may assert or exercise any enforcement right or remedy in respect of the Revolving Loans, Letter of Credit Accommodations or other Obligations, as against any Borrower or Obligor or any of the Collateral or other property of any Borrower or Obligor.

12.4 Congress in its Individual Capacity. With respect to its Commitment and the Revolving Loans made and Letter of Credit Accommodations issued or caused to be issued by it (and any successor acting as Agent), so long as Congress shall be a Lender hereunder, it shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Congress in its individual capacity as Lender hereunder. Congress (and any successor acting as Agent) and its Affiliates may (without having to account therefor to any Lender) lend money to, make investments in and generally engage in any kind of business with Borrowers (and any of its Subsidiaries or Affiliates) as if it were not acting as Agent, and Congress and its Affiliates may accept fees and other consideration from any Borrower or Guarantor and any of its Subsidiaries and Affiliates for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

12.5 Indemnification. Lenders agree to indemnify Agent (to the extent not reimbursed by Borrowers hereunder and without limiting any obligations of Borrowers hereunder) ratably, in accordance with their Pro Rata Shares, for any and all claims of any kind and nature whatsoever that may be imposed on, incurred by or asserted against Agent (including by any Lender) arising out of or by reason of any investigation in or in any way relating to or arising out of this Agreement or any other Financing Agreement or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including the costs and expenses that Agent is obligated to pay hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided, that, no Lender shall be liable for any of the foregoing to the extent it arises from the gross negligence or willful misconduct of the party to be indemnified as determined by a final non-appealable judgment of a court of competent jurisdiction. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

12.6 Non-Reliance on Agent and Other Lenders. Each Lender agrees that it has, independently and without reliance on Agent or other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of Borrowers and Obligors and has made its own decision to enter into this Agreement and that it will, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any of the other Financing Agreements. Agent shall not be required to keep itself informed as to the performance or observance by any Borrower or Obligor of any term or provision of this Agreement or any of the other Financing Agreements or any other document referred to or provided for herein or therein or to inspect the properties or books of any Borrower or Obligor. Agent will use reasonable efforts to provide Lenders with any information received by Agent from any Borrower or Obligor which is required to be provided to Lenders hereunder or deemed to be requested by Lenders hereunder and with a copy of any Notice of Default or Failure of Condition received by Agent from any Borrower or any Lender; provided, that, Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable to Agent's own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. Except for notices, reports and other documents expressly required to be furnished to Lenders by Agent hereunder, Agent shall not have any duty or responsibility to provide any Lender with any other credit or other information concerning the affairs, financial condition or business of any Borrower or Obligor that may come into the possession of Agent.

12.7 Failing to Act. Except for action expressly required of Agent hereunder and under the other Financing- Agreements, Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction from Lenders of their indemnification obligations under Section 12.5 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

12.8 Additional Loans. Agent shall not make any Revolving Loans intentionally and with actual knowledge that such Revolving Loans would cause the aggregate amount of the total outstanding Revolving Loans to exceed the Borrowing Base or make any Revolving Loans or

provide any Letter of Credit Accommodations intentionally and with actual knowledge that such Revolving Loans or Letter of Credit Accommodations would cause the aggregate amount of the total outstanding Revolving Loans and Letter of Credit Accommodations to exceed the Borrowing Base, without the prior consent of all Lenders, except, that, Agent may make such additional Revolving Loans intentionally and with actual knowledge that such Revolving Loans will cause the total outstanding Revolving Loans to exceed the Borrowing Base and Agent may make such additional Revolving Loans and provide such additional Letter of Credit Accommodations on behalf of Lenders, intentionally and with actual knowledge that such Revolving Loans or Letter of Credit Accommodations will cause the total outstanding Revolving Loans and Letter of Credit Accommodations to exceed the Borrowing Base, as Agent may deem necessary or advisable in its discretion, provided, that: (a) the total principal amount of the additional Revolving Loans which Agent may make after obtaining actual knowledge that the aggregate principal amount of the Revolving Loans equal or exceed the Borrowing Base and the additional Revolving Loans and additional Letter of Credit Accommodations which Agent may make or provide after obtaining such actual knowledge that the aggregate principal amount of the Revolving Loans and Letter of Credit Accommodations equal or exceed the Borrowing Base, plus the amount of Special Agent Advances made pursuant to Section 12.11(a)(ii) hereof then outstanding, shall not exceed the aggregate amount equal to the lesser of \$10,000,000 or ten (10%) percent of the Maximum Credit outstanding at any time and shall not cause the total principal amount of the Revolving Loans and Letter of Credit Accommodations to exceed the Maximum Credit and (b) no such additional Revolving Loan or Letter of Credit Accommodation shall be outstanding more than sixty (60) days after the date such additional Revolving Loan or Letter of Credit Accommodation is made or issued (as the case may be), except as the Required Lenders may otherwise agree. Each Lender shall be obligated to pay Agent the amount of its Pro Rata Share of any such additional Revolving Loans or Letter of Credit Accommodations.

12.9 Concerning the Collateral and the Related Financing Agreements . Each Lender authorizes and directs Agent to enter into this Agreement and the other Financing Agreements. Each Lender agrees that any action taken by Agent or Required Lenders in accordance with the terms of this Agreement or the other Financing Agreements and the exercise by Agent or Required Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

12.10 Field Audit, Examination Reports and Other Information; Disclaimer by Lenders . By signing this Agreement, each Lender:

(a) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each field audit or examination report and a report with respect to the Borrowing Base prepared by Agent (each field audit or examination report and report with respect to the Borrowing Base being referred to herein as a "Report" and collectively, "Reports");

(b) expressly agrees and acknowledges that Agent (i) does not make any representation or warranty as to the accuracy of any Report, or (ii) shall not be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or any other party performing any audit or examination will inspect only specific information regarding Borrowers and Guarantors and will rely significantly upon Borrowers' and Guarantors' books and records, as well as on representations of Borrowers' and Guarantors' personnel; and

(d) agrees to keep all Reports confidential and strictly for its internal use in accordance with the terms of Section 14.5 hereof, and not to distribute or use any Report in any other manner.

12.11 Collateral Matters.

(a) Agent may, at its option, from time to time, at any time on or after an Event of Default and for so long as the same is continuing or upon any other failure of a condition precedent to the Revolving Loans and Letter of Credit Accommodations hereunder, make such disbursements and advances ("Special Agent Advances") which Agent, in its sole discretion, (i) deems necessary or desirable either to preserve or protect the Collateral or any portion thereof or (ii) to enhance the likelihood or maximize the amount of repayment by Borrowers and Guarantors of the Revolving Loans and other Obligations, provided, that, the aggregate principal amount of the Special Agent Advances pursuant to this clause (ii), plus the then outstanding principal amount of the additional Loans and Letter of Credit Accommodations which Agent may make or provide as set forth in Section 12.8 hereof, shall not exceed the aggregate amount of the lesser of \$10,000,000 or ten (10%) percent of the Maximum Credit outstanding at any time or (iii) to pay any other amount chargeable to any Borrower or Guarantor pursuant to the terms of this Agreement or any of the other Financing Agreements consisting of (A) costs, fees and expenses and (B) payments to any issuer of Letter of Credit Accommodations. Special Agent Advances shall be repayable on demand and be secured by the Collateral. Special Agent Advances shall not constitute Revolving Loans but shall otherwise constitute Obligations hereunder. Without limitation of its obligations pursuant to Section 6.10, each Lender agrees that it shall make available to Agent, upon Agent's demand, in immediately available funds, the amount equal to such Lender's Pro Rata Share of each such Special Agent Advance. If such funds are not made available to Agent by such Lender, such Lender shall be deemed a Defaulting Lender and Agent shall be entitled to recover such funds, on demand from such Lender together with interest thereon for each day from the date such payment was due until the date such amount is paid to Agent at the Federal Funds Rate for each day during such period (as published by the Federal Reserve Bank of New York or at Agent's option based on the arithmetic mean determined by Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of the three leading brokers of Federal funds transactions in New York City selected by Agent) and if such amounts are not paid within three (3) days of Agent's demand, at the highest Interest Rate provided for in Section 3.1 hereof applicable to Prime Rate Loans.

(b) Lenders hereby irrevocably authorize Agent, at its option and in its discretion to release any security interest in, mortgage or lien upon, any of the Collateral (i) upon termination of the Commitments and payment and satisfaction of all of the Obligations and delivery of cash collateral to the extent required under Section 14.1 below, or (ii) constituting property being sold or disposed of if Borrower Agent or any Borrower or Guarantor certifies to

Agent that the sale or disposition is made in compliance with Section 9.7 hereof (and Agent may rely conclusively on any such certificate, without further inquiry), or (iii) constituting property in which any Borrower or Guarantor did not own an interest at the time the security interest, mortgage or lien was granted or at any time thereafter, or (iv) having a value in the aggregate in any twelve (12) month period of less than \$5,000,000, or (v) if required or permitted under the terms of any of the other Financing Agreements, including any intercreditor agreement, or (vi) approved, authorized or ratified in writing by all of Lenders. Except as provided above, Agent will not release any security interest in, mortgage or lien upon, any of the Collateral without the prior written authorization of all of Lenders. Upon request by Agent at any time, Lenders will promptly confirm in writing Agent's authority to release particular types or items of Collateral pursuant to this Section.

(c) Without any manner limiting Agent's authority to act without any specific or further authorization or consent by the Required Lenders, each Lender agrees to confirm in writing, upon request by Agent, the authority to release Collateral conferred upon Agent under this Section. Agent shall (and is hereby irrevocably authorized by Lenders to) execute such documents as may be necessary to evidence the release of the security interest, mortgage or liens granted to Agent upon any Collateral to the extent set forth above; provided, that, (i) Agent shall not be required to execute any such document on terms which, in Agent's opinion, would expose Agent to liability or create any obligations or entail any consequence other than the release of such security interest, mortgage or liens without recourse or warranty and (ii) such release shall not in any manner discharge, affect or impair the Obligations or any security interest, mortgage or lien upon (or obligations of any Borrower or Guarantor in respect of) the Collateral retained by such Borrower or Guarantor.

(d) Agent shall have no obligation whatsoever to any Lender or any other Person to investigate, confirm or assure that the Collateral exists or is owned by any Borrower or Guarantor or is cared for, protected or insured or has been encumbered, or that any particular items of Collateral meet the eligibility criteria applicable in respect of the Revolving Loans or Letter of Credit Accommodations hereunder, or whether any particular reserves are appropriate, or that the liens and security interests granted to Agent pursuant hereto or any of the Financing Agreements or otherwise have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent in this Agreement or in any of the other Financing Agreements, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, Agent may act in any manner it may deem appropriate, in its discretion, given Agent's own interest in the Collateral as a Lender and that Agent shall have no duty or liability whatsoever to any other Lender.

12.12 Agency for Perfections. Each Lender hereby appoints Agent and each other Lender as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral of Agent in assets which, in accordance with Article 9 of the UCC can be perfected only by possession (or where the security interest of a secured party with possession has priority over the security interest of another secured party) and Agent and each Lender hereby acknowledges that it holds possession of any such Collateral for the benefit of Agent as secured party. Should any Lender obtain possession of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver such Collateral to Agent or in accordance with Agent's instructions.

12.13 Successor Agent. Agent may resign as Agent upon thirty (30) days' notice to Lenders and Parent. If Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for Lenders. If no successor agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with Lenders and Parent, a successor agent from among Lenders. Upon the acceptance by the Lender so selected of its appointment as successor agent hereunder, such successor agent shall succeed to all of the rights, powers and duties of the retiring Agent and the term "Agent" as used herein and in the other Financing Agreements shall mean such successor agent and the retiring Agent's appointment, powers and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 12 shall inure to its benefit as to any actions taken or omitted by it while it was Agent under this Agreement. If no successor agent has accepted appointment as Agent by the date which is thirty (30) days after the date of a retiring Agent's notice of resignation, the retiring Agent's resignation shall nonetheless thereupon become effective and Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

12.14 Co-Agent. Agent may at any time and from time to time determine that a Lender may, in addition, be a "Co-Agent", "Co-Documentation Agent" or similar designation hereunder and enter into an agreement with such Lender to have it so identified for purposes of this Agreement. Agent shall provide written notice to Borrower Agent of any such agreement. Any Lender that is so designated as a Co-Agent, Co-Documentation Agent or such similar designation by Agent shall have no right, power, obligation, liability, responsibility or duty under this Agreement or any of the other Financing Agreements other than those applicable to all Lenders as such. Without limiting the foregoing, the Lenders so identified shall not have or be deemed to have any fiduciary relationship with any Lender and no Lender shall be deemed to have relied, nor shall any Lender rely, on a Lender so identified as a Co-Agent, Co-Documentation Agent or such similar designation in deciding to enter into this Agreement or in taking or not taking action hereunder.

SECTION 13. ACKNOWLEDGMENT AND RESTATEMENT

13.1 Existing Obligations. Each Borrower and Guarantor hereby acknowledges, confirms and agrees that (a) Borrowers and Guarantors are indebted to Agent and Lenders for outstanding loans and advances to Borrowers under the Existing Agreements and in respect of Letter of Credit Accommodations (as defined in the Existing Agreements), together with all interest accrued and accruing thereon (to the extent applicable), and all fees, costs, expenses and other charges relating thereto, all of which are unconditionally owing by Borrowers and Guarantors to Agent and Lenders to the extent set forth in the Existing Agreements, without offset, defense or counterclaim of any kind, nature or description whatsoever.

13.2 Acknowledgment of Security Interests

(a) Each Borrower and Guarantor hereby acknowledges, confirms and agrees that Agent on behalf of itself and Lenders shall continue to have a security interest in and lien upon the Collateral heretofore granted to Agent pursuant to the Existing Agreements to secure the Obligations, as well as any Collateral granted under this Agreement or under any of the other Financing Agreements or otherwise granted to or held by Agent or any Lender.

(b) The liens and security interests of Agent in the Collateral shall be deemed to be continuously granted and perfected from the earliest date of the granting and perfection of such liens and security interests to Agent, whether under the Existing Agreements, this Agreement or any of the other Financing Agreements.

13.3 Existing Agreements. Borrowers and Guarantors each hereby acknowledge, confirm and agree that, subject to Section 13.4 hereof: (a) the Existing Agreements have been duly executed and delivered by Borrowers and Guarantors and are in full force and effect as of the date hereof; (b) the agreements and obligations of Borrowers and Guarantors contained in the Existing Agreements constitute the legal, valid and binding obligations of Borrowers or Guarantors, as the case may be, enforceable against such Borrower or Guarantor in accordance with its terms and no Borrower or Guarantor has a valid defense to the enforcement of such obligations; and (c) Agent and Lenders are entitled to all of the rights, remedies and benefits provided for in or arising pursuant to the Existing Agreements.

13.4 Restatement

(a) Except as otherwise stated in Section 13.2 hereof and this Section 13.4, as of the date hereof, the terms, conditions, agreements, covenants, representations and warranties set forth in the Existing Agreements are simultaneously amended and restated in their entirety, and as so amended and restated, replaced and superseded by the terms, conditions, agreements, covenants, representations and warranties set forth in this Agreement and the other Financing Agreements executed and/or delivered on or after the date hereof, except that nothing herein or in the other Financing Agreements shall impair or adversely affect the continuation of the liability of Borrowers and Guarantors for the Obligations heretofore incurred and the security interests, liens, hypothecs and other interests in the Collateral heretofore granted, pledged and/or assigned by Borrowers or Guarantors to Agent, Agent or any Lender (whether directly, indirectly or otherwise).

(b) The amendment and restatement contained herein shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the Indebtedness and other obligations and liabilities of Borrowers or Guarantors evidenced by or arising under the Existing Agreements, and the liens and security interests of Agent securing such Indebtedness and other obligations and liabilities, which shall not in any manner be impaired, limited, terminated, waived or released, but shall continue in full force and effect in favor of Agent for the benefit of itself and Lenders.

(c) All loans, advances and other financial accommodations under the Existing Agreements and all other Obligations of Borrowers and Guarantors to Agent and Lenders outstanding and unpaid as of the date hereof pursuant to the Existing Agreements or otherwise shall be deemed Obligations of Borrowers and Guarantors pursuant to the terms hereof. The principal amount of the Revolving Loans and the amount of the Letters of Credit Accommodations outstanding as of the date hereof under the Existing Agreements shall be allocated to the Revolving Loans and Letter of Credit Accommodations hereunder in such manner and in such amounts as Agent shall determine in accordance with the terms hereof.

SECTION 14. TERM OF AGREEMENT; MISCELLANEOUS

14.1 Term.

(a) This Agreement and the other Financing Agreements shall continue in full force and effect for a term ending on December 23, 2009 (the "Renewal Date"), and from year to year thereafter, unless sooner terminated pursuant to the terms hereof. Agent may, at its option (or shall at the direction of any Lender in writing received by Agent at least ninety (90) days prior to the Renewal Date or the anniversary of any Renewal Date, as the case may be), terminate this Agreement and the other Financing Agreements, or Borrower Agent may terminate this Agreement and the other Financing Agreements, each case, effective on the Renewal Date or on the anniversary of the Renewal Date in any year by giving to the other party at least sixty (60) days prior written notice; provided, that, this Agreement and all other Financing Agreements must be terminated simultaneously. In addition, Borrowers may terminate this Agreement at any time upon ten (10) days prior written notice to Agent (which notice shall be irrevocable) and Agent may, at its option, and shall at the direction of Required Lenders, terminate this Agreement at any time on or after an Event of Default. Upon any effective date of termination of the Financing Agreements, Borrowers shall pay to Agent all outstanding and unpaid monetary Obligations and shall furnish cash collateral to Agent (or at Agent's option, a letter of credit issued for the account of Borrowers and at Borrowers' expense, in form and substance satisfactory to Agent, by an issuer acceptable to Agent and payable to Agent as beneficiary) in such amounts as Agent determines are reasonably necessary to secure Agent and Lenders from loss, cost, damage or expense, including reasonable attorneys' fees and expenses, in connection with any contingent Obligations, including issued and outstanding Letter of Credit Accommodations and checks or other payments provisionally credited to the Obligations and/or as to which Agent or any Lender has not yet received final and indefeasible payment (and including any contingent liability of Agent to any bank at which deposit accounts of Borrowers and Guarantors are maintained under any Deposit Account Control Agreement) and for any of the Obligations arising under or in connection with any Hedge Agreement in such amounts as the other party to such Hedge Agreement may require (unless such Obligations arising under or in connection with any Hedge Agreement are paid in full in cash and terminated in a manner satisfactory to such other party). The amount of such cash collateral (or letter of credit, as Agent may determine) as to any Letter of Credit Accommodations shall be in the amount equal to one hundred ten (110%) percent of the amount of the Letter of Credit Accommodations plus the amount of any fees and expenses payable in connection therewith through the end of the latest expiration date of such Letter of Credit Accommodations. Such payments in respect of the Obligations and cash collateral shall be remitted by wire transfer in Federal funds to the Agent Payment Account or such other bank account of Agent, as Agent may, in its discretion, designate in writing to Borrower Agent for such purpose. Interest shall be due until and including the next Business Day, if the amounts so paid by Borrowers to the Agent Payment Account or other bank account designated by Agent are received in such bank account later than 12:00 noon, New York City time.

(b) No termination of this Agreement or the other Financing Agreements shall relieve or discharge any Borrower or Guarantor of its respective duties, obligations and covenants under this Agreement or the other Financing Agreements until all monetary Obligations have been fully and finally discharged and paid and as to contingent Obligations, Agent shall have received such cash collateral (or letter of credit, as Agent may determine), as is required pursuant to the terms hereof, and Agent's continuing security interest in the Collateral and the rights and remedies of Agent and Lenders hereunder, under the other Financing Agreements and applicable law, shall remain in effect until all such monetary Obligations have been so paid and as to contingent Obligations, Agent shall have received such cash collateral (or letter of credit, as Agent may determine) as is required pursuant to the terms hereof. Accordingly, each Borrower and Guarantor waives any rights it may have under the UCC to demand the filing of termination statements with respect to the Collateral and Agent shall not be required to send such termination statements to Borrowers or Guarantors, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all monetary Obligations paid in full in immediately available funds and as to contingent Obligations, Agent shall have received such cash collateral (or letter of credit, as Agent may determine), as required pursuant to the terms hereof.

(c) If for any reason this Agreement is terminated prior to the Renewal Date and upon such termination the Obligations are repaid with proceeds of loans that are secured by any assets of a Borrower or Guarantor not provided by Agent or any of its Affiliates where Agent or such Affiliate is the administrative and collateral agent (with rights and duties consistent with the rights and duties of Agent hereunder), in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Agent's and each Lender's lost profits as a result thereof, Borrowers agree to pay to Agent for itself and the ratable benefit of Lenders, upon the effective date of such termination, an early termination fee in the amount equal to

<u>Amount</u>	<u>Period</u>
(i) 0.50% of Maximum Credit	From the date hereof to and including the second anniversary of the date hereof
(ii) 0.25% of Maximum Credit	From and after the second anniversary of the date hereof to and including the third anniversary of the date hereof

Such early termination fee shall be presumed to be the amount of damages sustained by Agent and Lenders as a result of such early termination and Borrowers and Guarantors agree that it is reasonable under the circumstances currently existing.

(d) Notwithstanding anything to the contrary contained in Section 14.1(c) above, in the event of the termination of this Agreement at the request of Borrower Agent prior to the end of the term of this Agreement and the full and final repayment of all Obligations and the receipt by Agent of cash collateral all as provided in Section 14.1(a) above, Borrowers shall not be required to pay to Agent, for the benefit of Lenders an early termination fee if such payments are made to Agent, for the benefit of Lenders, with the initial proceeds of an unsecured credit facility provided by Wachovia Bank, National Association, to Borrowers.

14.2 Interpretative Provisions.

(a) All terms used herein which are defined in Article 1, Article 8 or Article 9 of the UCC shall have the meanings given therein unless otherwise defined in this Agreement.

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

(c) All references to any Borrower, Guarantor, Agent and Lenders pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns.

(d) The words “hereof”, “herein”, “hereunder”, “this Agreement” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(e) The word “including” when used in this Agreement shall mean “including, without limitation”.

(f) An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 or is cured in a manner satisfactory to Agent, if such Event of Default is capable of being cured as determined by Agent.

(g) All references to “store” or “retail store” as applied to Borrowers shall include both factory outlet stores and other retail stores operated by Borrowers.

(h) All references to the term “knowledge” used herein when applicable to any Borrower or Guarantor shall mean the actual knowledge of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, Chief Accounting Officer of a Borrower or Guarantor or persons having the same or similar responsibilities or functions as such positions as in effect on the date hereof, or as customarily understood to be the case for companies similarly situated.

(i) All references to the term “good faith” used herein or the term “reasonable” or “reasonably” when applicable to Agent or any Lender shall be based upon the manner in which a comparable asset-based lender similarly situated, with similar rights and providing a credit facility of the type and with the Collateral and information then available to it set forth herein, would act in such circumstances.

(j) Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent most recently received by Agent prior to the date hereof.

(k) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”, the words “to” and “until” each mean “to but excluding” and the word “through” means “to and including”.

(l) Unless otherwise expressly provided herein, (i) references herein to any agreement, document or instrument shall be deemed to include all subsequent amendments, modifications, supplements, extensions, renewals, restatements or replacements with respect thereto, but only to the extent the same are not prohibited by the terms hereof or of any other Financing Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, recodifying, supplementing or interpreting the statute or regulation.

(m) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(n) This Agreement and other Financing Agreements may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(o) This Agreement and the other Financing Agreements are the result of negotiations among and have been reviewed by counsel to Agent and the other parties, and are the products of all parties. Accordingly, this Agreement and the other Financing Agreements shall not be construed against Agent or Lenders merely because of Agent’s or any Lender’s involvement in their preparation.

14.3 Notices. All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to any Borrower or Guarantor: J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Chief Financial Officer
Telephone No.: 212-209-2545

with a copy to: J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: General Counsel
Telephone No.: 212-209-8254

If to Agent: Congress Financial Corporation
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telephone No.: 212-840-2000
Telecopy No.: 212-545-4283

14.4 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

14.5 Confidentiality.

(a) Agent and each Lender shall use all reasonable efforts to keep confidential, in accordance with its customary procedures for handling confidential information and safe and sound lending practices, any non-public information supplied to it by any Borrower pursuant to this Agreement which is clearly and conspicuously marked as confidential at the time such information is furnished by such Borrower to Agent or such Lender, provided, that, nothing contained herein shall limit the disclosure of any such information: (i) to the extent required by statute, rule, regulation, subpoena or court order, (ii) to bank examiners and other regulators, auditors and/or accountants, in connection with any litigation to which Agent or such Lender is a party, (iii) to any Lender or Participant (or prospective Lender or Participant) or to any Affiliate of any Lender so long as such Lender or Participant (or prospective Lender or Participant) or Affiliate shall have been instructed to treat such information as confidential in accordance with this Section 14.5, or (iv) to counsel for Agent or any Lender or Participant (or prospective Lender or Participant).

(b) In the event that Agent or any Lender receives a request or demand to disclose any confidential information pursuant to any subpoena or court order, Agent or such Lender, as the case may be, agrees (i) to the extent permitted by applicable law or if permitted by applicable law, to the extent Agent or such Lender determines in good faith that it will not create any risk of liability to Agent or such Lender, Agent or such Lender will promptly notify Borrower Agent of such request so that Borrower Agent may seek a protective order or other appropriate relief or remedy and (ii) if disclosure of such information is required, disclose such information and, subject to reimbursement by Borrowers of Agent's or such Lender's expenses, cooperate with Borrower Agent in the reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the disclosed information which Borrower Agent so designates, to the extent permitted by applicable law or if permitted by applicable law, to the extent Agent or such Lender determines in good faith that it will not create any risk of liability to Agent or such Lender.

(c) In no event shall this Section 14.5 or any other provision of this Agreement, any of the other Financing Agreements or applicable law be deemed: (i) to apply to or restrict disclosure of information that has been or is made public by any Borrower, Guarantor or any third party or otherwise becomes generally available to the public other than as a result of a disclosure in violation hereof, (ii) to apply to or restrict disclosure of information that was or becomes available to Agent or any Lender (or any Affiliate of any Lender) on a non-confidential basis from a person other than a Borrower or Guarantor, (iii) to require Agent or any Lender to return any materials furnished by a Borrower or Guarantor to Agent or a Lender or prevent Agent or a Lender from responding to routine informational requests in accordance with the Code of Ethics for the Exchange of Credit Information promulgated by The Robert Morris Associates or other applicable industry standards relating to the exchange of credit information. The obligations of Agent and Lenders under this Section 14.5 shall supersede and replace the obligations of Agent and Lenders under any confidentiality letter signed prior to the date hereof.

14.6 Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by Agent, Lenders, Borrowers, Guarantors and their respective successors and assigns, except that Borrower may not assign its rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Agent and Lenders. Any such purported assignment without such express prior written consent shall be void. No Lender may assign its rights and obligations under this Agreement without the prior written consent of Agent, except as provided in Section 14.7 below. The terms and provisions of this Agreement and the other Financing Agreements are for the purpose of defining the relative rights and obligations of Borrowers, Guarantors, Agent and Lenders with respect to the transactions contemplated hereby and there shall be no third party beneficiaries of any of the terms and provisions of this Agreement or any of the other Financing Agreements.

14.7 Assignments; Participations

(a) Each Lender may, with the prior written consent of Agent, assign all or, if less than all, a portion equal to at least \$10,000,000 in the aggregate for the assigning Lender, of such rights and obligations under this Agreement to one or more Eligible Transferees (but not including for this purpose any assignments in the form of a participation), each of which assignees shall become a party to this Agreement as a Lender by execution of an Assignment and Acceptance; provided, that, (i) such transfer or assignment will not be effective until recorded by Agent on the Register and (ii) Agent shall have received for its sole account payment of a processing fee from the assigning Lender or the assignee in the amount of \$5,000.

(b) Agent shall maintain a register of the names and addresses of Lenders, their Commitments and the principal amount of their Revolving Loans (the "Register"). Agent shall also maintain a copy of each Assignment and Acceptance delivered to and accepted by it and shall modify the Register to give effect to each Assignment and Acceptance. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and any Borrowers, Obligors, Agent and Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower Agent and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(c) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and to the other Financing Agreements and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations (including, without limitation, the obligation to participate in Letter of Credit Accommodations) of a Lender hereunder and thereunder and the assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement.

(d) By execution and delivery of an Assignment and Acceptance, the assignor and assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Financing Agreements or the execution, legality, enforceability, genuineness, sufficiency or value of this Agreement or any of the other Financing Agreements furnished pursuant hereto, (ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower, Obligor or any of their Subsidiaries or the performance or observance by any Borrower or Obligor of any of the Obligations; (iii) such assignee confirms that it has received a copy of this Agreement and the other Financing Agreements, together with such other documents and information it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such assignee will, independently and without reliance upon the assigning Lender, Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Financing Agreements, (v) such assignee appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Financing Agreements as are delegated to Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement and the other Financing Agreements are required to be performed by it as a Lender. Agent and Lenders may furnish any information concerning any Borrower or Obligor in the possession of Agent or any Lender from time to time to assignees and Participants.

(e) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement and the other Financing Agreements (including, without limitation, all or a portion of its Commitments and the Revolving Loans owing to it and its participation in the Letter of Credit Accommodations, without the consent of Agent or the other Lenders); provided, that, (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) and the other Financing Agreements shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and Borrowers, Guarantors,

the other Lenders and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Financing Agreements, and (iii) the Participant shall not have any rights under this Agreement or any of the other Financing Agreements (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreement executed by such Lender in favor of the Participant relating thereto) and all amounts payable by any Borrower or Obligor hereunder shall be determined as if such Lender had not sold such participation.

(f) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Revolving Loans hereunder to a Federal Reserve Bank in support of borrowings made by such Lenders from such Federal Reserve Bank.

(g) Borrowers and Guarantors shall assist Agent or any Lender permitted to sell assignments or participations under this Section 14.7 in whatever manner reasonably necessary in order to enable or effect any such assignment or participation, including (but not limited to) the execution and delivery of any and all agreements, notes and other documents and instruments as shall be requested and the delivery of informational materials, appraisals or other documents for, and the participation of relevant management in meetings and conference calls with, potential Lenders or Participants. Borrowers shall certify the correctness, completeness and accuracy, in all material respects, of all descriptions of Borrowers and Guarantors and their affairs provided, prepared or reviewed by any Borrower or Guarantor that are contained in any selling materials and all other information provided by it and included in such materials.

14.8 Entire Agreement. This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written. In the event of any inconsistency between the terms of this Agreement and any schedule or exhibit hereto, the terms of this Agreement shall govern.

14.9 Counterparts, Etc. This Agreement or any of the other Financing Agreements may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement or any of the other Financing Agreements by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Agreement or any of such other Financing Agreements. Any party delivering an executed counterpart of any such agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of such agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Administrative Agent, Syndication Agent, Agent, Lenders, Borrowers and Guarantors have caused these presents to be duly executed as of the day and year first above written.

BORROWERS

J. CREW OPERATING CORP.

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

J. CREW INC.

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

GRACE HOLMES, INC. d/b/a J. CREW RETAIL

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

GUARANTORS

J. CREW GROUP, INC.

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

J. CREW INTERNATIONAL, INC.

By: /s/ Nick Lamberti
Nick Lamberti, VP & Controller

J. CREW INTERMEDIATE LLC

By: /s/ Amanda Bokman
Amanda Bokman, EVP & CFO

LOAN AND SECURITY SIGNATURE PAGES

ADMINISTRATIVE AGENT

WACHOVIA BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: /s/ Illegible

Title: Director

SYNDICATION AGENT

BANK OF AMERICA, N.A.,
as Syndication Agent

By: _____

Title: _____

AGENT

CONGRESS FINANCIAL CORPORATION,
as Agent

By: _____

Title: _____

LENDERS

CONGRESS FINANCIAL CORPORATION

By: _____

Title: _____

Commitment: \$65,000,000

BANK OF AMERICA, N.A.

By: _____

Title: _____

Commitment: \$50,000,000

ADMINISTRATIVE AGENT

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Title: _____

SYNDICATION AGENT

BANK OF AMERICA, N.A.,
as Syndication Agent

By: /s/ Illegible
Title: Vice President

AGENT

CONGRESS FINANCIAL CORPORATION,
as Agent

By: _____
Title: _____

LENDERS

CONGRESS FINANCIAL CORPORATION

By: _____
Title: _____

Commitment: \$65,000,000

BANK OF AMERICA, N.A.

By: /s/ Illegible
Title: Vice President

Commitment: \$50,000,000

ADMINISTRATIVE AGENT

WACHOVIA BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: _____
Title: _____

SYNDICATION AGENT

BANK OF AMERICA, N.A.,
as Syndication Agent

By: _____
Title: _____

AGENT

CONGRESS FINANCIAL CORPORATION,
as Agent

By: /s/ Illegible
Title: First Vice President

LENDERS

CONGRESS FINANCIAL CORPORATION

By: /s/ Illegible
Title: First Vice President

Commitment: \$65,000,000

BANK OF AMERICA, N.A.

By: _____
Title: _____

Commitment: \$50,000,000

THE CIT GROUP/BUSINESS CREDIT, INC.

By: /s/ Illegible

Title: Vice President

Commitment: \$25,000,000

LASALLE RETAIL FINANCE, a division of LaSalle
Business Credit, as agent for Standard Federal Bank National
Association

By: _____

Title: _____

Commitment: \$30,000,000

LOAN AND SECURITY SIGNATURE PAGES

THE CIT GROUP/BUSINESS CREDIT, INC.

By: _____
Title: _____

Commitment: \$25,000,000

LASALLE RETAIL FINANCE, a division of LaSalle
Business Credit, as agent for Standard Federal Bank National
Association

By: /s/ Craig G. Nutbrown
Title: Craig G. Nutbrown, Vice President

Commitment: \$30,000,000

LOAN AND SECURITY SIGNATURE PAGES

EXHIBIT A
to
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
ASSIGNMENT AND ACCEPTANCE AGREEMENT

This ASSIGNMENT AND ACCEPTANCE AGREEMENT (this "Assignment and Acceptance") dated as of _____, 200_ is made between _____ (the "Assignor") and _____ (the "Assignee").

W I T N E S S E T H :

WHEREAS, Wachovia Bank, National Association, in its capacity as administrative agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Administrative Agent"), Bank of America, N.A., in its capacity as syndication agent pursuant to the Loan Agreement acting for and on behalf of the parties thereto as lenders (in such capacity, "Syndication Agent"), Congress Financial Corporation, in its capacity as collateral agent pursuant to the Loan Agreement acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), Wachovia Capital Markets, LLC, in its capacity as sole lead arranger and sole bookrunner (in such capacity, "Arranger"), and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Administrative Agent, Syndication Agent, Agent and Lenders may make loans and advances and provide other financial accommodations to J. Crew Operating Corp., J. Crew, Inc., Grace Holmes, Inc. d/b/a J. Crew Retail, and HFD No. 55, Inc. d/b/a J. Crew Factory (collectively, "Borrowers") as set forth in the Amended and Restated Loan and Security Agreement, dated December 23, 2004, by and among Borrowers, certain of their affiliates, Administrative Agent, Syndication Agent, Agent, Arranger and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements");

WHEREAS, as provided under the Loan Agreement, Assignor committed to making Revolving Loans (the "Committed Loans") to Borrowers in an aggregate amount not to exceed \$_____ (the "Commitment");

WHEREAS, Assignor wishes to assign to Assignee [part of the] [all] rights and obligations of Assignor under the Loan Agreement in respect of its Commitment in an amount equal to \$_____ (the "Assigned Commitment Amount") on the terms and subject to the conditions set forth herein and Assignee wishes to accept assignment of such rights and to assume such obligations from Assignor on such terms and subject to such conditions;

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

1. Assignment and Acceptance.

(a) Subject to the terms and conditions of this Assignment and Acceptance, Assignor hereby sells, transfers and assigns to Assignee, and Assignee hereby purchases, assumes and undertakes from Assignor, without recourse and without representation or warranty (except as provided in this Assignment and Acceptance) an interest in (i) the Commitment and each of the Committed Loans of Assignor and (ii) all related rights, benefits, obligations, liabilities and indemnities of the Assignor under and in connection with the Loan Agreement and the other Financing Agreements, so that after giving effect thereto, the Commitment of Assignee shall be as set forth below and the Pro Rata Share of Assignee shall be _____ (%) percent.

(b) With effect on and after the Effective Date (as defined in Section 5 hereof), Assignee shall be a party to the Loan Agreement and succeed to all of the rights and be obligated to perform all of the obligations of a Lender under the Loan Agreement, including the requirements concerning confidentiality and the payment of indemnification, with a Commitment in an amount equal to the Assigned Commitment Amount. Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender. It is the intent of the parties hereto that the Commitment of Assignor shall, as of the Effective Date, be reduced by an amount equal to the Assigned Commitment Amount and Assignor shall relinquish its rights and be released from its obligations under the Loan Agreement to the extent such obligations have been assumed by Assignee; provided, that, Assignor shall not relinquish its rights under Sections 2.1, 6.4, 6.8 and 6.9 of the Loan Agreement to the extent such rights relate to the time prior to the Effective Date.

(c) After giving effect to the assignment and assumption set forth herein, on the Effective Date Assignee's Commitment will be \$ _____.

(d) After giving effect to the assignment and assumption set forth herein, on the Effective Date Assignor's Commitment will be \$ _____ (as such amount may be further reduced by any other assignments by Assignor on or after the date hereof).

2. Payments.

(a) As consideration for the sale, assignment and transfer contemplated in Section 1 hereof, Assignee shall pay to Assignor on the Effective Date in immediately available funds an amount equal to \$ _____, representing Assignee's Pro Rata Share of the principal amount of all Committed Loans.

(b) Assignee shall pay to Agent the processing fee in the amount specified in Section 14.7(a) of the Loan Agreement.

3. Reallocation of Payments. Any interest, fees and other payments accrued to the Effective Date with respect to the Commitment, Committed Loans and outstanding Letter of Credit Accommodations shall be for the account of Assignor. Any interest, fees and other

payments accrued on and after the Effective Date with respect to the Assigned Commitment Amount shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other party any interest, fees and other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and pay to the other party any such amounts which it may receive promptly upon receipt.

4. Independent Credit Decision. Assignee acknowledges that it has received a copy of the Loan Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements of _____ and its Subsidiaries, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Assignment and Acceptance and agrees that it will, independently and without reliance upon Assignor, Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Loan Agreement.

5. Effective Date; Notices.

(a) As between Assignor and Assignee, the effective date for this Assignment and Acceptance shall be _____, 200_ (the "Effective Date"); provided, that, the following conditions precedent have been satisfied on or before the Effective Date:

- (i) this Assignment and Acceptance shall be executed and delivered by Assignor and Assignee;
- (ii) the consent of Agent as required for an effective assignment of the Assigned Commitment Amount by Assignor to Assignee shall have been duly obtained and shall be in full force and effect as of the Effective Date;
- (iii) written notice of such assignment, together with payment instructions, addresses and related information with respect to Assignee, shall have been given to Borrower Agent and Agent;
- (iv) Assignee shall pay to Assignor all amounts due to Assignor under this Assignment and Acceptance; and
- (v) the processing fee referred to in Section 2(b) hereof shall have been paid to Agent.

(b) Promptly following the execution of this Assignment and Acceptance, Assignor shall deliver to Borrower Agent and Agent for acknowledgment by Agent, a Notice of Assignment in the form attached hereto as Schedule 1.

[6. Agent. [INCLUDE ONLY IF ASSIGNOR IS AN AGENT]]

(a) Assignee hereby appoints and authorizes Assignor in its capacity as Agent to take such action as agent on its behalf to exercise such powers under the Loan Agreement as are delegated to Agent by Lenders pursuant to the terms of the Loan Agreement.

(b) Assignee shall assume no duties or obligations held by Assignor in its capacity as Agent under the Loan Agreement.]

7. Withholding Tax. Assignee (a) represents and warrants to Assignor, Agent and Borrowers that under applicable law and treaties no tax will be required to be withheld by Assignee, Agent or Borrowers with respect to any payments to be made to Assignee hereunder or under any of the Financing Agreements, (b) agrees to furnish (if it is not a "United States Person" as such term is defined in Section 7701(a)(30) of the Code) to Agent and Borrowers prior to the time that Agent or Borrowers are required to make any payment of principal, interest or fees hereunder, duplicate executed originals of either U.S. Internal Revenue Service Form W-8 ECI or U.S. Internal Revenue Service Form W-8 BEN (wherein Assignee claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) and agrees to provide new Forms W-8 ECI or W-8 BEN upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by Assignee, and (c) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

8. Representations and Warranties.

(a) Assignor represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any security interest, lien, encumbrance or other adverse claim, (ii) it is duly organized and existing and it has the full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance and to fulfill its obligations hereunder, (iii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance, and apart from any agreements or undertakings or filings required by the Loan Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance, and (iv) this Assignment and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of Assignor, enforceable against Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles.

(b) Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or any of the other Financing Agreements or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other instrument or document furnished pursuant thereto. Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of Borrowers, Guarantors or any of their respective Affiliates, or the performance or observance by Borrowers, Guarantors or any other Person, of any of its respective obligations under the Loan Agreement or any other instrument or document furnished in connection therewith.

(c) Assignee represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance, and to fulfill its obligations hereunder, (ii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance, and apart from any agreements or undertakings or filings required by the Loan Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; and (iii) this Assignment and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of Assignee, enforceable against Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights to general equitable principles.

9. Further Assurances. Assignor and Assignee each hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Assignment and Acceptance, including the delivery of any notices or other documents or instruments to Borrowers or Agent, which may be required in connection with the assignment and assumption contemplated hereby.

10. Miscellaneous

(a) Any amendment or waiver of any provision of this Assignment and Acceptance shall be in writing and signed by the parties hereto. No failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof and any waiver of any breach of the provisions of this Assignment and Acceptance shall be without prejudice to any rights with respect to any other for further breach thereof.

(b) All payments made hereunder shall be made without any set-off or counterclaim.

(c) Assignor and Assignee shall each pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Assignment and Acceptance.

(d) This Assignment and Acceptance may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

(e) THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF _____. Assignor and Assignee each irrevocably submits to the non-exclusive jurisdiction of any State or Federal court sitting in _____ County, _____ over any suit, action or proceeding arising out of or relating to this Assignment and Acceptance and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such _____ State or Federal court. Each party to this Assignment and Acceptance hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

(f) ASSIGNOR AND ASSIGNEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ASSIGNMENT AND ACCEPTANCE, THE LOAN AGREEMENT, ANY OF THE OTHER FINANCING AGREEMENTS OR ANY RELATED DOCUMENTS AND AGREEMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING, OR STATEMENTS (WHETHER ORAL OR WRITTEN).

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment and Acceptance to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____

Title: _____

[ASSIGNEE]

By: _____

Title: _____

SCHEDULE 1
NOTICE OF ASSIGNMENT AND ACCEPTANCE

_____, 20__

Attn.: _____

Re: _____

Ladies and Gentlemen:

Congress Financial Corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), Wachovia Bank, National Association, in its capacity as arranger pursuant to the Loan Agreement (in such capacity, "Arranger") and the financial institutions which are parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Agent and Lenders may make loans and advances and provide other financial accommodations to _____, _____, _____, and _____ (collectively, "Borrowers") as set forth in the Loan and Security Agreement, dated _____, 2002, by and among Borrowers, certain of their affiliates, Agent and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement.

1. We hereby give you notice of, and request your consent to, the assignment by _____ (the "Assignor") to _____ (the "Assignee") such that after giving effect to the assignment Assignee shall have an interest equal to _____ (%) percent of the total Commitments pursuant to the Assignment and Acceptance Agreement attached hereto (the "Assignment and Acceptance"). We understand that the Assignor's Commitment shall be reduced by \$ _____, as the same may be further reduced by other assignments on or after the date hereof.

2. Assignee agrees that, upon receiving the consent of Agent to such assignment, Assignee will be bound by the terms of the Loan Agreement as fully and to the same extent as if the Assignee were the Lender originally holding such interest under the Loan Agreement.

3. The following administrative details apply to Assignee:

(A) Notice address:

Assignee name:

Address:

Attention:

Telephone:

Telecopier:

(B) Payment instructions:

Account No.:

At:

Reference:

Attention:

4. You are entitled to rely upon the representations, warranties and covenants of each of Assignor and Assignee contained in the Assignment and Acceptance.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Notice of Assignment and Acceptance to be executed by their respective duly authorized officials, officers or agents as of the date first above mentioned.

Very truly yours,

[NAME OF ASSIGNOR]

By: _____

Title: _____

[NAME OF ASSIGNEE]

By: _____

Title: _____

ACKNOWLEDGED AND ASSIGNMENT CONSENTED
TO:

CONGRESS FINANCIAL CORPORATION,
as Agent

By: _____

Title: _____

EXHIBIT B
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
REVISED INFORMATION CERTIFICATE
OF
J. CREW GROUP, INC.
AND ITS SUBSIDIARIES

Dated: December 23, 2004

Congress Financial Corporation, as Agent
1133 Avenue of the Americas
New York, New York 10036

In connection with certain financing provided or to be provided by you ("Lender"), each of the undersigned (individually, a "Company" and, collectively, the "Companies") jointly and severally represents and warrants to Lender the following information about it, its organizational structure and other matters of interest to Lender. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Amended and Restated Loan and Security Agreement, dated of even date herewith, among Lender, each of the undersigned, Wachovia Bank, National Association, as Arranger, and the lenders from time to time party thereto.

1. The full and exact name of each Company as set forth in its certificate of incorporation (or its certificate of formation or other organizational document filed with the applicable state governmental authority, as the case may be) is as follows:

J. Crew Group, Inc.
J. Crew Intermediate LLC
J. Crew Operating Corp.
J. Crew Inc.
J. Crew International, Inc.
Grace Holmes, Inc.
H.F.D. No. 55, Inc.

2. Each Company uses and owns the following trade name(s) in the operation of its business (e.g. billing, advertising, etc.; note: do not include names which are product names only):

Company

Trade Names

All Companies use the "J. Crew" trade name and variations thereon

3. Each Company is a registered organization of the following type (for example, corporation, limited partnership, limited liability company, etc.):

Each Company is organized as a corporation, except for J. Crew Intermediate LLC which is organized as a limited liability company.

4. Each Company was organized on the date indicated for such company below, under the laws of the State indicated below for such Company, and each Company is in good standing under the laws of such State.

<u>Company</u>	<u>Date of Organization</u>	<u>Jurisdiction of Organization</u>
J. Crew Group, Inc.	5/19/88	New York
J. Crew Intermediate LLC	3/27/03	Delaware
J. Crew Operating Corp.	9/12/97	Delaware
J. Crew Inc.	3/23/84	New Jersey
J. Crew International, Inc.	5/15/92	Delaware
Grace Holmes, Inc.	1/8/62	Delaware
H.F.D. No. 55, Inc.	7/14/69	Delaware

5. The organizational identification number of each Company issued by its jurisdiction of organization is as set forth below (or if none is issued by the jurisdiction of organization indicate "none"):

<u>Company</u>	<u>ID No.</u>
J. Crew Group, Inc.	None
J. Crew Intermediate LLC	3641106
J. Crew Operating Corp.	2794492
J. Crew Inc.	0100221886
J. Crew International, Inc.	2297963
Grace Holmes, Inc.	0577825
H.F.D. No. 55, Inc.	0720619

6. The Federal Employer Identification Number of each Company is as follows:

<u>Company</u>	<u>FEIN</u>
J. Crew Group, Inc.	22-2894486
J. Crew Intermediate LLC	N/A
J. Crew Operating Corp.	22-3540930
J. Crew Inc.	22-2516360
J. Crew International, Inc.	51-0342712
Grace Holmes, Inc.	22-1691409
H.F.D. No. 55, Inc.	22-1869438

7. Each Company is duly qualified as a foreign corporation and is in good standing, or has applied for such qualification and/or good standing, in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to qualify would not have a Material Adverse Effect.

8. Since the date of its organization, the name of each Company as set forth in its organizational documentation as filed of record with the applicable state authority has been changed as follows:

<u>Company</u>	<u>Date of Change</u>	<u>Prior Name</u>
J. Crew Operating Corp.	9/29/97	J. Crew Corp.
J. Crew Inc.	9/22/86	J. Crew Outfitters, Inc.
J. Crew International, Inc.	1/25/93	J. CREW International, Inc.

9. Since January 1, 1990, no Company has been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business.
10. The chief executive office and mailing address of each Company is located at the address indicated for such Company on Schedule 8.2 hereto.
11. The books and records of each Company pertaining to accounts, contract rights, inventory, and other assets are located at the addresses indicated for such Company on Schedule 8.2 hereto.
12. Each Company has other places of business and/or maintains inventory or other assets only at the addresses (indicate whether locations are owned, leased or operated by third parties and if leased or operated by third parties, their name and address) indicated for such Company on Schedule 8.2 hereto, subject to the rights of each Company to establish new locations in accordance with Section 9.2 of the Loan Agreement.
13. The places of business or other locations of any assets used by each Company during the last four (4) months prior to the date hereof other than those listed above are as indicated for such Company on Schedule 8.2 hereto.
14. Each Company has good and marketable fee simple title to or valid leasehold interests in all of its Real Property and good, valid and merchantable title to all of its other properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to Agent and such others as are set forth on Schedule 8.4 hereto.
15. Except as set forth on Schedule 8.6 hereto, (a) there is no investigation by any Governmental Authority pending, or to the best of any Company's knowledge threatened, against or affecting any Company's assets or business and (b) there is no action, suit, proceeding or claim by any Person pending, or to the best of any Company's knowledge threatened, against any Company's assets or goodwill, or against or affecting any transactions contemplated by this Agreement, in each case, which has a reasonable possibility of being adversely determined and which, if adversely determined against such Company has or could reasonably be expected to have a Material Adverse Effect.

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16. To the best knowledge of each Company, such Company is in material compliance with all environmental laws applicable to its business or operations where the failure to so comply has or could reasonably be expected to have a Material Adverse Effect, except as set forth on Schedule 8.8 hereto.
 17. All deposit accounts, investment accounts or other accounts in the name of or used by any Company maintained at any bank or other financial institution, are set forth on Schedule 8.10 hereto, subject to the right of each Company to establish new accounts in accordance with Section 5.23 of the Loan Agreement (indicate type of account).
 18. As of the date hereof, no Company (i) owns or licenses any Intellectual Property, (ii) has granted any licenses with respect thereto or (iii) has entered into any License Agreement except, in each case, as set forth on Schedule 8.11 hereto (indicate type of intellectual property and whether owned or licensed, registration number, date of registration, and, if licensed, the name and address of the licensor).
 19. Each Company is affiliated with, or has ownership in, the corporations (including subsidiaries) and other organizations set forth on Schedule 8.12 hereto.
 20. The names of the stockholders (or members or partners, including general partners and limited partners) of each Company and their holdings are as set forth on Schedule 8.12 hereto (if stock or other interests are widely held indicate only holders owning 10% or more of the voting stock or other interests).
 21. No Company is a party to or bound by an collective bargaining or similar agreement with any union, labor organization or other bargaining agent except as set forth on Schedule 8.13 hereto (indicate date of agreement, parties to agreement, description of employees covered, and date of termination).
 22. No Company is a party to or bound by any Material Contract except as set forth on Schedule 8.15 hereto.
 23. No Company has any Indebtedness except as set forth on Schedule 9.9 hereto or as otherwise permitted under Section 9.9 of the Loan Agreement.
 24. No Company has made any loans or advances or guaranteed or otherwise become liable for the obligations of any others except as set forth on Schedule 9.9 or 9.10 hereto.
 25. No Company has any chattel paper (whether tangible or electronic) or instruments as of the date hereof.
 26. No Company has any commercial tort claims as of the date hereof.
 27. There is no provision in the certificate of incorporation, certificate of formation, articles of organization, by-laws or operating agreement of any Company (as applicable) or the other organizational documents of such Company, requiring any vote or consent of its shareholders, members or other holders of the equity interests therein to borrow or to authorize the mortgage or pledge of or creation of a security interest in any assets of such Company or any subsidiary.

28. Certain officers of each Company and their respective titles are listed on Schedule I hereto.

The following will have signatory powers as to all transactions of each Company with Lender.

Amanda J. Bokman

Nicholas P. Lamberti

29. The members of the Board of Directors of each Company (or, if the Company is a limited partnership, the general partner or, if the Company is a limited liability company, the managers) are listed on Schedule I hereto.

30. At the present time, there are no material delinquent taxes due (including, but not limited to, all payroll taxes, personal property taxes, real estate taxes or income taxes) except for taxes, if any, being contested in good faith.

31. Certified Public Accountants for each Company is the firm of:

Name **KPMG LLP**

Address **345 Park Avenue, New York, NY 10154**

Partner Handling Relationship **Jeff Sands**

Were statements uncertified for any fiscal year? **No**

Lender shall be entitled to rely upon the foregoing in all respects and each of the undersigned is duly authorized to execute and deliver this Information Certificate on behalf of the Company for which he or she is signing.

Very truly yours,

J. CREW GROUP, INC.

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

J. CREW INTERMEDIATE LLC

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

J. CREW OPERATING CORP.

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

J. CREW INC.

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas Lamberti
Title: Vice-President and Controller

GRACE HOLMES, INC.

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

H.F.D. NO. 55, INC.

By: /s/ Amanda Bokman
Title: Executive Vice-President
and Chief Financial Officer

SCHEDULE 8.2
to
INFORMATION CERTIFICATE
Locations

A. Company:

1. Chief Executive Office

Company
J. Crew Group, Inc.
J. Crew Intermediate LLC
J. Crew Operating Corp.
J. Crew Inc.
Grace Holmes, Inc.
H.F.D. No. 55, Inc.

J. Crew International, Inc.

Chief Executive Office
770 Broadway
New York, NY 10003

802 West Street, Suite 102
Wilmington, DE 19801

2. Location of Books and Records

Same as response to #1 above

3. Locations of Inventory, Equipment and Other Assets

Address
770 Broadway
New York, NY 10003

Owned/Leased/Third Party*
Leased by J. Crew Group, Inc.

Name/Address of Lessor
Third Party, as Applicable
770 Broadway Company LLC
c/o Vornado Management
Company LLC
888 Seventh Avenue
New York, NY 10106

* Indicate in this column next to applicable address whether the location is owned by each Company, leased by each Company or owned and operated by a third party (e.g., warehouse, processor, consignee, etc.)

**One Clifford Way
Asheville, NC 28810**

Owned by Grace Holmes, Inc.

**One Ivy Crescent
Lynchburg, VA 24506**

Owned by J. Crew Inc.

**25 Mills Race Drive
Lynchburg, VA 24502**

Leased by J. Crew Inc.

**Mae Holding Company
5145 Fischer Place
Cincinnati, OH**

**205 Vista Boulevard
Arden, NC 28704**

Leased by J. Crew Operating Corp.

**Space Providers of Asheville,
LLC
P.O. Box 5282
Asheville, NC 28813**

This lease will expire on 12/31/04

See also attached list of retail store locations leased by Grace Holmes, Inc. and factory store locations leased by H.F.D. No. 55, Inc. as of the date hereof

4. Locations of Assets in Prior 4 Months not Listed Above

None

RETAIL (AS OF 12/23/04)

ST#	LOCATION	CITY	ST
501	South Street Seaport	New York	NY
502	San Francisco Shopping Center	San Francisco	CA
503	The Atrium	Chestnut Hill	MA
504	South Coast Plaza	Costa Mesa	CA
505	The Shops @ Liberty Place	Philadelphia	PA
506	Pioneer Place	Portland	OR
507	Cambridgeside Galleria	Cambridge	MA
508	Georgetown Park	Washington	DC
509	Montgomery Mall	Bethesda	MD
510	Northpark Mall	Dallas	TX
511	Oakbrook Center	Oakbrook	IL
512	Northbrook Court	Northbrook	IL
513	900 North Michigan Avenue	Chicago	IL
514	Somerset Mall	Troy	MI
516	Westport -145 Main Street	Westport	CT
517	Scottsdale Fashion Square	Scottsdale	AZ
518	Tower City Center	Cleveland	OH
519	Lenox Square	Atlanta	GA
520	Roosevelt Field Mall	Garden City	NY
521	One Colorado Boulevard	Pasadena	CA
522	Lincoln Place	Santa Fe	NM
523	Houston Galleria I	Houston	TX
524	Plaza Frontenac	St. Louis	MO
525	Northshore Mall	Peabody	MA
526	Downtown Plaza	Sacramento	CA
527	Keystone at the Crossing	Indianapolis	IN
528	Southdale Mall	Edina	MN
529	Bellevue Square	Bellevue	WA
530	Plaza at King of Prussia	King of Prussia	PA
531	Crabtree Valley Mall	Raleigh	NC
532	Tysons Galleria	McLean	VA
533	Park Meadows Shopping Center	Denver	CO
534	Highland Mall	Austin	TX
535	Woodfield Mall	Schaumburg	IL
537	Garden State Plaza	Paramus	NJ
538	Stanford Shopping Center	Palo Alto	CA
539	99 Prince Street	New York	NY
540	91 Fifth Avenue	New York	NY
541	Town Center at Boca Raton	Boca Raton	FL
542	Copley Place	Boston	MA
543	The Mall at Short Hills	Short Hills	NJ
544	SouthPark Mall	Charlotte	NC
545	Danbury Fair Mall	Danbury	CT
546	Century City Shopping Center	Los Angeles	CA
547	West Farms Mall	West Hartford	CT
548	Fashion Valley Mall	San Diego	CA
549	Beachwood Mall	Cleveland	OH
550	Aventura Mall	Miami	FL
551	Palisades Center	West Nyack	NY
552	South Shore Plaza	Braintree	MA
553	Riverside Square	Hackensack	NJ
554	Perimeter Mall	Atlanta	GA
555	1222 Third Street Promenade	Santa Monica	CA
556	Horton Plaza	San Diego	CA

557	The Village at Corte Madera	Corte Madera	CA
558	1232-38 Burlingame Avenue	Burlingame	CA
559	The Gallery at Harborplace	Baltimore	MD
560	The Westchester	White Plains	NY
561	Oak Park Mall	Overland Park	KS
562	Pacific Place	Seattle	WA
563	Walt Whitman Mall	Huntington Station	NY
565	Menlo Park	Edison	NJ
566	Briarwood Mall	Ann Arbor	MI
567	MacArthur Center	Norfolk	VA
568	Town Center at Easton	Columbus	OH
569	Cherry Creek Mall	Denver	CO
570	Riverchase Galleria	Birmingham	AL
572	Washington Square	Portland	OR
573	Kenwood Towne Center	Cincinnati	OH
574	Cape Cod Mall	Hyannis	MA
575	Mall of Georgia	Atlanta	GA
576	Providence Place	Providence	RI
577	Mission Viejo Mall	Mission Viejo	CA
578	Brea Mall	Brea	CA
579	Florida Mall	Orlando	FL
581	Rockefeller Center	New York	NY
582	The Mall at Green Hills	Nashville	TN
583	Old Orchard Shopping Center	Chicago	IL
584	Fashion Show	Las Vegas	NV
585	North Star Mall	San Antonio	TX
586	Tucson Mall	Tucson	AZ
587	Woodland Mall	Grand Rapids	MI
588	Flatiron Crossing	Boulder	CO
589	Galleria at Roseville	Roseville	CA
590	Lakeside Mall	Metairie	LA
591	Deer Park Town Center	Deer Park	IL
592	Ave. of the Peninsula	Palos Verde	CA
593	Saddle Creek Shopping Center	Memphis	TN
594	Walden Galleria	Buffalo	NY
595	126 Greenwich Avenue	Greenwich	CT
596	Stonebriar Centre	Dallas	TX
597	Ross Park Mall	Pittsburgh	PA
599	Stonestown Galleria	San Francisco	CA
600	Mayfair Mall	Milwaukee	WI
601	Pentagon City	Arlington	VA
602	Mall of America	Bloomington	MN
603	Haywood Mall	Greenville	SC
604	Carousel Center	Syracuse	NY
605	Country Club Plaza	Kansas City	MO
606	The Shoppes at Brinton Lake	Brinton Lake	PA
607	Suburban Square	Ardmore	PA
608	The Grove at Farmers Market	Los Angeles	CA
609	Valley Fair Mall	Santa Clara	CA
610	The Gateway	Salt Lake City	UT
611	The Promenade at Sagemore	Marlton	NJ
612	Tices Comer	Woodcliff Lake	NJ
613	International Plaza	Tampa	FL
614	29 Broadway	New Haven	CT
615	Twelve Oaks Mall	Novi	MI
616	North Avenue Collection	Chicago	IL
617	Burlington Town Center	Burlington	VT
618	Fayette Mall	Lexington	KY

619	Franklin Park Mall	Toledo	OH
620	Polaris Fashion Place	Columbus	OH
621	Kierland Commons	Scottsdale	AZ
622	The Forum at Peachtree	Atlanta	GA
623	Columbia Mall	Columbia	MD
624	Willow Grove Park	Willow Grove	PA
625	Fashion Place Mall	Murray	UT
626	Four Seasons Town Centre	Greensboro	NC
627	Sherman Oaks Fashion Square	Sherman Oaks	CA
628	Woodland Hills	Tulsa	OK
629	Hawthorn Center	Vernon Hills	IL
630	Short Pump Town Center	Richmond	VA
631	Mall at Fairfield Commons	Beavercreek	OH
632	West Town Mall	Knoxville	TN
633	The Summit	Louisville	KY
634	Crossgates Mall	Albany	NY
635	Chandler Fashion Center	Chandler	AZ
636	Mall at Rockingham Park	Salem	NH
637	Aspen Grove Lifestyle Center	Denver	CO
638	Penn Square	Oklahoma City	OK
639	University Village	Seattle	WA
640	264 King Street	Charleston	SC
641	The Shops @ Willow Bend	Dallas	TX
643	South Hills Village	Pittsburgh	PA
644	Willowbrook Mall	Wayne	NJ
645	Palmer Square	Princeton	NJ
646	The Streets at Southpoint	Durham	NC
647	Charlottesville Fashion Square	Charlottesville	VA
648	Eastview Mall	Victor	NY
649	347 Madison Avenue	New York	NY
650	Eastwood Towne Center	Lansing	MI
651	The Village of Rochester Hills	Rochester Hills	MI
652	Arbor Lakes	Maple Grove	MN
653	Rockaway Townsquare	Rockaway	NJ
655	Smith Haven Mall	Lake Grove	NY
656	Grand Place	Saint Paul	MN
659	Stoneridge Center	Pleasanton	CA
660	The Summit	Birmingham	AL
661	Orland Square	Orland Park	IL
662	Chevy Chase Pavilion	Washington	DC
668	Manhasset Center	Manhasset	NY
671	Walnut Street	Pittsburgh	PA
672	Evergreen Walk	South Windsor	CT
673	Jordan Creek Town Center	West Des Moines	IA
700	Columbus Centre	New York	NY

FACTORY (AS OF 12/23/04)

<u>ST#</u>	<u>LOCATION</u>	<u>CITY</u>	<u>ST</u>
002	Lakeside Marketplace	Kenosha	WI
003	Pigeon Forge Factory Stores	Pigeon Forge	TN
004	Prime Outlets at Williamsburg	Williamsburg	VA
005	Hilton Head Factory Stores	Bluffton	SC
006	Settlers' Green	North Conway	NH
008	Bow Street	Freeport	ME
009	Prime Outlets at Birch Run	Birch Run	MI
010	Kittery Outlet Village	Kittery	ME
014	Silverthorne Factory Stores	Silverthorne	CO
016	Riviera Centre	Foley	AL
017	Lighthouse Place	Michigan City	IN
018	Manchester Commons	Manchester	VT
019	Silver Sands Factory Stores	Destin	FL
021	Millstream Factory Stores	Lancaster	PA
022	Woodbury Common Premium Outlets	Central Valley	NY
023	Crossings Factory Stores	Tannersville	PA
024	San Marcos Factory Stores	San Marcos	TX
025	Outlets at Gilroy	Gilroy	CA
027	St. Augustine Outlet Center	St. Augustine	FL
028	Lakes Region Factory Stores	Tilton	NH
029	Tanger Factory Outlet Center	Seymour	IN
030	Napa Factory Stores	Napa	CA
031	Desert Hills Premium Outlets	Cabazon	CA
033	Tanger Factory Outlet Center	Commerce	GA
034	Pacific Edge Factory Stores	Burlington	WA
035	Southwest Outlet Center	Hillsboro	TX
036	Prime Outlets at Calhoun	Gordon County	GA
037	Rocky Mountain Factory	Loveland	CO
038	Ocean Outlets - Seaside II	Rehoboth Beach	DE
039	Sawgrass Mills	Sunrise	FL
040	Prime Outlets at Niagara Falls USA	Niagara Falls	NY
042	Westbrook Factory Stores	Westbrook	CT
043	Tanger Factory Outlet Center	Branson	MO
044	Finger Lakes Outlet Center	Seneca	NY
045	Grove City Factory Shops	Springfield	PA
046	Prime Outlets at Lee (f/k/a Berkshire Outlet)	Lee	MA
047	Tanger Factory Outlet	Riverhead	NY
048	Six Flags Factory Outlets	Jackson	NJ
049	Myrtle Beach Factory Stores	Myrtle Beach	VA
051	Outlet Village at Hagerstown	Hagerstown	MD
052	Leesburg Premium Outlet	Leesburg	VA
053	Wrentham Village Premium Outlets	Wrentham	MA

SCHEDULE 8.4
to
INFORMATION CERTIFICATE

Existing Liens

See attached list.

SCHEDULES
to
INFORMATION CERTIFICATE

Existing Liens

<u>Debtor</u>	<u>Jurisdiction</u>	<u>File Date</u>	<u>File Number</u>	<u>Type of Lien</u>	<u>Secured Party</u>	<u>Collateral</u>
J. CREW INC.	New York	06/22/00	00123220	UCC-1	Conseco Finance Vendor Services Corporation	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61118	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61119	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61120	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61121	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61122	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/24/97	97PN61126	UCC-1	The Financial Corp of Illinois	Equipment
J. CREW INC.	NY County, NY	12/22/97	001049710**	Tax	NYC Department of Finance	Tax Warrant
J. CREW INC.	NY County, NY	01/12/98	001054011**	Tax	NYC Department of Finance	Tax Warrant
J CREW INC.	NY County, NY	07/03/00	001295527**	Tax	NYC Department of Finance	Tax Warrant
J CREW INC.	NY County, NY	09/25/00	001323439**	Tax	NYC Department of Finance	Tax Warrant
J. CREW INC.	NY County, NY	08/14/02	001591260	Tax	NY State Department of Taxation and Finance	Tax Warrant
J. CREW INC.	North Carolina	07/26/99	19990072089	UCC-1	Mellon First United Leasing	Equipment
J. CREW INC.	Virginia	09/19/94	940919 7287	UCC-1	TriCon Capital, a unit of Greyhound Financial Corporation	Equipment

* Will have lapsed by closing date.

** Tax Warrant discharged after search date.

As of 12/09/02

<u>Debtor</u>	<u>Jurisdiction</u>	<u>File Date</u>	<u>File Number</u>	<u>Type of Lien</u>	<u>Secured Party</u>	<u>Collateral</u>
		08/17/99	990817 7828	Cont		
J. CREW INC.	Virginia	10/31/94	941031 7175	UCC-1	TriCon Capital, a unit of Greyhound Financial Corporation	Equipment
		09/14/99	990914 7804	Cont		
J. CREW INC.	Virginia	02/02/95	950202 7119	UCC-1	TriCon Capital, a unit of Greyhound Financial Corporation	Equipment
		02/17/00	000217 7823	Cont		
J. CREW INC.	Virginia	12/05/97	971205 7103	UCC-1	Weyerhaeuser Company	Equipment
J. CREW INC.	Virginia	03/09/00	000309 7025	UCC-1	Pitney Bowes Credit Corporation	Equipment
GRACE HOLMES, INC.	California	11/04/98	9831361280**	Tax	The State of California Board of Equalization	Tax Lien
GRACE HOLMES, INC.	Delaware	08/30/01	11070304	UCC-1	Chase Equipment Leasing, Inc.	Equipment
GRACE HOLMES, INC.	Delaware	08/30/01	11070338	UCC-1	Chase Equipment Leasing Inc.	Equipment
GRACE HOLMES, INC.	New Jersey	10/23/96	1728383	UCC-1	Chase Equipment Leasing, Inc.	Equipment
		07/02/01	1728383	Cont		
GRACE HOLMES, INC.	New York	03/07/00	045697	UCC-1	Jacom Computer Services, Inc.	Equipment
GRACE HOLMES, INC.	NY County, NY	04/04/00	00PN17411	UCC-1	Jacom Computer Services, Inc.	Equipment
GRACE HOLMES, INC.	North Carolina	10/04/96	1384737	UCC-1	Chase Equipment Leasing, Inc.	Equipment
		05/15/01	20010046995	Cont		
GRACE HOLMES, INC.	North Carolina	03/08/00	20000024648	UCC-1	Jacom Computer Services, Inc.	Equipment

* Will have lapsed by closing date.

** Tax Warrant discharged after search date.

<u>Debtor</u>	<u>Jurisdiction</u>	<u>File Date</u>	<u>File Number</u>	<u>Type of Lien</u>	<u>Secured Party</u>	<u>Collateral</u>
GRACE HOLMES, INC.	Virginia	03/07/00	003077134	UCC-1	Jacom Computer Services, Inc.	Equipment
H.F.D. NO. 55, INC.	Gordon County, Georgia	10/22/98	BK 14/73	Tax	Gordon County Tax Commission	Tax Warrant
H.F.D. NO. 55, INC.	Gordon County, Georgia	09/24/02	BK 17/73	Tax	Georgia Department of Labor	Tax Warrant
H.F.D. NO. 55, INC.	NY County, NY	07/27/98	5573978	Tax	NYC Department of Finance	Tax Warrant
H.F.D. NO. 55, INC.	NY County, NY	07/27/98	5573979	Tax	NYC Department of Finance	Tax Warrant
J. CREW GROUP, INC.	New Jersey	06/07/94	1574515	UCC-1	U.S. Bancorp Leasing & Financial American Finance Group, Inc.	Equipment
		12/04/96	1574515	Assign		
		05/13/99	1574515	Cont		
J. CREW GROUP, INC.	New Jersey	02/27/97	1752264	UCC-1	F.L. Partnership Management, Inc.	Equipment
J. CREW GROUP, INC.	New Jersey	12/19/97	1808151	UCC 1	The Financial Corporation of Illinois	Equipment
J. CREW GROUP, INC.	New Jersey	04/22/98	1831262	UCC-1	Fidelity Leasing Income Fund VII	Equipment
J. CREW GROUP, INC.	New York	12/22/97	261822	UCC-1	Oliver-Allen Corporation	Equipment
J. CREW GROUP, INC.	New York	12/22/97	261828	UCC-1	Oliver-Allen Corporation	Equipment
		08/06/02	181554	Cont		
J. CREW GROUP, INC.	New York	08/10/98	170815	UCC-1	Copelco Capital, Inc.	Equipment
J. CREW GROUP, INC.	New York	10/06/98	212818	UCC-1	First American Commercial Bancorp, Inc.	Equipment
J. CREW GROUP, INC.	New York	09/10/99	182951	UCC-1	American Equipment Leasing	Equipment

* Will have lapsed by closing date.

** Tax Warrant discharged after search date.

<u>Debtor</u>	<u>Jurisdiction</u>	<u>File Date</u>	<u>File Number</u>	<u>Type of Lien</u>	<u>Secured Party</u>	<u>Collateral</u>
J. CREW GROUP, INC.	New York	05/17/00	097337	UCC-1	Jacom Computer Services, Inc.	Equipment
J. CREW GROUP, INC.	New York	09/27/00	187082	UCC-1	JTA Leasing Co. LLC	Equipment
J. CREW GROUP, INC.	New York	01/28/02	021048	UCC-1	EMC Corporation	Equipment
J. CREW GROUP, INC.	New York	02/08/02	031977	UCC-1	Crown Credit Company	Equipment
J. CREW GROUP, INC.	New York	04/16/02	088528	UCC-1	Raymond Leasing Corporation	Equipment
J. CREW GROUP, INC.	New York	06/17/02	141955	UCC-1	Marlin Leasing Corp.	Equipment
J. CREW GROUP, INC.	New York	06/21/02	146081	UCC-1	Wells Fargo Financial Leasing	Equipment
J. CREW GROUP, INC.	New York	08/21/02	193972	UCC-1	Fidelity Leasing, A Division of EAB Leasing Corp.	Equipment
J. CREW GROUP, INC.	NY County, NY	10/03/97*	97PN45716	UCC-1	Copelco Capital, Inc.	Equipment
J. CREW GROUP, INC.	NY County, NY	08/13/98	98PN42878	UCC-1	Copelco Capital, Inc.	Equipment
J. CREW GROUP, INC.	NY County, NY	10/06/98	98PN52872	UCC-1	Imperial Business Credit, Inc.	Equipment
J. CREW GROUP, INC.	NY County, NY	09/15/99	99PN50513	UCC-1	American Equipment Leasing	Equipment
J. CREW GROUP, INC.	NY County, NY	05/17/00	00PN24945	UCC-1	Jacom Computer Services, Inc.	Equipment
J. CREW GROUP, INC.	NY County, NY	06/27/00	00PN32012	UCC-1	Conseco Finance Vendor Services Corp.	Equipment
J. CREW GROUP, INC.	NY County, NY	10/05/00	00PN49382	UCC-1	JTA Leasing CO, LLC	Equipment
J. CREW GROUP, INC.	NY County, NY	12/22/97	001049713**	Tax	NYC Department of Finance	Tax Warrant
J. CREW GROUP, INC.	NY County, NY	12/22/97	001049714**	Tax	NYC Department of Finance	Tax Warrant
J. CREW GROUP, INC.	North Carolina	03/19/01	20010027107	UCC-1	Carolina Handling LLC	Equipment
J. CREW GROUP, INC.	North Carolina	05/25/01	20010050237	UCC-1	EMC Corporation Associates Leasing Inc.	Equipment

* Will have lapsed by closing date.

** Tax Warrant discharged after search date.

<u>Debtor</u>	<u>Jurisdiction</u>	<u>File Date</u>	<u>File Number</u>	<u>Type of Lien</u>	<u>Secured Party</u>	<u>Collateral</u>
J. CREW GROUP, INC.	Virginia	12/29/97	9712297433	UCC-1	Associates Commercial Corporation	Equipment
J. CREW GROUP, INC.	Virginia	01/13/98	9801137118	UCC-1	IBM Credit Corporation	Equipment
J. CREW GROUP, INC.	Virginia	03/09/98	9803097144	UCC-1	IBM Credit Corporation	Equipment
J. CREW GROUP, INC.	Virginia	03/09/98	9803097145	UCC-1	IBM Credit Corporation	Equipment
J. CREW GROUP, INC.	Virginia	03/23/98	9803237600	UCC-1	ComSource, Inc.	Equipment
J. CREW GROUP, INC.	Virginia	08/21/98	9808217193	UCC-1	Associates Leasing, Inc.	Equipment
J. CREW GROUP, INC.	Virginia	09/02/98	9809027025	UCC-1	Associates Commercial Corporation	Equipment
J. CREW GROUP, INC.	Virginia	07/28/99	9907287061	UCC-1	CCA Financial, Inc.	Equipment
J. CREW GROUP, INC.	Virginia	09/10/99	9909107157	UCC-1	American Equipment Leasing, a division of EAB Leasing Corp.	Equipment
J. CREW GROUP, INC.	Virginia	10/27/99	9910277014	UCC-1	CCA Financial, Inc.	Equipment
J. CREW GROUP, INC.	Virginia	11/12/99	9911127315	UCC-1	IBM Credit Corporation	Equipment
J. CREW OPERATING CORP.	Delaware	05/6/02	21321425	UCC-1	Preferred Capital, Inc.	Equipment

* Will have lapsed by closing date.

** Tax Warrant discharged after search date.

SCHEDULE 8.6
to
INFORMATION CERTIFICATE

Pending Litigation

Charles E. Hill & Associates, Inc. v. Amazon.com, Inc. et al. – In 2002, Plaintiff filed a lawsuit against a group of defendants, including J. Crew Group, Inc., in the U.S. District Court for the Eastern District of Texas, Marshall Division, alleging patent infringement relating to each defendant's eCommerce business.

SCHEDULE 8.8
to
INFORMATION CERTIFICATE
Environmental Compliance

None

SCHEDULE 8.10
to
INFORMATION CERTIFICATE

Deposit Accounts; Investment Accounts

A. Part I - Deposit Accounts

<u>Name of Company</u>	<u>Name and Address of Bank</u>	<u>Account No.</u>	<u>Purpose*</u>
J. Crew International Inc.	JP Morgan Chase Bank Wilmington, DE	023-500987	Business Checking

See attached list for additional deposit accounts

B. Part 2 - Investment and Other Accounts

<u>Name of Company</u>	<u>Name and Address of Broker or Other Institution</u>	<u>Account No.</u>	<u>Types of Investments</u>
J. Crew Operating Corp.	Merrill Lynch	318-3323539-2	Merrill Lynch Premier Institutional Fund
J. Crew International, Inc.	JP Morgan Chase Bank Wilmington, DE	C-87625-00-7	Asset Account Portfolio (JP Morgan Prime Money Market)

* For the "purpose" indicate either: (a) "collection account" if proceeds of receivables or other assets are deposited in it, and note "lockbox" if it is subject to lockbox servicing arrangements with the applicable bank or "disbursement account" if it is a checking account or (b) account used for transferring funds to third parties, and in addition, indicate if it is used for a specific purpose, e.g., "payroll", "medical", etc.



Store	Bank	Account Number	Sub-Account Numbers
2	First Banking Center	40034496	
3	Citizens National Bank	33840	
5	South Carolina B&T	120198650	
6	The Berlin City Bank	29830	
8	Key Bank	29203660	
9	National City	3333100033	
10	Peoples Heritage Bank	27266437	
14	1st Bank of Silverthorne	4065502802	
16	AMSouthBank	87245388	
17	National City	189208	
18	Factory Point National	1128698	
19	Trustmark	7103005071	
21	Sovereign Bank	81033435	
22	Fleet	9366179990	
23	Citizens Bank	6100169545	
27	Wachovia	2090000803749	
28	Pemigewasset National	613231	
29	Irwin Union Bank	39852173	
31	Wells Fargo	610106155	
33	Community Bank & Trust	155093	
34	Skagit State Bank	3887001446	
35	Wells Fargo	6161030817	
36	BB&T	5142123675	
37	Compass Bank	809001381	
38	Wilmington Trust	27614736	
42	Citizens Bank	2202532670	
43	Union Planters Bank	6411362660	
44	National Bank of Geneva	277788358	
45	National City	71761401	
46	Legacy Banks	1115003632	
48	Wachovia	2000009172403	
51	The Fidelity Bank	168400104	
52	Wachovia	2000014597617	
53	Wrentham Co-Operative	16005373	
100	Bank of America (factory)	5486854671	
	4		5486851959
	24		5493629970
	25		5486851946
	30		5486851933
	39		5486851920
	49		5486854668
101	HSBC	834147599	
301	SouthTrust Bank	70972621	
302	SunTrust	8801964167	
303	Citibank	800374758	
492	Key	479681021222	
	594		479681021230
	604		479881021248
	617		479681021255
	634		479681021016

<u>Store</u>	<u>Bank</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
493	Fleet	9429133405	
494	US Bank (firstar)	823312079	
			153910034484
			488836172
			190918474
			754880292
495	Bank One	633498019	
			631050366
			363511554
			705001244940
			622713972
			633496043
			205000115365
			633498050
			1589015849
			622714012
			363565924
			631050424
			643950413
			901064807
			633549084
			192493995
			363669634
			627216534
496	Wells Fargo	4944051168	
			4944093780
			4944093798
			4944093806
			4944093814
			4944093822
			4944093830
			4944093848
			4944093855
			4944093863
			4944093871
			4944093913
			4944177971
			4944224807
			4944289867
			4944247717
			4944163948
			4944177989
			4944265289
497	Wachovia	2000006158543	
498	Bank of America (retail)	5486854684	
			5486852589
			5486854642

<u>Store</u>	<u>Bank</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
508			5486854639
510			5486854626
517			5486854613
523			5486854600
524			5486854590
526			5486852259
529			5486852246
538			5486852233
541			5486852220
550			5486852217
554			5486852204
557			5486852194
559			5486852181
562			5486852178
572			5486852165
577			5486852152
578			5486852149
584			5486852123
585			5486852110
588			5486852107
589			5486852097
596			5486852084
599			5486852068
605			5486852055
609			5486852042
613			5486852039
623			5487721538
627			5486852026
628			5486852013
630			5488743065
635			5486852000
638			5486851991
639			5495582170
641			5486851988
646			5486851975
647			5486851962
499	Chase	323187536	
509	Chevy Chase Bank	1624300740	
518	National City	657178081	
525	Banknorth, N.A.	138003661	
532	BB&T	5135715427	
533	Community First National	4505019507	
551	Washington Mutual Bank	9362299202	
561	Hillcrest Bank	10026654	
563	HSBC	148018211	
571	PNC Bank	5603610986	
587	Standard Federal Bank	5893069517	
588	First National Bank of CO	242421	
593	AMSouth Bank	1004078561	
597	Citizens Bank	6101281055	

<u>Store</u>	<u>Bank</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
601	Chevy Chase Bank	1074303857	
602	Highland Bank	3010014677	
618	National City	96463682	
619	Sky Bank	6700020464	
633	BB&T	5182873294	
643	National City	967011017	
644	Valley National Bank	40744841	
648	Canandaigua National B&T	1101037872	
650	Fifth Third Bank	7160918800	
671	National City	649900484	
Corp	Chase - Corp Concentration	22073673	
Corp	Wachovia - Corp Concentration	2000015151816	
Direct	Suntrust	201334097	

SCHEDULE 8.11
to
INFORMATION CERTIFICATE

Intellectual Property

A list of all registered trademarks and all pending trademark applications by J. Crew International, Inc. is attached.

Other than the registered trademark, no Company owns or licenses from any third party any trademarks, copyrights or patents (other than software licenses in the ordinary course of business).

J. Crew International, Inc. currently licenses its trademark “J. Crew” and certain know-how to Itochu Corporation for use in connection with the manufacture and sale of merchandise in Japan.

J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Argentina	CREWCUTS	2008284	11-07-95	1615822	9/16/1996	REGISTERED
25: CLASS HEADING						
Argentina	J. CREW	1833779	02-26-92	1732673	4/22/1999	REGISTERED
25: ALL GOODS UNDER THIS CLASS						
Argentina	J. CREW	1833780	02-26-92	1556012	3/31/1995	REGISTERED
35: SALES PROMOTION BY MEANS OF CATALOGUES AND MAIL RELATING TO THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES						
Argentina	J. CREW	2163790	07-20-98	1770468	1/10/2000	REGISTERED
9: LENSES, SUNGLASSES, EYEGLASSES, FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES, SPECIAL CASES FOR GLASSES AND LENSES, PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES, CORDS AND CHAINS FOR EYEGLASSES						
Argentina	J. CREW	2163791	07-20-98	1770469	1/10/2000	REGISTERED
16: PRINTED MATTER, MAGAZINES, AND CATALOGS						
Argentina	J. CREW and Design (with oarsman and underline)	1833782	02-26-92	1676462	7/24/1998	REGISTERED



25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPL. NO.</u>	<u>APPL. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Argentina	J. CREW and Design (with oarsman and underline)	1833783	02-26-92	1556013	3/31/1993	REGISTERED



35: SALES PROMOTION BY MEANS OF CATALOGUES AND MAIL RELATING TO THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Australia	J. CREW	B598886	03-23-93	598886	11/14/1997	REGISTERED
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16: MAIL ORDER CATALOGUES AND ALL OTHER GOODS IN THIS CLASS

Australia	J. CREW and Design (with oarsman and no underline)	B598890	03-23-93	598890	11/14/1997	REGISTERED
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16: MAIL ORDER CATALOGUES AND ALL OTHER GOODS IN THIS CLASS

Austria	CREWCUTS	AM5475/95	09-27-95	160913	11/13/1995	REGISTERED
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25: CLASS HEADING

Benclux	CREWCUTS	856183	09-22-95	577814	9/22/1995	REGISTERED
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25: CLOTHING, FOOTWEAR, HEADGEAR

Benclux	J. CREW	713271	03-22-88	447085	3/22/1988	REGISTERED
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18: BELTS

25: MEN'S AND WOMEN'S SHIRT, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Bermuda	CREWCUTS	27871	05-22-96	27871	5/22/1996	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS						
Bermuda	J.CREW	26724	02-22-95	B26724	2/22/1995	REGISTERED
25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHT-GOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS. GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES AND THONGS						
Bermuda	J. CREW & DESIGN	26449	10-05-94	26449	10/5/1994	REGISTERED
25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHT-GOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES AND THONGS						
Brazil	CREWCUTS	818908173	11-16-95	818908173	10/24/2000	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS						
Brazil	J.CREW	816726361	05-19-92	816726361	10/28/1997	REGISTERED
NA 25.10 AND 25.60: DESIGNING AND MERCHANDISING OF MEN'S AND WOMEN'S APPAREL, APPAREL-RELATED ACCESSORIES AND LUGGAGE AND SALES OF SUCH MERCHANDISE THROUGH RETAIL STORES AND MAIL ORDER						
Brazil	J.CREW	817895256	06-16-94	817895256	9/17/1996	REGISTERED
NA 40.15: RETAIL AND MAIL ORDER SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY RETAIL, AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE						

J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Brazil	J. CREW and Design (with oarsman and underline)	816727880	05-20-92	816727880	8/26/1997	REGISTERED



NA 25.10 AND 25.60: DESIGNING AND MERCHANDISING OF MEN'S AND WOMEN'S APPAREL, APPAREL-RELATED ACCESSORIES AND LUGGAGE AND SALES OF SUCH MERCHANDISE THROUGH RETAIL STORES AND MAIL ORDER

Canada	CREWCUTS	788044	07-20-95	498047	7/29/1998	REGISTERED
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BASED ON USE: WEARING APPAREL, NAMELY CHILDREN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SHIRTS, BLOUSES, DRESSES;

BASED ON USE: WEARING APPAREL, NAMELY SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Canada	J. CREW	768042	11-08-94	469783	1/27/1997	REGISTERED
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CLOTHING AND ACCESSORIES, NAMELY, SHIRTS, SWEATERS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, JEANS, BELTS, SOCKS, JACKETS, COATS, SLICKERS, SKIRTS, BLOUSES, DRESSES, CARDIGANS, VESTS, SCARVES, JUMPSUITS, T-SHIRTS, TIES, GLOVES, TANK TOPS, BLAZERS, LIGERIE, CAMISOLES, CHEMISES, UNDERWEAR, BRAS, BRA TOPS, SLEEPWEAR, HORSIERY, SWIMWEAR, SUITS, LEGGINGS, BODYSUITS, ROMPERS, ROBES, LEOTARDS, TUNICS; FOOTWEAR, NAMELY SHOES, SNEAKERS, BOOTS, ESPADRILLES, SCANDALS, MOCCASINS, SLIPPERS, THONGS, MULES: HEADWEAR, NAMELY CAPS, HATS, HEAD BANDS: SUNGLASSES; BACKPACKS, DUFFLE BAGS, TOTE BAGS; MAIL ORDER SERVICES

Canada	J. CREW and Design (with oarsman and underline)	604038	04-05-88	375013	11/2/1990	REGISTERED
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MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES; LUGGAGE, UMBRELLAS, HANDBAGS AND DUFFEL BAGS; RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Canada	jcrew.ca					Registered
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J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
China (People's Republic Of)	CREWCUTS (ENGLISH AND CHINESE CHARACTERS) 	950123345	09-29-95	997228	5/6/1997	REGISTERED
	25: CLOTHING, FOOTWEAR AND HEADGEAR					
China (People's Republic Of)	J. CREW	9700128772	12-02-97	1281194	6/7/1999	REGISTERED
	9: EYEGLASSES, PINCE-NEZ, CONTACT LENSES, EYEGLASSES CASES, PINCE-NEZ CASES, CHAINS FOR EYE GLASSES, BOXES FOR CONTACT LENSES,, EYEGLASS FRAMES, CONTAINERS FOR CONTACT LENSES, CLEANING CLOTHS FOR EYEGLASSES, SPECTACLES, LENSES FOR EYEGLASSES, LENSES (OPTICS), CHAINS FOR PINCE-NEZ, STRING FOR PINCE-NEZ AND FRAMES FOR PINCE-NEZ					
China (People's Republic Of)	J. CREW & DESIGN (WITH LINE) 	8832227	09-10-88	358993	8/29/1989	REGISTERED
	25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHORTS, SWEATSHIRTS, PANTS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES, SHOES, CAPS AND HATS					
China (People's Republic Of)	J. CREW (CHINESE CHARACTERS)	94111635	10-31-94	882248	10/14/1996	REGISTERED
	25: CLOTHING, FOOTWEAR AND HEADGEAR					
China (People's Republic Of)	J. CREW (STYLIZED)	8836338	10-14-88	362359	9/29/1989	REGISTERED
	25: CLOTHING INCLUDING MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHORTS, SWEAT SHIRTS, PANTS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND SOCKS					


J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
China (People's Republic Of)	J. CREW (STYLIZED)	8836339	10-14-88	361137	9/9/1989	REGISTERED
25: SHOES, CAPS AND HATS (FORMERLY LOCAL CLASS 54)						
China (People's Republic Of)	J. CREW (STYLIZED)	8836340	10-14-88	362731	9/29/1989	REGISTERED
24: BANDANNAS						
China (People's Republic Of)	J. CREW and Design (with oarsman and underline)	8832226	09-10-88	362742	9/29/1989	REGISTERED
						
25: SOCKS AND BANDANNAS						
China (People's Republic Of)	J. CREW and Design (with oarsman and underline)			384288	9/29/1989	REGISTERED
						
24: BANDANNAS						
Columbia	CREWCUTS	9503339	11-10-95	184927	3/1/1996	REGISTERED
25: CLOTHING FOOTWEAR AND HEADGEAR						
Columbia	J. CREW	94.006.448	02-18-94			FILED
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						

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Columbia	J. CREW and Design (with oarsman and underline)	94.006.449	02-18-94			FILED
						
	25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES					
Denmark	CREW	1337/1982	04-02-82	1337/1982	4/2/1982	REGISTERED
	25: ALL GOODS UNDER THIS CLASS					
Ecuador	J. CREW	110172	12-27-00	1156501	5/15/2001	REGISTERED
	25: SHIRTS, POLO'S, BLOUSES, CAMISOLES, T-SHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, BLAZERS, SUITS, TANK TOPS, CLOTHING SETS FOR CHILDREN, SKI CLOTHES, PANTS, JEANS, SHORTS, OVERALLS, SKIRTS, DRESSES, WOMEN'S SHIRTS, PYJAMAS, NIGHTGOWNS, BELTS, SWIMSUITS, UNDERGARMENTS FOR WOMEN, KNEE-HI, BRAS, UNDERWEAR, SPORTSWEAR AND EXERCISE WEAR, HANKERCHIEFS, GLOVES, HATS, SHOES, SNEAKERS, SANDALS, MOCASSINS, THONGS AND ALL OTHER GOODS IN THIS CLASS					
European Union	CREWCUTS	147629	04-01-96	147629	4/1/1996	REGISTERED
	25: CLOTHING, FOOTWEAR, HEADGEAR					
	SENIORITY CLAIMED IN AUSTRIA					
European Union	CREWCUTS	003431319	10-30-03			FILED
	18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, COIN CASES, KEY CASES, AND EYEGLOSS CASES					
	25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNASITIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS					
	35: ADVERTISING; BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION: OFFICE FUNCTIONS; RETAIL SERVICES: RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS					
	SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND					

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European Union	J. CREW	173210	04-01-96	173210	3/9/1999	Registered

16: PRINTED MATTER. MAGAZINES, MAIL ORDER CATALOGS FOR ALL KINDS OF GOODS:

18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS: ANIMAL SKINS, HIDES, LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY) SHAVING KITS (SOLD EMPTY) BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGLOSS CASES, CHECK BOOK CASES, TRUNKS AND TRAVELING BAGS; UMBRELLAS: PARASOLS; AND WALKING STICKS;

25: CLOTHING NAMELY SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNASSTIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, HANDKERCHIEFS, SCARVES, BANDANNAS: FOOTWEAR NAMELY SHOES, ATHLETIC SHOES, BOOTS: HEADWEAR NAMELY CAPS AND HATS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

European Union	J. CREW	1372903	11-04-99			FILED
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3: BLEACHING PREPARATIONS AND OTHER SUBSTANCES FOR LAUNDRY USE; CLEANING, POLISHING, SCOURING AND ABRASIVE PREPARATIONS: SOAPS; PERFUMERY, ESSENTIAL OILS, COSMETICS, HAIR LOTIONS: DENTIFRICES: INCLUDING PERFUME, EAU DE PERFUME, EAU DE TOILETTE, FRAGRANCED BODY LOTION, FRAGRANCED BODY CREAM, face CREAM, BODY CREAM, ANTI-WRINKLE CREAM, SKIN RENEWAL CREAM, EYE CREAM, SKIN MOISTURIZER, BODY LOTION, BODY OIL, SKIN BALANCING LOTION, FACIAL SKIN OIL CONTROLLER, SKIN WRINKLE TREATMENT LOTIONS AND CREAMS, SKIN BLEMISH TREATMENT LOTIONS AND CREAMS, FACIAL TONER, BODY TONER, FACIAL AND BODY EXFOLIATING PREPARATION, FACIAL AND BODY MASK, FACIAL AND BODY OIL SPRAY, TOILET SOAPS, LIQUID SOAPS, CREAM SOAPS, PAPER SOAPS, COSMETIC SOAPS, FACIAL CLEANSER, BODY CLEANSER, CLEANSING LOTION, CLEANSING GEL, BATH POWDER, BATH OIL, BODY POWDER, SHAVING FOAM, PRE-SHAVE LOTIONS AND CREAMS, AFTER-SHAVE LOTIONS AND CREAMS, AFTER SHAVE BALM, ANTI-PERSPIRANT/DEODORANT, POTPOURRI, ESSENTIAL OILS FOR PERSONAL USE AND MASSAGE OILS

4: INDUSTRIAL OILS AND GREASES; LUBRICANTS; DUST ABSORBING, WETTING AND BINDING COMPOSITIONS: FUELS (INCLUDING MOTOR SPRIT) AND ILLUMINANTS: CANDLES, WICKS, SCENTED AND UNSCENTED CANDLES

24: TEXTILES AND TEXTILE GOODS, NOT INCLUDED IN OTHER CLASSES: BED AND TABLE COVERS; HOME FURNISHINGS NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACE MATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES.

European Union	J. CREW	1510601	02-16-00	1510601	3/14/2002	REGISTERED
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35: BUSINESS MANAGEMENT: BUSINESS ADMINISTRATION: OFFICE FUNCTIONS; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

42: TECHNICAL CONSULTANCY AND ADVISING IN THE ESTABLISHMENT OF RETAIL STORES IN THE HELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS

European Union	J. CREW	1561141	03-16-00	1561141	6/25/2001	REGISTERED
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14: PRECIOUS METALS AND THEIR ALLOYS AND GOODS IN PRECIOUS METALS OR COATED THEREWITH, NOT INCLUDED IN OTHER CLASSES-JEWELRY, PRECIOUS STONES: HOROLOGICAL AND CHRONOMETRIC INSTRUMENTS

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European Union	J. CREW	1659325	05-16-00	1659325	8/21/2001	REGISTERED

9: SCIENTIFIC, NAUTICAL, SURVEYING, ELECTRIC, PHOTOGRAPHIC, CINEMATOGRAPHIC, OPTICAL, WEIGHING, MEASURING SIGNALLING, CHECKING (SUPERVISION), LIFE SAVING AND TEACHING APPARATUS AND INSTRUMENTS: SUNGLASSES; APPARATUS FOR RECORDING, TRANSMISSION OR REPRODUCTION OF SOUND OR IMAGES; MAGNETIC DATA CARRIERS, RECORDING DISCS; AUTOMATIC VENDING MACHINES AND MECHANISMS FOR COIN OPERATED APPARATUS, CASH REGISTERS, CALCULATING MACHINES, DATA PROCESSING EQUIPMENT AND COMPUTERS; FIRE EXTINGUISHING APPARATUS

European Union	J. CREW	3431103	10-30-03			FILED
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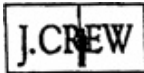
18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, COIN CASES AND KEY CASES

25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNASSTIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINES AND ACCESSORIES, TIES, NECKTIES, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS

35: ADVERTISING; BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION; OFFICE FUNCTIONS; RETAIL SERVICES; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OR RETAIL STORES IN THE FIELD OF APPAREL, SHOES ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

SENIORITY CLAIMED: AUSTRIA. BENELUX FRANCE. GERMANY. GREECE. IRELAND. ITALY. PORTUGAL. SPAIN AND SWITZERLAND

European Union	J. CREW and Design (in box with oarsman)	3431806	10-30-03			FILED
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18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGGLASS CASES, CHEQUE BOOK CASES.

25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNASSTIC CLOTHINGS, SPORT AND LEISURE CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINES AND ACCESSORIES, TIES, NECKTIES, HANDKERCHIEFS, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS

35: ADVERTISING; BUSINESS MANAGEMENT; ADMINISTRATION; OFFICE FUNCTIONS; RETAIL SERVICES; RETAIL STORE SERVICES FOR APPAREL SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHING; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORE IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

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France	CREWCUTS	95589248	09-22-95	95589248	9/22/1995	REGISTERED
25: CLOTHING, FOOTWEAR AND HEADGEAR						
France	J. CREW	916675	03-28-88	1504964	3/28/1988	REGISTERED
25: SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, FOOTWEAR, HATS, CAPS, NECKTIES, SHORTS, SWEATSHIRTS, TROUSERS, PANTS, BELTS, SOCKS, VESTS, RAINCOATS, SKIRTS, BLOUSES, ROBES						
France	J. CREW	92/441116	11-09-92	92441116	5/21/1993	REGISTERED
16: PRINTED MATTER, PROSPECTUS, MAGAZINES, CATALOGS, PAPER, CARDBOARD AND PRODUCTS MADE OUT OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES), PRODUCTS FOR PRINTERS, BOOKBINDING MATERIALS, PHOTOGRAPHS, STATIONERY, ADHESIVES FOR PAPER PRODUCTS OR HOUSEHOLD PRODUCTS, ARTISTS MATERIALS, PAINT BRUSHES, TYPEWRITER AND OFFICE REQUISITES (OTHER THAN FURNITURE), INSTRUCTIONAL AND TEACHING MATERIALS (OTHER THAN APPARATUS) PLASTICS (NOT INCLUDED IN OTHER CLASSES): PLAYING CARDS, PRINTERS TYPE AND CLICHES						
18: LEATHER AND IMITATIONS OF LEATHER. AND GOODS MADE OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES); ANIMAL SKINS, HIDES, TRUNKS, AND TRAVELING BAGS; UMBRELLAS, PARASOLS, WALKING STICKS						
24: TISSUES; BED AND TABLE COVERS; TEXTILE ARTICLE NOT INCLUDED IN OTHER CLASSES						
25: CLOTHING, UNDERWEAR. HATS, HEADWEAR						
France	J. CREW and Design (with oarsman and underline)	92/440446	11-04-92	92440446	11/4/1992	REGISTERED



16: PRINTED MATTER, PROSPECT US, MAGAZINES, CATALOGS; PAPER, CARDBOARD AND PRODUCTS MADE OUT OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES); PRODUCTS FOR PRINTERS. BOOKBINDING MATERIALS, PHOTOGRAPHS, STATIONERY, ADHESIVES FOR PAPER PRODUCTS OR HOUSEHOLD PRODUCTS, ARTISTS MATERIALS. PAINT BRUSHES, TYPEWRITER AND OFFICE REQUISITES (OTHER THAN FURNITURE); INSTRUCTIONAL AND TEACHING MATERIALS (OTHER THAN APPARATUS); PLASTICS (NOT INCLUDED IN OTHER CLASSES):						
18: LEATHER AND IMITATIONS OF LEATHER AND GOODS MADE OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES): ANIMAL SKINS, HIDES, TRUNKS, AND TRAVELING BAGS; UMBRELLAS, PARASOLS, WALKING STICKS						
24: TISSUES; BED AND TABLE COVERS; TEXTILE ARTICLES NOT INCLUDED IN OTHER CLASSES						
25: CLOTHING, UNDERWEAR, HATS, HEAD WEAR						
Germany	CREWCUTS	39538843.0	09-22-95	39538843	9/17/1996	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES, AND BOOTS						

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Germany	J. CREW	P 36 427/25 WZ	04-09-88	1187930	4/9/1988	REGISTERED
25: CLOTHES FOR MEN AND WOMEN, IN PARTICULAR SHIRTS, JACKETS, CAPS, HATS, SCARPS, PANTS, SWEATSHIRTS, BELTS, SOCKS, COATS, RAIN COATS, SKIRTS, BLOUSES, SUITS; FOOTWEAR						
Greece	CREWCUTS	126429	10-04-95	126429	10/4/1995	Registered
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES, BOOTS						
Hong Kong	CREWCUTS (ENGLISH AND CHINESE CHARACTERS)	95/11697	09-19-95	03758/1997	3/26/1997	REGISTERED
						
25: CLOTHING, FOOTWEAR AND HEADGEAR						
Hong Kong	J. CREW		04-13-88	B678 OF 1990	4/13/1988	REGISTERED
25: CLOTHING, SHOES, CAPS, HATS, BANDANNAS, BELTS, SOCKS, BUT NOT INCLUDING ANY OF THE AFORESAID GOODS ADAPTED FOR SAILING OR ROWING						
Hong Kong	J. CREW (ENGLISH AND CHINESE CHARACTERS)	95/01057	01-27-95	13561	1/27/1995	REGISTERED
						
25: CLOTHING, FOOTWEAR AND HEADGEAR, BUT NOT INCLUDING ANY AFORESAID GOODS ADAPTED FOR SAILING OR ROWING						

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HONG KONG	J. CREW (ENGLISH AND CHINESE CHARACTERS)	95/01058	01-27-95	13562	1/27/1995	REGISTERED

J. CREW 志高

42: RETAIL, WHOLESALE, OUTLET STORE SERVICES AND MAIL ORDER SERVICES OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY, SUITCASES BRIEFCASES, HANDBAGS AND BAGS; ALL INCLUDED MAIL ORDER SERVICES OF CLOTHING, CLOTHING ACCESSORIES, SUITCASES, BRIEFCASES AND BAGS ADAPTED FOR SAILING OR ROWING

Hong Kong	J. CREW and Design (with oarsman and underline)	2392/88	03-47-88	B677 OF 1990	3/7/1988	REGISTERED
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J. CREW

25: CLOTHING, SHOES CAPS, HATS, BANDANNAS, BELTS, SOCKS, BUT NOT INCLUDING ANY OF THE AFORE SAID GOODS ADAPTED FOR SAILING

Indonesia	CREWCUTS	D96/14673	07-15-96	391235	9/22/1997	REGISTERED
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25: CLASS HEADING

Indonesia	J. CREW	D9517581	09-26-95	360979	5/30/1996	REGISTERED
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25: SHIRTS, T-SHIRT, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSTERY, SOCKS, LEGGINGS, EXERCISE-WEAR, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR

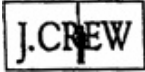
Ireland	CREWCUTS	171095	09-22-95	171095	9/22/1995	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

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Ireland	J. CREW	126811	03-25-88	B126811	3/25/1988	REGISTERED
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES ALL INCLUDED IN CLASS 25						
Ireland	J. CREW	B159842	06-25-93	B159842	6/25/1993	REGISTERED
9: SUNGLASSES, EYEGLASS FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES						
16: PRINTED MATTER, CATALOGUES, MAGAZINES						
18: LUGGAGE, HANDBAGS, DUFFEL BAGS; TOTE BAGS, WEEKENDER BAGS. BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COINCASES, KEY CASES, EYEGLASS CASES, CHECKBOOK CASES, AND UMBRELLAS						
24: HOME FURNISHINGS, NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS. SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES						
Ireland	J. CREW	202791	07-09-93	202791	7/1/1996	REGISTERED
39: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES AND HOME FURNISHINGS						
Ireland	J. CREW and Design (in box with oarsman)	B159846	06-25-93	B159846	6/25/1993	REGISTERED



9: SUNGLASSES, EYEGLASS FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES						
16: PRINTED MATTER, CATALOGUES, MAGAZINES						
18: LUGGAGE, HANDBAGS, DUFFEL BAGS; TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGLASS CASES, CHECKBOOK CASES, AND UMBRELLAS						
24: HOME FURNISHINGS, NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES						
25: SHIRTS, T-SHIRTS. BLOUSES, SWEATSHIRTS, SWEATERS, VESTS, COATS, JACKETS, BLAZERS, PARKAS, SLICKERS, APRONS, SUITS, JUMPSUITS, PANTS, SKI-PANTS, JEANS, SHORTS, BOXER SHORTS, SKIRTS, DRESSES, ROBES, PAJAMAS, NIGHTGOWNS, SLIPS, BELTS, SWIMWEAR, SOCKS, LEGGINGS, TIES, BANDANNAS, SCARVES, GLOVES, HEADBANDS, CAPS, HATS, FOOTWEAR						
Israel	jerew.com.il					Registered

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Italy	J. CREW	19818/C88	04-19-88	838874	3/8/2001	REGISTERED
25: MEN'S AND WOMEN'S CLOTHING CONSISTING OF NAUTICAL, GYMNASTIC, SPORT AND LEISURE ARTICLES, PANTS, PERSONAL LINENS AND ACCESSORIES; MISCELLANEOUS ACCESSORIES INCLUDING, TIES, HATS, SHOES, BELTS, HANDKERCHIEFS, SCARVES:						
42: CATALOG SALES OF ARTICLES OF TRAVEL AND RELATED ACCESSORIES						
Japan	CREW CUTS	HO5-078322	07-28-93	3178959	7/31/1996	REGISTERED
6: METAL BUCKLES						
Japan	CREW CUTS	HO5-078323	07-28-93	3178960	7/31/1996	REGISTERED
9: CLASSES; RECORDS; HOME TELEVISION GAMES; WEIGHT BELTS (FOR SCUBA DIVING); WET SUITS; AIR TANKS; FLOATING BOARDS (KICK BOARDS FOR SWIMMING); AIR REGULATORS (FOR SCUBA DIVING)						
Japan	CREW CUTS	HO5-078324	07-28-93	3187654	8/30/1996	REGISTERED
14: POUCHES/PURSES OF PRECIOUS METAL; SHOE ORNAMENTS OF PRECIOUS METAL; COMPACTS OF PRECIOUS METAL; PERSONAL ORNAMENTS; JEWELER/ROUGH GEMSTONES/IMITATIONS OF JEWELRY; CLOCKS/WATCHES						
Japan	CREW CUTS	HO5-078325	07-28-93	3178961	7/31/1996	REGISTERED
16: PAPERS; STATIONERY; PLAYING CARDS						
Japan	CREW CUTS	HO5-078328	07-28-93	3209580	10/31/1996	REGISTERED
25: CLOTHING; GARTER; STOCKING SUSPENDERS; SUSPENDERS; WAISTBANDS; BELTS; FOOTWEAR; SPECIAL SPORTING/GYMNASTIC WEAR; SPECIAL SPORTING/GYMNASTIC FOOTWEAR						
Japan	CREW CUTS	HO5-078329	07-28-93	3256477	2/24/1997	REGISTERED
26: BUTTONS AND THE LIKE; EMBLEMS FOR CLOTHING (NOT OF PRECIOUS METAL); BADGES (NOT OF PRECIOUS METAL); BUCKLES FOR CLOTHING; BROOCHES FOR CLOTHING; SASH CLIPS; BONNET PINS (NOT OF PRECIOUS METAL); STICKER; BRASSARD; ARMBANDS; FALSE BEARDS; FALSE MOUSTACHES; NON-ELECTRIC HAIR CURLERS; SHOE ORNAMENTS (NOT OF PRECIOUS METAL); SHOE EYELETS; SHOE LACES; METAL SHOE FASTENERS; ARTIFICIAL FLOWERS						

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Japan	CREW CUTS	HO5-078330	07-28-93	3161902	5/31/1996	REGISTERED
	28: GAME GOODS; BILLIARD EQUIPMENT; GO (JAPANESE BOARD GAME) EQUIPMENT; SHOGI (JAPANESE CHESS) GAME EQUIPMENT; DICE; SUGOROKU (JAPANESE PARCHEESI) GAMES; DICE CUPS; DIAMOND GAMES; CHESS GAMES; CHECKERS; CONJURING APPARATUS; DOMINOES; MAHJONG EQUIPMENT; TOYS; DOLLS; SPORTING AND GYMNASTIC GOODS; SKI WAX; FISHING TACKLE					
Japan	CREW CUTS			3187655	8/30/1996	REGISTERED
	18: BAGS/POUCHES AND THE LIKE; HANDY TOILET CASES; METAL FITTINGS FOR BAGS OR POUCHES; PURSE CLASPS; PARASOLS AND UMBRELLAS; CANES, WALKING STICKS; METAL FITTINGS FOR CANES: CANE HANDLES					
Japan	CREW CUTS			3207639	10/31/1996	REGISTERED
	20: CUSHIONS, JAPANESE CUSHIONS, PILLOWS, MATTRESS; SLEEPING BAGS					
Japan	CREW CUTS			3227900	11/29/1996	REGISTERED
	3: SOAPS: PERFUMERY AND INCENSE; COSMETIC; DENTIFRICES					
Japan	CREWS	S55-086794	10-28-80	1756925	4/23/1985	REGISTERED
	NA 21: PERSONAL ORNAMENTS; COSMETIC UTENSILS AND TOILETRIES; AND OTHER GOODS IN CLASS 21 (EXCLUDING TOOTHBRUSHES)					
Japan	J. CREW	10063/4	02-04-92	2705939	4/28/1995	REGISTERED
	NA 23: CLOCKS/WATCHES, EYEGASSES AND THEIR PARTS AND ACCESSORIES					
Japan	J. CREW	10065/4	02-04-92	4050142	8/29/1997	REGISTERED
	NA 24: TOYS; DOLLS; RECREATIONAL EQUIPMENT; SPORTING GOODS; FISHING TACKLES; MUSICAL INSTRUMENTS; MUSICAL PERFORMANCE AUXILIARY INSTRUMENTS; GRAMOPHONES (EXCLUDING ELECTRIC PHONOGRAPH PLAYERS); RECORDS; THEIR PARTS AND ACCESSORIES					
Japan	J. CREW	10067/4	02-04-92	2717325	10/31/1996	REGISTERED
	NA 25: PAPERS; STATIONERY					

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Japan	J. CREW	S63-048756	04-26-88	2709227	8/31/1995	REGISTERED
NA 21: PERSONAL ORNAMENTS: BUTTONS; BAGS/POUCHES AND THE LIKE; JEWELRY AND IMITATION JEWELRY: ARTIFICIAL FLOWERS COSMETIC UTENSILS AND TOILETRIES						
Japan	J. CREW	H11-105229	11-18-99	4481740	6/15/2001	REGISTERED
3: SOAPS A THE LIKE; POTPOURRI. ESSENTIAL OILS AND OTHER PERFUMERY & INCENSES; COSMETICS & TOILETRIES; ANTI-PERSPIRANT/DEODORANT; ADHESIVES FOR AFFIXING FALSE HAIR; FALSE NAILS; FALSE EYELASHES; ADHESIVES FOR AFFIXING FALSE EYELASHES; DENTRIFICE; HOUSEHOLD ANTI-STATIC AGENTS: HOUSEHOLD DEGREASING AGENTS; RUST REMOVING PREPARATIONS; STAIN REMOVING BENZINE; FABRIC SOFTENER; LAUNDRY STARCHES, LAUNDRY BLEACHES. FUNORI (SEAWEED GELATIN USED FOR WASHING AND STRETCHING CLOTHES); POLISHING PREPARATIONS; ABRASIVE PAPERS; ABRASIVE CLOTHS; ABRASIVE SANDS; ARTIFICIAL PUMICE; POLISHING PAPERS: POLISHING CLOTHS. SHOE CREAMS; BOOT CREAMS; SHOE POLISHES/SHOE BLACKINGS; PAINT STRIPPING PREPARATIONS.						
4: INDUSTRIAL OILS/GREASES/FATS; FUELS; WAXES. GREASES FOR SHOES/BOOTS: SOLID LUBRICANTS: LEATHER OILS/GREASES; LAMP WICKS; SCENTED CANDLES AND OTHER CANDLES						
Japan	J. CREW	2000-037936	03-22-00	4560661	4/19/2002	REGISTERED
24: WOVEN FABRICS: KNITTED FABRICS; FELT AND NON-WOVEN TEXTILE FABRICS; OIL CLOTHS, GUMMED CLOTHS: VINYL CLOTHS; RUBBERIZED CLOTHS; LEATHER CLOTHS; FILTER CLOTHS; TOWEL AND OTHER FABRIC APPAREL ACCESSORIES; TEXTILE NAPKINS: DISH CLOTHS; MOSQUITO NETS; BEDSHEETS, BEDQUILTS AND COTTON-STUFFED MATTRESSES; COMFORTERS; BED QUILT/MATTRESS CASES, COMFORTER COVERS; TICKS; PILLOWCASES/PILLOW SHAMS; BLANKETS; BLANKET COVER; DUST RUFFLES; BED SKIRTS; BEDSPREADS; QUILTING BED COVER, AND OTHER BED COVERS; TEXTILE CHAIR COVERS; WALL HANGINGS OF TEXTILE; BLINDS OF TEXTILE; CURTAINS; SHOWER CURTAINS: TEXTILE BED MATS; TABLE CLOTHS/TABLE LINENS; TEXTILE PLACE MATS; THICK STAGE CURTAINS; TEXTILE TOILET SHEET COVERS; SHROUDS; KYOKATABIRA (JAPANESE SHROUDS); BLACK-AND-WHITE STRIPED CLOTH SCREENS; RED-AND-WHITE STRIPED CLOTH SCREENS; LABELS OF CLOTH; BILLIARD CLOTHS; BANNERS & FLAGS (NOT OF PAPER)						
Japan	J. CREW & DESIGN	S63-038486	04-04-88	4081550	11/14/1997	REGISTERED
NA 17: CLOTHING (EXCLUDING SPECIAL, SPORTING/GYMNASTIC WEAR); FABRIC APPAREL ACCESSORIES (EXCLUDING THOSE BELONGING TO OTHER CLASSES); BEDDING (EXCLUDING BEDS)						
Japan	J. CREW & DESIGN	S63-048757	04-26-88	2715288	7/31/1996	REGISTERED
NA 21: PERSONAL ORNAMENTS; BUTTONS: BAGS/POUCHES AND THE LIKE: JEWELRY AND IMITATION JEWELRY; ARTIFICIAL FLOWERS; TOILETRIES						
Japan	J. CREW & DESIGN	S63-048759	04-26-88	2713432	4/30/1996	REGISTERED
NA 22: FOOTWEAR (EXCLUDING SPECIAL SPORTING/GYMNASTIC FOOTWEAR); PARASOLS AND UMBRELLAS; CANES; THEIR PARTS AND ACCESSORIES						

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Japan	J. CREW & DESIGN (WITH LINE)	10064/4	02-04-92	2705940	4/28/1995	REGISTERED



NA 23: CLOCK/WATCHES, EYEGLASSES AND THEIR PARTS AND ACCESSORIES

Japan	J. CREW & DESIGN (WITH LINE)	1006614	02-04-92	4050143	8/29/1997	REGISTERED
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NA 24: TOYS; DOLLS; RECREATIONAL EQUIPMENT; SPORTING GOODS; FISHING TACKLES; MUSICAL INSTRUMENTS; MUSICAL PERFORMANCE AUXILIARY INSTRUMENTS; GRAMOPHONES (EXCLUDING ELECTRIC PHONOGRAPH PLAYERS); RECORDS; THEIR PARTS AND ACCESSORIES

Japan	J. CREW & DESIGN (WITH LINE)	10068/4	02-04-92	2723636	11/21/1997	REGISTERED
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NA 25: PAPERS; STATIONERY

Japan	J. CREW + KATAKANA CHARACTERS	2000-087382	07-24-00	4505612	9/14/2001	REGISTERED
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25: CLOTHING, GARTERS; STOCKING SUSPENDERS; BRACES; WAISTBANDS; BELTS; FOOTWEAR; COSTUMES; SPECIAL SPORTING/GYMNASTIC WEAR; SPECIAL SPORTING/GYMNASTIC FOOTWEAR

Japan	J. CREW + KATAKANA CHARACTERS			3318924	6/6/1997	REGISTERED
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14: PRECIOUS METALS, TABLEWARE AND THE LIKE OF PRECIOUS METAL. NUTCRACKERS. PEPPER POTS. SUGAR BOWLS SUGAR BOWLS, SALT SHAKER, EGG CUPS, NAPKIN HOLDERS, NAPKIN RINGS. TRAYS AND TOOTHPICK HOLDERS OF PRECIOUS METAL; VASES/FLOWER BOWLES OF PRECIOUS METAL; BOXES OF PRECIOUS METAL FOR NEEDLES; JEWEL CASES OF PRECIOUS METAL; CANDLE METAL; POUCHES/PURSES OF PRECIOUS METAL; SHOE ORNAMENTS OF PRECIOUS METAL; COMPACTS OF PRECIOUS METAL SMOKERS ARTICLES OF PRECIOUS METAL; PERSONAL ORNAMENTS; JEWELRY

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Japan	J. CREW IN KATAKANA CHARACTERS	HO6-090670	09-08-94	4046705	8/22/1997	REGISTERED
16: PAPERS; PACKAGING CONTAINERS OF PAPER; GARBAGE BAGS OF PAPER; HYGIENIC PAPER; TOWELS, HANDKERCHIEFS, TABLE CLOTHS AND BLINDS OF PAPER; DRESSMAKING PATTERNS; PAPER BANNERS AND FLAGS; BABIES' DIAPERS OF PAPER; BAGGAGE LABELS; PRINTED MATTER; CALLIGRAPHY AND PAINTINGS; PHOTOGRAPH STANDS; KARUTA, UTAGARUTA AND HANAFUDA (JAPANESE PLAYING CARDS); PLAYING CARDS' STATIONERY (EXCLUDING INSECT COLLECTING EQUIPMENT); ADHESIVES FOR STATIONERY OR HOUSEHOLD PURPOSES; INKING RIBBONS TYPEWRITER RIBBONS; AUTOMATIC STAMP APPLYING MACHINES; ELECTRIC STAPLERS; ENVELOPE SEALING MACHINES FOR OFFICES; DRAWING INSTRUMENTS, MATERIALS: TYPEWRITERS; PAPER SHREDDERS; SEALING WAX						
Japan	J. CREW IN KATAKANA CHARACTERS			3318925	6/6/1997	REGISTERED
18. BAGS/POUCHES AND THE LIKE; HANDY TOILET CASES; METAL FITTING FOR BAGS OR POUCHES; PURSE CLASPS; PARASOLS AND UMBRELLAS; WALKING STICKS; CANES; METAL FITTINGS FOR CANES; CANE HANDLES						
Japan	J. CREW IN KATAKANA CHARACTERS	HO6-090672	09-09-94	4102031	1/16/1998	REGISTERED
25: NON-JAPANESE STYLE CLOTHING; COATS; SWEATERS AND THE LIKE; SHIRTS AND THE LIKE; NIGHTWEAR; UNDERWEAR; SWIMSUITS; BATHING CAPS; JAPANESE STYLE CLOTHING; APRONS; COLLAR PROTECTORS; SOCKS AND STOCKINGS; GAITERS; FUR STOLES; SHAWLS; SCARVES; TABI (JAPANESE SOCKS) AND TABI COVERS; GLOVES; TEXTILE DIAPERS FOR BABIES; NECKTIES; NECKERCHIEFS; MUFFLERS; EAR MUFFS; HOODS; NIGHT CAPS; HATS AND CAPS; GARTERS; STOCKING SUSPENDERS; SUSPENDERS; WAISTBANDS; BELTS; SHOES AND BOOTS; SHOE DOWELS, SHOE PEGS, SHOE HANDLES, HOBNAI LS, METAL PIECES FOR PREVENTION OF SHOE SOLE WEARING; JAPANESE CLOGS AND SANDALS; SPECIAL SPORTING, GYMNAS TIC WEAR; SPECIAL SPORTING, GYMNAS TIC FOOTWEAR (EXCLUDING HORSERIDING BOOTS)						
Japan	JCREW	S62-141640	12-21-87	2238080	6/28/1990	REGISTERED
NA 26: BOOKS; MAGAZINES; PRINTED MATTERS; ALL OTHER GOODS IN CLASS 26						
Japan	JCREW.CO.jp	H11-072667	08-13-99	4401515	7/21/200	REGISTERED
25; CLOTHING; GARTERS; STOCKING SUSPENDER; BRACES; WAISTBANDS; BELTS ; FOOTWEAR; COSTUMES; SPECIAL SPORTING/GYMNAS TIC WEAR; SPECIAL SPORTING/GYMNAS TIC FOOTWEAR						
Japan	jcrew.co.jp					Registered
Japan	JCREW	H11-072666	08-13-99	4401514	7/21/2000	REGISTERED
25: CLOTHING; GARTERS; STOCKING SUSPENDERS; BRACES; WAISTBANDS; BELTS ; FOOTWEAR; COSTUMES; SPECIAL SPORTING/GYMNAS TIC WEAR; SPECIAL SPORTING/GYMNAS TIC FOOTWEAR						

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Japan	jcrew.jp (english characters)					Registered
Japan	jcrew-japan.jp (english characters)					Registered
Japan	JR CREW + KATAKANA CHARACTERS	2000-035089	03-15-00	4453240	2/16/2001	REGISTERED
25: CLOTHING; GARTERS; STOCKING SUSPENDERS; BRACES; WAISTBANDS; BELTS; COSTUMES; FOOTWEAR; SPECIAL SPORTING/GYMNASTIC WEAR; SPECIAL SPORTING/GYMNASTIC FOOTWEAR						
Japan	SO J. CREW + KATAKANA CHARACTERS	2000-063014	05-19-00	4480098	6/8/2001	REGISTERED
3: SOAPS & THE LIKE; POTPOURRI, ESSENTIALS OILS AND OTHER PERFUMERY & INCENSE; COSMETICS & TOILETRIES; ANTI-PERSPIRANT/DEODORANT; ADHESIVES FOR AFFIXING FALSE HAIR; FALSE NAILS: FALSE EYELASHES; ADHESIVES FOR AFFIXING FALSE EYELASHES; DENTRIFICE; HOUSEHOLD ANTI-STATIC AGENTS; HOUSEHOLD DEGREASING AGENTS; RUST REMOVING PREPARATIONS, STAIN REMOVING BENZINE; FABRIC SOFTNER; LAUNDRY STARCHES, LAUNDRY BLEACHES, FUNORI (SEAWEED GELATIN USED FOR WASHING AND STRETCHING CLOTHES); POLISHING PREPARATIONS; ABRASIVE PAPERS; ABRASIVE CLOTHS; ABRASIVE SANDS; ARTIFICIAL PUMICE; POLISHING PAPERS; POLISHING CLOTHS; SHOE CREAMS & BOOT CREAMS; SHOE POLISHES/SHOE BLACKINGS; PAINT STRIPPING PREPARATIONS.						
4: INDUSTRIAL OILS/GREASES/FATS; FUELS; WAXES; GREASES FOR SHOES/BOOTS; SOLID LUBRICANTS; LEATHER OILS/GREASES; LAMP WICKS; SCENTED CANDLES AND OTHER CANDLES						
Malaysia	J. CREW	88/03810	07-30-88			FILED
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES, SKIRT, KNIT TOPS, UNDERSHIRT, SHOES, ATHLETIC SHOES AND BOOTS						
Mexico	CREWCUTS	238457	07-26-95	502662	7/26/1995	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS. SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS. SUCKERS, BLOUSES, DRESSES. SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS						
Mexico	J. CREW	134212	03-04-92	427647	12/14/1992	REGISTERED
18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFEL BAGS AND ALL OTHER ARTICLES OF CLASS 18						
Mexico	J. CREW	134213	03-04-92	427648	12/14/1992	REGISTERED
25: MEN'S AND WOMEN'S SHIRTS SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND ALL OTHER ARTICLES OF CLASS 25						

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Mexico	jcrew.com.mx					Registered
New Zealand	CREWCUTS	255495	11-06-95	255495	11/6/1995	REGISTERED
25: CLOTHING, FOOTWEAR AND HEADGEAR						
New Zealand	J. CREW	178507	03-29-88	B178507	3/29/1988	REGISTERED
25: ARTICLES OF CLOTHING AND FOOTWEAR AND HEADGEAR; MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						
New Zealand	J. CREW	236676	05-06-94	B236676	5/6/1994	REGISTERED
42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELDS OF CLOTHING, CLOTHING ACCESSORIES, HABERDASHERY, JEWELLERY, WATCHES, TIME PIECES, LEATHER GOODS, PARASOLS, UMBRELLAS, WALKING STICKS, AND LUGGAGE; RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FILED OF CLOTHING, CLOTHING ACCESSORIES, HABERDASHERY, JEWELLERY, WATCHES, TIME PIECES, LEATHER GOODS, PARASOLS, UMBRELLAS, WALKING STICKS, AND LUGGAGE						
New Zealand	J. CREW	236675	05-06-94	B236675	5/6/1994	REGISTERED
25: ARTICLES OF CLOTHING, FOOTWEAR AND HEADGEAR; SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SUCKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SUPS, HOSIERY SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES, AND THONGS						
Panama	J. CREW	069848	02-25-94	69848	2/25/1994	Registered
25: MEN'S WOMEN'S SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						
Paraguay	CREWCUTS	13306-1999	06-30-99	223465	3/24/2000	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SUCKERS, BLOUSES, DRESSES SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS						

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Paraguay	J. CREW	7821-94	05-03-94	173953	12/21/1994	Registered
25: ALL GOODS IN CLASS INCLUDING, SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SHIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISE WEAR, SCARVES, BANDANNAS, GLOVES, HATS AND FOOTWEAR						
Peru	CREWCUTS	284701	11-15-95	023416	2/16/1996	REGISTERED
25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SUCKERS, BLOUSES, DRESSES SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS, AND IN GENERAL ALL GOODS IN CLASS						
Peru	J. CREW	242018	05-10-94	021518	7/20/1995	REGISTERED
25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUTTS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, SCARVES, BANDANNAS, GLOVES, HATS AND FOOTWEAR						
Peru	J. CREW	067163	07-24-98	49416	10/9/1998	REGISTERED
9: CLASS HEADING						
Peru	J. CREW	067164	07-24-98	49453	10/13/1998	REGISTERED
16: CLASS HEADING						
Peru	J. CREW	067165	07-24-98	49417	10/9/1998	REGISTERED
18: CLASS HEADING						
Peru	J. CREW	067166	07-24-98	16044	10/30/1998	REGISTERED
42: PROVIDING OF FOOD AND DRINK; TEMPORARY ACCOMODATION, MEDICAL, HYGIENIC AND BEAUTY CARE; VETERINARY AND AGRICULTURAL SERVICES; LEGAL SERVICES; SCIENTIFIC AND INDUSTRIAL RESEARCH; COMPUTER PROGRAMMING AND IN GENERAL ALL THE SERVICES OF THE CLASS						

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Philippines	CREWCUTS	104170	11-21-95	106439	5/30/2003	REGISTERED
25: CHILDRENS SHIRTS, SWEATERS, CAPS, HATS BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, SHOES, ATHLETIC SHOES, AND BOOTS						
Philippines	J. CREW	64503	04-21-88	53979	11/16/1992	REGISTERED
25: MENS AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						
Puerto Rico	J. CREW		11-23-93	8015	12/11/1984	Registered
14: WATCHES						
Puerto Rico	J. CREW		11-23-93	8028	12/1/1994	Registered
18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFLE BAGS						
Puerto Rico	J. CREW		11-23-93	8029	12/11/1984	Registered
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNA, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						
Puerto Rico	J. CREW		11-23-93	8030	12/1/1984	Registered
42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES						
Puerto Rico	J. CREW and Design (with oarsman and underline)		07-02-93	8016	9/19/1989	REGISTERED



18. LUGGAGE, UMBRELLAS HANDGABS AND DUFFEL BAGS

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Puerto Rico	J. CREW and Design (with oarsman and underline)		11-23-93	8032	9/19/1989	REGISTERED



25: MENS AND WOMENS SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Puerto Rico	J. CREW and Design (with oarsman and underline)		8-27-93	8031	9/19/1989	REGISTERED
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42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Russian Federation	jcrew.com.ru					Registered
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Russian Federation	jcrew.ru					Registered
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Singapore	CREWCUTS	8790/95	9-14-95	8790/95	9/14/1995	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS. JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDER SHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Singapore	J. CREW	3448/88	7-6-88	3448/88	7/6/1988	REGISTERED
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25: MEN'S AND WOMENS SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, RAINCOATS, SKIRTS, BLOUSES AND DRESSES

Singapore	J. CREW	3580/94	05-06-94	3580/94	5/6/1994	Registered
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35: DIRECT MAIL ADVERTISING. COMPILATION OF MAILING LISTS

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Singapore	J. CREW and Design (with oarsman and no underline)	3443/94	04-29-44	3443/94	4/29/1994	Registered



23: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES, AND THONGS

South Korea	CREWCUTS (English And Korean Characters)	95/35304	09-15-95	368229	7/10/1997	REGISTERED
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CREWCUTS

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NA 45: DRESS SHIRTS, SPORT SHIRTS, POLO SHIRTS, TEE SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS AND GLOVES APPLICATION TO ADD GLOVES TO THIS REGISTRATION WAS GRANTED 15 JA 1998

South Korea	CREWCUTS (English And Korean Characters)	95/35305	09-15-95	360966	4/28/1997	REGISTERED
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CREWCUTS

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NA 27: LOW SHOES, BOOTS, LACE UP BOOTS, LEATHER SHOES, RUBBER SHOES, VINYL SHOES, RAIN SHOES, ARCTIC SHOES, BASEBALL SHOES, BASKETBALL SHOES, RUGBY SHOES, HANDBALL SHOES, FIELD AND TRACK SHOES, HOCKEY SHOES, GOLF SHOES, BOXING SHOES, HIKING SHOES, ANGLER SHOES, WORK BOOTS, OVERSHOES, STRAW SHOES, SLIPPERS, SANDALS, CLOGS, SOLES, INSOLES AND SHOE PROTECTION ACCESSORY

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South Korea	CREWCUTS (English And Korean Characters)	96/25393	06-14-96	387995	12/24/1997	REGISTERED

CREWCUTS

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NA 25: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS, NAME CARD CASES, CREDIT CARD CASES, TOILETRY CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS

South Korea	CREWCUTS (English And Korean Characters)	96/34994	08-09-96	388005	12/24/1997	REGISTERED
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CREWCUTS

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12: TOILETRY CASES THIS IS A DIVISIONAL APPLICATION OF APP. NO. 96/25393

South Korea	J. CREW	88-10151	05-02-88	179205	9/19/1989	REGISTERED
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NA 45: MEN'S AND WOMEN'S SHIRTS, SWEATERS, CAPS AND HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND GLOVES

South Korea	J. CREW	94/3637	05-06-94	29728	12/22/1995	REGISTERED
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NA 112: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; MERCHANDISE BROKERAGE BUSINESS; MARKETING SERVICES; MERCHANDISE EXHIBITION SERVICES; MERCHANDISE DELIVERY SERVICES; TRADE GOODS BROKERAGE BUSINESS; CLOTHING MANAGEMENT SERVICE

South Korea	J. CREW	96/25392	06-14-96	421728	9/18/1998	REGISTERED
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18: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS, NAME CARD CASES, CREDIT CARD CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS

South Korea	J. CREW	96/34993	08-09-96	388004	12/24/1997	REGISTERED
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12: TOILETRY CASES THIS IS A DIVISIONAL APPLICATION OF APP. NO. 96/25392

J. CREW INTERNATIONAL, INC.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
South Korea	J. CREW (Korean characters)	94/32517	08-12-94	344259	7/29/1996	REGISTERED

제이. 크루우

NA 45: SHIRTS, T-SHIRTS, DRESS SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, PARKAS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANKTOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, ROBES, PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIES, SCARVES, BANDANNAS, GLOVES, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, APRONS, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, CAPS, HATS, AND HEADBANDS

South Korea	J. CREW (Korean Characters)	94/6435	08-12-94	32389	7/22/1996	REGISTERED
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제이. 크루우

NA 112: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE HELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE

South Korea	J. CREW and Design (with oarsman and underline)	88-11564	05-24-88	179206	9/19/1989	REGISTERED
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J. CREW

45: MEN'S AND WOMEN'S SHIRTS, SWEATERS, CAPS AND HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKET'S SLICKERS, SKIRTS, BLOUSES, DRESSES AND GLOVES

South Korea	J. CREW and Design (with oarsman and underline)	96/25394	06-14-96	421727	9/18/1998	REGISTERED
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J. CREW

18: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS, NAME CARD CASES, CREDIT CARD CASES, TOILETRY CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS THIS APPLICATION IS ASSOCIATED WITH APP. NO. 25392

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South Korea	J. CREW and Design (with oarsman and underline)	96/34995	08-09-96	400578	3/26/1998	REGISTERED



12: TOILETRY CASES THIS IS A DIVISIONAL APPLICATION FOR APP. NO. 96/25394

Spain	CREWCUTS	1988210	10-02-95	1988210	4/3/1996	REGISTERED
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25: CLASS HEADING

Spain	J. CREW	1244666	04-06-88	1244666	11/30/1992	REGISTERED
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25: CLOTHING, SHOES, HATS

Sri Lanka	J. CREW & DESIGN (WITH LINE)	56666	12-29-88	56666	12/29/1998	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Sri Lanka	J. CREW (STYLIZED)	56665	12-29-88	56665	12/29/1998	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Switzerland	CREWCUTS	11254/1995	09-25-95	432432	9/25/1995	REGISTERED
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25: CLOTHING, FOOTWEAR, HEADGEAR

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Switzerland	J. CREW	9598/1993.4	08-04-93	416467	8/4/1993	REGISTERED

9: SUNGLASSES, EYEGLASS FRAMES; CARRYING CASES FOR SUN-GLASSES AND EYEGLASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES, EYEGLASS CASES; 16: RETAIL AND MAIL ORDER CATALOGS IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES;

18: LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETICS CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, CHECKBOOK CASES, AND UMBRELLAS;

21: DUST RUFFLES;

24: HOME FURNISHINGS, INCLUDING PILLOW CASES, PILLOW SHAMS, SHEETS, BED SKIRTS, CONFORTERS, BLANKET COVERS, DUVET COVERS, CONFORTER COVERS, BLANKETS, BED SPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, BATH MATS, PLACEMATS, TABLECLOTHS, NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES;

25: SHIRTS, T-SHIRTS, BLOUSES, SWEATSHIRTS, SWEATERS, VESTS, COATS, JACKETS, TEXT TYPE: GD2 BLAZERS, PARKAS, SLICKERS, APRONS, SUITS, JUMPSUITS, PANTS, SKI-PANTS, JEANS, SHORTS, BOXER SHORTS, SKIRTS, DRESSES, ROBES, PAJAMAS, NIGHTGOWNS, SLIPS, BELTS, SWIMWEAR, SOCKS, LEGGINGS, TIES, BANDANNAS, SCARVES, GLOVES, HEADBANDS, CAPS, HATS, AND FOOTWEAR;

42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES, AND HOME FURNISHINGS; RETAIL SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES AND HOME FURNISHINGS

Taiwan	CREWCUTS (ENGLISH AND CHINESE CHARACTERS)	84047363	09-19-95	00761644	5/16/1997	Registered
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CREWCUTS 高透

25: SKIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Taiwan	J. CREW	77/44943	09-30-88	00524921	6/1/1991	REGISTERED
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40: MEN'S AND WOMENS SHIRTS, PANTS, SHORTS, SKIRTS, JACKETS, SWEATERS, SWEAT SHIRTS, SLICKERS AND BLOUSES

Taiwan	J. CREW	83032577	05-09-94	00079957	12/15/1995	REGISTERED
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42: ACTING AS AGENCY FOR DISTRIBUTION OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE, MAIL ORDER SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; SERVICES IN IMPORT-EXPORT TRADING AND AGENT FOR QUOTATIONS, TENDERS AND SALES OF VARIOUS PRODUCTS FOR DOMESTIC AND FOREIGN MANUFACTURES (FORMERLY LOCAL CLASS 8)

Taiwan	J. CREW	88023665	05-18-99	00917471	1/1/2001	REGISTERED
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25: BANDANAS, NECKTIES, SOCKS, BOOTS, SHOES, HOSIERY AND BELTS; CAPS, NECKTIES, GLOVES, HOSIERY, SOCKS AND PANTYHOSE

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Taiwan	J. CREW	88023663	05-18-99	00901593	8/16/2000	REGISTERED

24: TOWELS

Taiwan	J. CREW (ENGLISH AND CHINESE CHARACTERS)	83063797	10-14-94	78559	9/16/1995	REGISTERED
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J. CREW 志高

42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE: FACTORY RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE

Taiwan	J. CREW (ENGLISH AND CHINESE CHARACTERS)	83063798	10-14-94	00711340	5/31/1991	REGISTERED
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J. CREW 志高

25: CLOTHING; NAMELY SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, PARKAS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANKTOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, ROBES, PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIES, SCARVES, BANDANNAS, GLOVES, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, APRONS, EXERCISE WEAR (LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS), HEADGEAR (CAPS, HATS, HEADBANDS); FOOTWEAR (SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCASSINS, ESPADRILLES, AND THONGS) (FORMERLY LOCAL CLASS 40)

Taiwan	J. CREW and Design (with oarsman and underline)	88023664	05-18-99	00908257	9/30/2000	REGISTERED
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J. CREW

24: TOWELS

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Taiwan	J. CREW and Design (with oarsman and underline)	88023666	05-18-99	00920845	12/16/2000	REGISTERED



BANDANAS, NECKTIES, SOCKS, BOOTS, SHOES, HOSIERY AND BELTS; CAPS, NECKTIES, GLOVES, HOSIERY, SOCKS AND PANTYHOSE

Thailand	CREWCUTS	293676	10-16-95	KOR50574	10/16/1995	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES, AND BOOTS

Thailand	J. CREW and Design (with oarsman and underline)	359724	05-12-98	73859	5/12/1988	REGISTERED
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NA 38: ARTICLES OF CLOTHING; GOODS AS RECLASSIFIED IN INTERNATIONAL CLASS 25: SHIRTS, T-SHIRTS, SWEATERS, CARDIGANS, TUNICS, CAPS, HATS, SCARVES, TIES, BANDANNAS, HEADBANDS, SHORTS, BOXER SHORTS, PANTS (EXCEPT UNDERPANTS AND SPORT PANTS), JEANS, STIRRUPS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS, BLAZERS, SUITS, COATS, RAINCOATS, SLICKERS, PARKAS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES, KNIT TOPS, PAJAMAS, SOCKS, LEGGINGS, TIGHTS, GLOVES, NIGHTGOWNS LINGERIE, PANTIES, BRAS, SLIPS, APRONS, SPORTSWEAR, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, SKI-PANTS, EXERCISE WEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, JOGGING SUITS, SLIPPERS, SHOES (EXCEPT SPORT SHOES), SPORTSHOES, BOOTS SNEAKERS, MULES, (CONTINUED GDS 2) TEXT TYPE: GD2 SANDALS, MOCCASINS, ESPADRILLES AND THONGS SWIMWEAR

Turkey	J. CREW	97/11849	08-14-97	1997011849	8/14/1997	REGISTERED
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18: ANIMAL SKINS, HIDES, UMBRELLAS, PARASOLS AND WALKING STICKS

United Kingdom	CREWCUTS	2037650	09-22-95	2037650	9/22/1995	REGISTERED
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25: OUTER CLOTHING, SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, TROUSERS SLACKS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS; UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

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United Kingdom	J. CREW and Design (with oarsman)	B1340825	04-08-88	B1340825	4/8/1988	REGISTERED



25: SHIRTS FOR MEN AND WOMEN; SHOES, CAPS, HATS, BANDANNAS, SHORTS, PANTS, TROUSERS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

United Kingdom	J. CREW and Design (with oarsman)	B1545162	08-17-93	B1545162	8/17/1993	REGISTERED
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9: SUNGLASSES, SUNGLASS AND EYEGLASS FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES; PARTS AND FITTING FOR SUNGLASSES AND EYEGLASSES

18: LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETICS CASES AND SHAVING CASES, ALL BEING SOLD EMPTY, BILLFOLDS, PASSPORTS CASES, COINCASES, KEY CASES, CHECKBOOK CASES AND UMBRELLAS

24: PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BED SPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINEN, WINDOW CURTAINS AND DRAPERIES

United States	CREW	73/465087	02-10-84	1348064	7/9/1985	REGISTERED
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25: DRESS SHIRTS, VESTS, SKIRTS, PANTS AND SHORTS

United States	CREW	76/014732	03-31-00	2431701	2/27/2001	REGISTERED
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25: SHIRTS, VEST, PULLOVERS, TOPS, SKIRTS, DRESSES, JACKETS, COATS, PANTS, JEANS, TROUSERS, SHORTS, SWEATERS, HATS, CAPS, SCARVES, NECKTIES, BELTS, COATS, PARKAS, PONCHOS, ROBES, PAJAMAS, NIGHTGOWNS, BRAS, PANTIES, BRIEFS, BOXER SHORTS, SWIMWEAR, SOCKS AND FOOTWEAR

United States	crew.com					Registered
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J. CREW INTERNATIONAL, INC.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	crew.info					Registered
United States	crew.us					Registered
United States	CREWCUTS	76/240045	04-12-01			FILED
25: CHILDREN'S SHIRTS, SWEATERS, CAPS, HATS, SWEATSHIRTS, SOCKS, JACKETS						
United States	CREWCUTS	78/417243	05/12/04			FILED
25: SHIRTS, SWEATERS, SWEATSHIRTS, JACKETS, PANTS, SKIRTS, COATS, CAPS, HATS, SOCKS AND FOOTWEAR						
United States	crewcuts.net					Registered
United States	itsmadewell.biz					Registered
United States	itsmadewell.com					Registered
United States	itsmadewell.info					Registered
United States	itsmadewell.net					Registered
United States	itsmadewell.org					Registered
United States	J. CREW	73/411531	01-31-83	1308888	12/11/1984	REGISTERED
18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFEL BAGS;						
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES:						
42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES						

J. CREW INTERNATIONAL, INC.

Worldwide Registration and Application Report as of November 19, 2004

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	J.CREW	74/710135	08-02-95	2169873	6/30/1998	REGISTERED
25: WOMEN'S INTIMATE APPAREL, NAMELY, BRAS, BRA TOPS, TANKTOPS, BRIEFS, BIKINI BOTTOMS AND THONGS						
United States	J.CREW	75/676905	04-01-99	1351667	5/23/2000	REGISTERED
35: RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND ACCESSORIES						
United States	J.CREW	75/706219	05-14-99	2462509	6/19/2001	REGISTERED
14: NECKLACES, BRACELETS, EARRINGS AND RINGS						
United States	J.CREW	75/841908	11-05-99			FILED
3: PERFUME, EAU DE PARFUM, EAU DE TOILETTE, FRAGRANCED BODY LOTION, FRAGRANCED BODY CREAM, face CREAM, BODY CREAM, ANTI-WRINKLE CREAM, SKIN RENEWAL CREAM, EYE CREAM, SKIN MOISTURIZER, BODY LOTION, BODY OIL, SKIN BALANCING LOTION, FACIAL SKIN OIL CONTROLLER, SKIN WRINKLE TREATMENT LOTIONS AND CREAMS, SKIN BLEMISH TREATMENT LOTIONS AND CREAMS, FACIAL TONER, BODY TONER, FACIAL AND BODY EXFOLIATING PREPARATION, FACIAL AND BODY BEAUTY MASKS, FACIAL AND BODY OIL SPRAY TOILET SOAPS, LIQUID SOAPS, CREAM SOAPS, PAPER SOAPS FOR HANDS, FACE AND BODY, COSMETIC SOAPS, FACIAL CLEANSER, BODY CLEANSER, SKIN CLEANSING LOTION, SKIN CLEANSING GEL, BATH POWDER, BATH OIL, BODY POWDER, SHAVING FOAM, PRE-SHAVE LOTIONS AND CREAMS, AFTER SHAVE LOTIONS AND CREAMS, AFTER SHAVE BALM, DEODORANTS AND PERSPIRANTS, POTPOURRI ESSENTIAL OILS FOR PERSONAL USE AND MASSAGE OILS						
4: SCENTED AND UNSCENTED CANDLES						
United States	J.CREW UNTUCKED	78/496989	10-08-04			FILED
14: NECKLACES, BRACELETS, EARRINGS, WATCHES, BROOCHES AND RINGS						
18: LUGGAGE, HANDBAGS, CLUTCH PURSES, TOILETRY CASES SOLD EMPTY, WALLETS, TOTE BAGS, DUFFEL BAGS, BACKPACKS, LUGGAGE TAGS AND LEATHER KEY CHAINS						
25: SHIRTS, T-SHIRTS, BLOUSES, SWEATERS, SWEAT SHIRTS, SWEAT PANTS, COATS, JACKETS, SHORTS, PANTS, SUITS, DRESSES SKIRTS, SWIMWEAR, UNDERWEAR, SLEEPWEAR, LOUNGEWEAR, TIGHTS, CAPS, HATS, GLOVES, SCARVES, TIES, POCKET SQUARES, BELTS SOCKS AND FOOTWEAR						
United States	JCG	75/47201	08-26-97	2385964	9/12/2000	REGISTERED
25: MEN'S AND WOMEN'S CLOTHING, NAMELY, SHIRTS, T-SHIRTS, SWEATERS, CARDIGANS, TUNICS, CAPS, HATS, SCARVES, TIES, BANDANNAS SHORTS, BOXER SHORTS, PANTS, JEANS, STIRRUPS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS, BLAZERS SUITS, SLICKERS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES; PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIGHTS, GLOVES, NIGHTGOWNS, LINGERIE, PANTIES, BRAS, SLIPS; SPORTSWEAR, NAMELY, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, SKI-PANTS: EXERCISE WEAR, NAMELY, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, JOGGING SUITS; SWIMWEAR, FOOTWEAR						
35: RETAIL CATALOG, RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND CLOTHING ACCESSORIES						

J. CREW INTERNATIONAL, INC.

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United States	JCMG	75/347202	8-26-97	2272925	8/24/1999	REGISTERED

25: MEN'S AND WOMEN'S CLOTHING, NAMELY, SHIRTS, T-SHIRTS, SWEATERS, CARDIGANS, TUNICS, CAPS, HATS, SCARVES, TIES, BANDANNAS, SHORTS, BOXER SHORTS, PANTS, JEANS, STIRRUPS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS, BLAZERS, SUITS, SLICKERS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES; PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIGHTS, GLOVES, NIGHTGOWNS, LINGERIE, PANTIES, BRAS, SLIPS: SPORTSWEAR, NAMELY, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, SKI-PANTS, EXERCISE WEAR, NAMELY, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, JOGGINGS SUITS; SWIMWEAR, FOOTWEAR

35: RETAIL CATALOG, RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND CLOTHING ACCESSORIES

United States	jcrew.biz					Registered
United States	JCREW.COM	75/437555	02-20-98	2255255	6/22/1999	REGISTERED

41: ON-LINE CATALOG FEATURING CLOTHING AND ACCESSORIES DISTRIBUTED BY MEANS OF A GLOBAL COMPUTER INFORMATION NETWORK

United States	jcrew.com					Registered
United States	j-crew.com					Registered
United States	jcrew.com (katakana characters)					Registered
United States	jcrew.eu.com					Registered
United States	jcrew.info					Registered
United States	jcrew.net					Registered
United States	jcrew.net (chinese characters)					Registered

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United States	jcrew.net (katakana characters)					Registered
United States	jcrew.org					Registered
United States	jcrew.us					Registered
United States	jcrewbath.com					Registered
United States	jcrewbody.com					Registered
United States	jcrewcatalog.com					Registered
United States	jcrewcuts.com					Registered
United States	jcrewfactory.com					Registered
United States	jcrewgirl.com					Registered
United States	jcrewhome.com					Registered
United States	jcrewimage.com					Registered
United States	jcrewimports.com					Registered

Created by Cowan, Liebowitz & Latman, P.C.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	jcrewmail.com					Registered
United States	jcrewonline.com					Registered
United States	jcrewouclear.com					Registered
United States	jcrewourdets.com					Registered
United States	jcrewshop.com					Registered
United States	jcrewsucks.com					Registered
United States	jcrew-sucks.com					Registered
United States	jcrewsucks.org					Registered
United States	jcrew-sucks.org					Registered
United States	jcrewuntucked.com					Registered
United States	MULTIGLISSE	75/370961	10/9/1997	2350570	5/16/2000	REGISTERED

25: MEN'S AND WOMEN'S CLOTHING, NAMELY, SHIRTS, T-SHIRTS, SWEATERS, CARDIGANS, TUNICS, CAPS, HATS, SCARVES TIES, BANDANNAS SHORTS, BOXER SHORTS, PANTS, JEANS, STIRRUP PANTS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS BLAZERS SUITS, SUCKERS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES; PAJAMAS, HOSIERY, SOCKS, LEGGINGS TIGHTS, GLOVES, NIGHTGOWNS, LINGERIE, PANTIES, BRAS, SUPS; SPORTSWEAR, NAMELY, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUTIS, SKI-PANTS; EXERCISE WEAR, NAMELY, LEOTARDS, UNI-TARDS, BICYCLE SHORTS, BRA TOPS, JOGGING SUITS: SWIMWEAR AND FOOTWEAR


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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	myjcrew.com					Registered
United States	shopjcrew.com					Registered
United States	SO J. CREW	76/051252	05-18-00	2735138	7/8/2003	REGISTERED
3: PERFUME. EAU DE PERFUME. BODY LOTION, FACIAL AND BODY EXFOLIATING PREPARATION, FACIAL AND BODY MASK, FACIAL AND BODY OIL SPRAY. TOILET SOAPS, CLEANSING GEL						
4: SCENTED AND UNSCENTED CANDLES						
United States	wwwjcrew.com					Registered
United States	wwwjcrewemail.com					Registered
Uruguay	J. CREW	293323	2/17/1997	293323	1/10/2002	REGISTERED
18: ALL GOODS IN CLASS						
25: ALL GOODS IN CLASS						
42: ALL SERVICES IN CLASS						
Venezuela	CREWCUTS	018712/95	11/23/1993	195374-9	3/7/1997	REGISTERED
25: CLASS HEADING						
Venezuela	J. CREW	005841	3/25/1992			FILED
NA 39: MEN'S AND WOMENS SHIRTS, SWEATERS SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCK, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES						
Venezuela	J. CREW	005839	3/25/1992	572	7/10/1994	Registered
42: RETAIL CATALOG SERVICES						

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Venezuela	J. CREW and Design (with oarsman and underline)	005838	03-25-92			FILED
						
	NA 39: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES					
Virgin Islands (US)	J. CREW			6130	12/11/1984	Registered
	18: LUGGAGE UMBRELLAS, HANDBAGS, DUFFEL BAGS.					
	25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS SLICKERS, SKIRTS, BLOUSES, DRESSES					
	42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES					
Virgin Islands (US)	J. CREW			6128	3/9/1993	REGISTERED
	42: RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING					
Virgin Islands (US)	J. CREW			6128	3/9/1993	REGISTERED
	42: RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND ACCESSORIES					
Virgin Islands (US)	J. CREW and Design (with oarsman and underline)			6129	9/19/1989	REGISTERED



18: LUGGAGE UMBRELLAS, HANDBAGS, DUFFEL BAGS,
25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES:
42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

SCHEDULE 8.12
to
INFORMATION CERTIFICATE

Subsidiaries; Affiliates; Investments

A. Subsidiaries (More than 50% owned by Company indicated)

<u>Company</u>	<u>Subsidiary</u>	<u>Jurisdiction of Incorporation</u>	<u>Percentage Owned</u>
J. Crew Group, Inc.	J. Crew Intermediate LLC	Delaware	100%
J. Crew Intermediate LLC	J. Crew Operating Corp.	Delaware	100%
J. Crew Operating Corp.	J. Crew, Inc.	New Jersey	100%
	Grace Holmes, Inc.	Delaware	100%
	H.F.D. No. 55, Inc.	Delaware	100%
	J. Crew Virginia, Inc.	Virginia	100%
	C&W Outlet, Inc.	New York	100%
J. Crew Inc.	J. Crew International, Inc.	Delaware	100%
	J. Crew Services, Inc.	Delaware	100%
	ERL, Inc.	New Jersey	100%
J. Crew International, Inc.	J. Crew Japan, Inc.	Japan	100%

B. Affiliates (Less than 50% Owned by Company)

None

C. Affiliates (Subject to common ownership with Company)

See above

D. Shareholders (If widely held, only holders with more than 10%)

See attached list of shareholders for **J. Crew Group, Inc.**

See above for ownership of the other Companies

REPORT NUMBER: FWR00025
SOURCE PROGRAM: FWR0025R

EQUISERVE
SECURITY OWNER LIST REPORT

PAGE : 1
DATE: 12/20/2004
TIME: 10:44:27

CLIENT: JCR J. CREW GROUP, INC.
ISSUE: JCRCO J. CREW GROUP OLD COMMON

EFFECTIVE: 12/20/2004
CUSIP:

ACCOUNT: 5932
REGISTRATION: ROXANE AL-FAYEZ
C/O J CREW INC
770 BROADWAY
NEW YORK, NY 100 103-9522

SHARES: 6,250.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 808
REGISTRATION: BANCOSTON INVESTMENTS INC
ATTN: JEFF ARIMENTO
175 FEDERAL ST 75-10-01
BOSTON, MA 02110-2210

SHARES: 412,500.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 1825
REGISTRATION: PAULINE BOGHOSIAN
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

SHARES: 5,188.6000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 101
REGISTRATION: MAUD BRYT
21 ADAMS LN POUND RIDGE, NY
10576-1507

SHARES: 25,818.8000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 2929
REGISTRATION: DLJ CAPITAL CORPORATION
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3629

SHARES: 296.4000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 3724
REGISTRATION: BAIN SECURITES INC
2 COPLEY PLACE
ATTN BILL DOHERTY
BOSTON, MA 02116-6502

SHARES: 23,718.8000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 4004
REGISTRATION: CHARLOTTE BEERS
132 CLARKE AVE
PALM BEACH, FL 33460-6121

SHARES: 16,466.2760
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 4107
REGISTRATION: GREGORY BRENNEMAN
31 HOLLYMEAD DRIVE
THE WOODLANDS,
TX 77381-5115

SHARES: 13,000.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 4519
REGISTRATION: JOHN W BURDEN III
PO BOX 1131
SANIBEL, FL 33957-1131

SHARES: 4,466.2760
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 1104
REGISTRATION: DLJ FUND INVESTMENT
PARTNERS II LP
C/O CREDIT SUISSE
FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3629

SHARES: 105,549.0000
PRE-EXCHANGED SHARES: 0.0000

REPORT NUMBER: FWR00025
SOURCE PROGRAM: FWR0025R

EQUISERVE
SECURITY OWNER LIST REPORT

PAGE : 2
DATE: 12/20/2004
TIME: 10:44:27

CLIENT: JCR J. CREW GROUP, INC.
ISSUE: JCRCO J. CREW GROUP OLD COMMON

EFFECTIVE: 12/20/2004
CUSIP:

ACCOUNT: 5417
REGISTRATION: PEGGY F DREXLER &
MILLARD S DREXLER TR
MSD GRAT A 3/22/04
C/O J CREW GROUP, INC.
770 BROADWAY
NEW YORK, NY 10003-9522

ACCOUNT: 3106
REGISTRATION: FARALLON CAPITAL
INSTITUTIONAL PARTNERS LP
C/O FARALLON PARTNERS LLC
ATTN JOSEPH DOWNES
ONE MARITIME PLAZA
SUITE 1325
SAN FRANCISCO,
CA 94111-3517

SHARES: 262,524.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 115,500.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 3209
REGISTRATION: FARALLON CAPITAL
INSTITUTIONAL PARTNERS II LP
C/O FARALLON PARTNERS LLC
ATTN JOSEPH DOWNES
ONE MARITIME PLAZA SUITE 1325
SAN FRANCISCO, CA 94111-3517

ACCOUNT: 3312
REGISTRATION: FARALLON CAPITAL
INSTITUTIONAL III LP
C/O FARALLON PARTNERS LLC
ATTN JOSEPH DOWNES
ONE MARI PLAZA STE 1325
SAN FRANCISCO,
CA 94111-0000

SHARES: 39,600.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 13,200.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 3003
REGISTRATION: FARALLON CAPITAL PARTNERS LP
C/O FARALLON PARTNERS LLC
ATTN JOSEPH DOWNES
ONE MARITIME PLAZA SUITE 1325
SAN FRANCISCO, CA 94111-3517

ACCOUNT: 2517
REGISTRATION: CHRISTINE PASANO
40 MORROW AVE APT 7FN
SCARSDALE, NY 10883-8265

SHARES: 148,500.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 2,668.4000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 303
REGISTRATION: FULL & CO CRESCENT/MACH I
PARTNERS LP
C/O US BANK NA
P O BOX 1787
MAIL CODE: MK-WI-S210
MILWAUKEE, WI 53201-1787

ACCOUNT: 909
REGISTRATION: GENERAL ELECTRIC CAPITAL
CORPORATION
ATTN: ADB OMISORE
120 LONG RIDGE RD
STAMFORD, CT 06927-0001

SHARES: 34,375.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 389,618.0000
PRE-EXCHANGED SHARES: 0.0000

REPORT NUMBER: FWR00025
SOURCE PROGRAM: FWR0025R

EQUISERVE
SECURITY OWNER LIST REPORT

PAGE: 3
DATE: 12/20/2004
TIME: 10:44:27

CLIENT: JCR J. CREW GROUP, INC.
ISSUE: JCRCO J. CREW GROUP OLD COMMON

EFFECTIVE: 12/20/2004
CUSIP:

ACCOUNT: REGISTRATION: 5314
SCOTT GILBERTSON
1 UNION SQ S
#17H
NEW YORK, NY 10003-4183

SHARES: 27,896.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 2414
ROB GRIEN
525 E 89TH ST
APT 18
NEW YORK, NY 10128-7836

SHARES: 3,854.4000
PRE-EXCHANGE SHARES: 0.0000

ACCOUNT: REGISTRATION: 2002
SCOTT HONOUR
16612 CALLS JERMAINE
PACIFIC PALISADES, CA 90272-
1936

SHARES: 889.4000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 1722
MARK LANIGAN
C/O CREDIT SUISSE FIRST
BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

SHARES: 5,188.6000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 1619
KEN MOELIS
624 N ALPINE DRIVE
BEVERLY HILLS, CA 90210-3304

SHARES: 5,188.6000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 2105
BENNETT GOODMAN
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

SHARES: 4,002.6000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 2826
STEVE MICKEY
24 MEADOW STREET
GREENWICH, CT 06831-0000

SHARES: 2,075.4000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION: 4622
J CREW GROUP INC
TREASURY SHARE ACCOUNT
770 BROADWAY
NEW YORK, NY 10003-9522

SHARES: 2,000.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: REGISTRATION 202
LINCHMEN & CO
C/O US BANK NA
P O BOX 1787
MAIL CODE MK-WI-S210
MILWAUKEE, WI 53201-1787

SHARES 618,750.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT : REGISTRATION: 2311
DOUG OSTROVER
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

SHARES: 4,002.6000
PRE-EXCHANGED SHARES: 0.0000

REPORT NUMBER: FWR00025
SOURCE PROGRAM: FWR0025R

EQUISERVE
SECURITY OWNER LIST REPORT

PAGE: 4
DATE: 12/20/2004
TIME: 10:44:27

CLIENT: JCR J. CREW GROUP, INC.
ISSUE: JCRCO J. CREW GROUP OLD COMMON

EFFECTIVE: 12/20/2004
CUSIP:

ACCOUNT: 4210
REGISTRATION: MICHAEL OVITZ
C/O MICHAEL S DREYER
DREYER EDMONDS & ASSOCIATES
355 SOUTH GRAND AVE
SUITE 4150
LOS ANGELES, CA 90071-3117

ACCOUNT: 1928
REGISTRATION: STEPHEN PAUL
1236 SQUIRAL HILL AVE
PITTSBURGH, PA 15217-1148

SHARES : 12,400.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 2,668.4000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 5211
REGISTRATION: JEFFREY A PFEIFLE
C/O J.CREW GROUP, INC
770 BROADWAY
NEW YORK, NY 10003-9522

ACCOUNT: 4828
REGISTRATION: KENNETH S PILOT
401 EAST 60TH ST #29A
NEW YORK, NY 10022-1596

SHARES: 40,451.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 105,000.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 2208
REGISTRATION: STEVE RATTNER
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

ACCOUNT: 6109
REGISTRATION: MARIO RODRIGUEZ
C/O J CREW GROUP INC
770 BROADWAY
NEW YORK, NY 10003-9522

SHARES: 4,002.6000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 250.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 3518
REGISTRATION: RR CAPITAL PARTNERS LP
C/O FARALLON PARTNERS LLC
ATTENTION: JOSEPH DOWNES
ONE MARITIME PLAZA SUITE 1325
SAN FRANCISCO, CA 94111-3517

ACCOUNT: 4725
REGISTRATION: DAVID M SCHWARZ
C/O DAVID M SCHWARZ
ARCHITECTURAL SERVICES
1707 L STREET NW STE 400
WASHINGTON, DC 20036-4213

SHARES: 13,200.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 4,751.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 2723
REGISTRATION: KEVIN SMITH
C/O CREDIT SUISSE FIRST BOSTON
ATTN: MATTHEW C KELLY
11 MADISON AVENUE
NEW YORK, NY 10010-3643

ACCOUNT: 3621
REGISTRATION: SQUAM LAKE INVESTORS II LP
% BAIN & COMPANY
2 COPLEY PLACE
ATTN BILL DOHERTY
BOSTON, MA 02116-6502

SHARES: 593.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 65,227.0000
PRE-EXCHANGED SHARES : 0.0000

REPORT NUMBER: FWR00025
SOURCE PROGRAM: FWR0025R

EQUISERVE
SECURITY OWNER LIST REPORT

PAGE: 5
DATE: 12/20/2004
TIME: 10:44:27

CLIENT: JCR J. CREW GROUP, INC.
ISSUE: JCRCO J. CREW GROUP OLD COMMON

EFFECTIVE: 12/20/2004
CUSIP:

ACCOUNT: 2620
REGISTRATION: ERIC SWANSON
245 SOUTH LINDEN
BEVERLY HILLS, CA 90212-3704

ACCOUNT:
REGISTRATION:

3930
BRIAN SWETTE
1135 HILLSBORO MILE
HILLSBORO BEACH, FL 33062-1902

SHARES: 2,075.4000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 22,945.2760
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 6006
REGISTRATION: JONATHAN TAPPAN
C/O J CREW
770 BROADWAY
NEW YORK, NY 10003-9522

ACCOUNT:
REGISTRATION:

404
TCW SHARED OPPORTUNITY
FUND II LP
C/O THE BANK OF NEW YORK
ATTN: CAROL GRAFALS
ONE WALL ST THIRD FLR WINDOW A
NEW YORK, NY 10005-2500

SHARES: 250.0000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 34,375.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 707
REGISTRATION: TPG INVESTORS II LP
C/O TEXAS PACIFIC GROUP
ATTN: JOHN E VIOLA
301 COMMERCE ST SUITE 3300
FORT WORTH, TX 76102-4133

ACCOUNT:
REGISTRATION:

606
TPG PARALLEL II LP
C/O TEXAS PACIFIC GROUP
ATTN: JOHN B VIOLA
301 COMMERCE ST SUITE 3300
FORT WORTH, TX 76102-4133

SHARES: 650,635.4000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 425,663.0000
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 505
REGISTRATION: TPG PARTNERS II LP
C/O TEXAS PACIFIC GROUP
ATTN: JOHN B VIOLA
301 COMMERCE ST SUITE 3300
FORT WORTH, TX 76102-4133

ACCOUNT:
REGISTRATION:

3827
JOSHUA WESTON
217 CHRISTOPHER ST
MONCLAIR, NJ 07042-4205

SHARES: 6,237,499.2000
PRE-EXCHANGED SHARES: 0.0000

SHARES: 25,478.2760
PRE-EXCHANGED SHARES: 0.0000

ACCOUNT: 1001
REGISTRATION: EMILY WOODS
312 JOBS LN
WATER MILL, NY 11976-3509

SHARES: 2,265,176.6000
PRE-EXCHANGED SHARES: 0.0000

SCHEDULE 8.13
to
INFORMATION CERTIFICATE

Labor Matters

None

SCHEDULE 8.15
to
INFORMATION CERTIFICATE

Material Contracts

<u>Company</u>	<u>Name of Agreement</u>	<u>Date of Agreement</u>	<u>Parties to Agreement</u>
J. Crew Operating Corp.	Merchant Services Bankcard Agreement and Schedule B Debit Attachment	8/15/01 10/28/02	The Chase Manhattan Bank, Chase Merchant Services, L.L.C.
J. Crew Operating Corp.	Private Label Credit Card Program Agreement	10/29/04	World Financial Network National Bank
J. Crew Operating Corp.	Indenture relating to 10 ³ / ₈ % Senior Subordinated Notes Due 2007	10/17/97	U. S. Bank (f/k/a State Street Bank and Trust Company), as Trustee
J. Crew Inc.	Printing Agreement	Under Negotiation	R. R Donnelley & Sons
J. Crew Inc.	Select Merchant Payment Card Processing Agreement	10/3/01	Paymentech, L.L.C.
J. Crew Group, Inc.	Web Hosting Agreement	2/14/01	Digex, Inc.
J. Crew Group, Inc.	Master Hardware and Services Agreement	8/9/01	CRS Retail Systems, Inc.
J. Crew Group, Inc.	Master Software and Services Agreement	8/9/01	CRS Retail Systems, Inc.

J. Crew Group, Inc.	Services Agreement and Addendum No.1 (1/31/02)	11/25/00	Electronic Data Systems Corporation
J. Crew Group, Inc.	AT&T Master Agreement and Addendums	7/1/02	AT&T Corp.
J. Crew Group, Inc.	Merchant Services Agreement	9/3/87	Discover Card Services, Inc.
J. Crew Group, Inc.	Amendment to Card Service Agreement for Retail Establishments	1/1/93	American Express Travel Related Services Company, Inc.
J. Crew Group, Inc.	Indenture relating to 13 1/8% Discount Debentures Due 2008	10/17/97	U. S. Bank (f/k/a Senior State Street Bank and Trust Company), as Trustee
J. Crew Group, Inc.	Supplemental Indenture relating to 13 1/8% Senior Discount Debentures Due 2008	5/6/03	U. S. Bank, as Trustee
J. Crew Intermediate LLC	Indenture relating to 16.0% Senior Discount Contingent Principal Notes	5/6/03	U.S. Bank, as Trustee
J. Crew Group, Inc.	Credit Agreement, as amended	2/4/03	TPG-MD Investment, LLC
J. Crew Operating Corp. and subsidiaries	Senior Subordinated Loan Agreement	11/21/04	U.S. Bank, as Administrative Agent
Leases for retail and factory store locations with various landlords			

SCHEDULE 9.9
to
INFORMATION CERTIFICATE

Existing Indebtedness

1. Direct Debt

<u>Company</u>	<u>Name/Address of Payee</u>	<u>Nature of Debt</u>	<u>Term</u>
J. Crew Group, Inc.	Various holders	Series A Preferred stock	Mandatory payment of accumulated unpaid dividends on 10/17/2009
J. Crew Group, Inc.	Various holders	Series B Preferred Stock	Mandatory redemption on 10/17/2009

2. Guarantees

Substantially all of the retail and factory store leases are guaranteed by J. Crew Group, Inc.

J. Crew Group, Inc. and J. Crew Operating Corp. also guarantee certain obligations of other Companies in the ordinary course of their businesses.

SCHEDULE 9.10
to
INFORMATION CERTIFICATE

Loans and Advances

None

SCHEDULE I
to
INFORMATION CERTIFICATE
DIRECTORS AND OFFICERS

<u>COMPANY</u>	<u>DIRECTORS</u>	<u>EXECUTIVE OFFICERS</u>
J. Crew Group, Inc.	Richard Boyce Jonathan Coslet James Coulter Millard Drexler Steven Grand-Jean Emily Scott Thomas Scott Stuart Sloan Josh Weston	Millard Drexler, Chief Executive Officer Jeff Pfeifle, President Amanda Bokman, Executive Vice President and Chief Financial Officer Arlene Hong, Senior Vice President, General Counsel and Secretary
J. Crew Intermediate LLC	Richard Boyce Jonathan Coslet James Coulter Millard Drexler Steven Grand-Jean Emily Scott Thomas Scott Stuart Sloan Josh Weston	Millard Drexler, Chief Executive Officer Jeff Pfeifle, President Amanda Bokman, Executive Vice President and Chief Financial Officer Arlene Hong, Senior Vice President, General Counsel and Secretary
J. Crew Operating Corp.	Richard Boyce Jonathan Coslet James Coulter Millard Drexler Steven Grand-Jean Emily Scott Thomas Scott Stuart Sloan Josh Weston	Millard Drexler, Chief Executive Officer Jeff Pfeifle, President Amanda Bokman, Executive Vice President and Chief Financial Officer Arlene Hong, Senior Vice President, General Counsel and Secretary
J. Crew International, Inc.	Arlene Hong Melanie Andrews Gordon Stewart	Arlene Hong, President Melanie Andrews, Vice President, Treasurer and Assistant Secretary Nick Lamberti, Vice President – Finance, Assistant Treasurer and Assistant Secretary Gordon Stewart, Secretary

Grace Holmes, Inc.	Amanda Bokman Nicholas Lamberti Arlene Hong	Millard Drexler, President Amanda Bokman, Executive Vice-President and Chief Financial Officer Arlene Hong, Senior Vice President and Secretary Nick Lamberti, Vice President, Controller and Assistant Secretary
H.F.D. No. 55, Inc.	Amanda Bokman Nicholas Lamberti Arlene Hong	Millard Drexler, President Amanda Bokman, Executive Vice-President and Chief Financial Officer Arlene Hong, Senior Vice President and Secretary Nick Lamberti, Vice President, Controller and Assistant Secretary
J. Crew Inc.	Amanda Bokman Nicholas Lamberti Arlene Hong	Millard Drexler, President Amanda Bokman, Executive Vice-President and Chief Financial Officer Arlene Hong, Senior Vice President and Secretary Nick Lamberti, Vice President, Controller and Assistant Secretary

EXHIBIT C
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

Compliance Certificate

To: Congress Financial Corporation, as Agent
1133 Avenue of the Americas
New York, New York 10036

Ladies and Gentlemen:

I hereby certify to you in my capacity as [Chief Financial Officer] [Controller] pursuant to Section 9.6 of the Loan Agreement (as defined below) as follows:

1. I am the duly elected [Chief Financial Officer] [Controller] of J. Crew Operating Corp., J. Crew Inc., a New Jersey corporation, Grace Holmes, Inc. and HFD No. 55, Inc. (collectively, "Borrowers"). Capitalized terms used herein without definition shall have the meanings given to such terms in the Loan and Security Agreement, dated _____, 2002, by and among Congress Financial Corporation as agent for the financial institutions party thereto as lenders (in such capacity, "Agent"), Wachovia Bank, National Association, as arranger (in such capacity "Arranger") and the parties thereto as lenders (collectively, "Lenders"), Borrowers and certain of their affiliates (as such Loan and Security Agreement is amended, modified or supplemented, from time to time, the "Loan Agreement").

2. I have reviewed the terms of the Loan Agreement, and have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and the financial condition of Borrowers and Guarantors, during the immediately preceding fiscal month.

3. The review described in Section 2 above did not disclose the existence during or at the end of such fiscal month, and I have no knowledge of the existence and continuance on the date hereof, of any condition or event which constitutes a Default or an Event of Default, except as set forth on Schedule I attached hereto. Described on Schedule I attached hereto are the exceptions, if any, to this Section 3 listing, in detail, the nature of the condition or event, the period during which it has existed and the action which any Borrower or Guarantor has taken, is taking, or proposes to take with respect to such condition or event.

4. I further certify that, based on the review described in Section 2 above, no Borrower or Guarantor has not at any time during or at the end of such fiscal month, except as specifically described on Schedule II attached hereto or as permitted by the Loan Agreement, done any of the following:

- (a) Changed its respective corporate name, or transacted business under any trade name, style, or fictitious name, other than those previously described to you and set forth in the Financing Agreements.

-
- (b) Changed the location of its chief executive office, changed its jurisdiction of incorporation, changed its type of organization or changed the location of or disposed of any of its properties or assets (other than pursuant to the sale of Inventory in the ordinary course of its business or as otherwise permitted by Section 9.7 of the Loan Agreement), or established any new asset locations.
 - (c) Materially changed the terms upon which it sells goods (including sales on consignment) or provides services, nor has any vendor or trade supplier to any Borrower or Guarantor during or at the end of such period materially adversely changed the terms upon which it supplies goods to any Borrower or Guarantor.
 - (d) Permitted or suffered to exist any security interest in or liens on any of its properties, whether real or personal, other than as specifically permitted in the Financing Agreements.
 - (e) Received any notice of, or obtained knowledge of any of the following not previously disclosed to Agent: (i) the occurrence of any event involving the release, spill or discharge of any Hazardous Material in violation of applicable Environmental Law in a material respect or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any applicable Environmental Law by any Borrower or Guarantor in any material respect or (B) the release, spill or discharge of any Hazardous Material in violation of applicable Environmental Law in a material respect or (C) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials in violation of applicable Environmental Laws in a material respect or (D) any other environmental, health or safety matter, which has a material adverse effect on any Borrower or Guarantor or its business, operations or assets or any properties at which such Borrower or Guarantor transported, stored or disposed of any Hazardous Materials.
 - (f) Become aware of, obtained knowledge of, or received notification of, any breach or violation of any material covenant contained in any instrument or agreement in respect of Indebtedness for money borrowed by any Borrower or Guarantor.

5. Attached hereto as Schedule III are the calculations used in determining, as of the end of such fiscal month whether Borrowers and Guarantors are in compliance with the covenants set forth in Sections 9.18 and 9.19 of the Loan Agreement for such fiscal month.

The foregoing certifications are made and delivered this day of _____, 200__.

Very truly yours,

By:

Title:

EXHIBIT D
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

Form of Borrowing Base Certificate

000's omitted

Date: December __, 2004
Number: _____

Pursuant to the Amended and Restated Loan and Security Agreement, dated December __, 2004 by and among Wachovia Bank, National Association, as administrative agent ("Administrative Agent"), Bank of America, N.A., as syndication agent ("Syndication Agent") and Congress Financial Corporation, as collateral agent ("Agent"), the parties thereto as lenders ("Lenders"), J. Crew Operating Corp., and certain of its affiliates, and any amendments thereto ("Loan Agreement"), each of J. Crew Operating Corp. for itself and its Affiliates party to the Loan Agreement hereby certifies to Agent and Lenders, as of the above date, as follows:

Credit Card Accounts Receivables				
Assigned to CFC				\$
Less: Ineligibles				
Total Ineligibles				\$
Eligible Credit Card A/R				\$
Availability from Credit Card A/R		@	% =	\$
Total Gross Retail Inventory as of:				\$
Less: Ineligibles				
Total Ineligibles				\$
Eligible Inventory				\$
Availability from Retail Inventory		@	% =	\$
Total Gross Factory Inventory as of:				\$
Less: Ineligibles				
Total Ineligibles				\$
Eligible Inventory				\$
Availability from Inventory		@	% =	\$
Total Gross Direct Inventory as of:				\$

Less: Ineligibles			
Total Ineligibles	\$		
Eligible Inventory	\$		
Availability from Inventory	@	% =	\$
Availability from Term Loans (RE)	\$		
	@	% =	\$
Total Availability Before Loans			\$
Outstanding Loan			\$
Import (Documentary) LCs	\$	@%	\$
Standby LCs	\$	@%	\$
Landlord Reserves			\$
Permanent Availability Block			\$
Total Reserves			\$
NET AVAILABILITY AFTER LOANS AND L.C. RESERVES			\$
Plus: Qualified Cash			\$
Less: Outstanding Checks			\$
Net Availability including Cash in Bank			\$

As of the date of this Certificate, no Event of Default exists or has occurred and is continuing Borrower Agent, for itself and each of the Borrowers acknowledges that the Loans and Letter of Credit Accommodations by Agent and Lenders to Borrowers are based upon the reliance of Agent and Lenders on the information contained herein and all representations and warranties with respect to Accounts and Inventory in the Loan Agreement are applicable to the Accounts and Inventory included in this Certificate. The reliance by Agent and Lenders on this Certificate should not be deemed to limit the right of Agent to establish or revise criteria of eligibility or Reserves or otherwise limit, impair, or affect in any manner the rights of Agent under the Loan Agreement. In the event of any conflict between the determination of Agent of the amount of the Loans and Letter of Credit Accommodations available to Borrowers in accordance with the terms of the Loan Agreement and the determination by Borrowers of such amounts, the determination of Agent shall govern, absent manifest error. All capitalized terms used in this Certificate shall have the meaning assigned to them in the Loan Agreement.

J. Crew Operating Corp, as Borrower Agent

By: _____

Title: _____

Schedule 1.43

Customs Brokers

1. Vandergrift Forwarding Company, Inc.
2. W.M. Stone & Co., Inc.

Schedule 8.9

Credit Card Agreements

1. Card Services Agreement by and between American Express Travel Related Services Company, Inc. and J. Crew Group, Inc.
2. Merchant Services Agreement, dated as of September 3, 1987, by and between Discover Financial Services, Inc. and J. Crew Group, Inc.
3. Private Label Credit Card Program Agreement, dated October 29, 2004, by and between World Financial Network National Bank and J. Crew Operating Corp.
4. Merchant Payment Card Processing Agreement, dated on or about October 3, 2001, by and between Paymentech, LLC and J. Crew Inc.
5. Merchant Services Bankcard Agreement, dated on or about August 15, 2001, by and among Chase Merchant Services, LLC, JP Morgan Chase, J. Crew Operating Corp. and its subsidiaries, and the Schedule B Debit Attachment thereto.

AMENDMENT NO.2 TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
AND
AMENDMENT NO. 1 TO GUARANTEE

AMENDMENT NO.2 TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (“Amendment No. 2”), dated as of May 15, 2006, by and among J. Crew Operating Corp., a Delaware corporation (“Operating”), J. Crew Inc., a New Jersey corporation (“J. Crew”), Grace Holmes, Inc., a Delaware corporation doing business as J. Crew Retail (“Retail”), H.F.D. No. 55, Inc., a Delaware corporation doing business as J. Crew Factory (“Factory”, and together with J. Crew, Retail and Operating, each individually a “Borrower” and collectively, “Borrowers”), J. Crew Group, Inc., a Delaware corporation (“Parent”), J. Crew International, Inc. (“JCI”, and together with Parent, each individually an “Existing Guarantor” and collectively, “Existing Guarantors”), and Madewell Inc., a Delaware corporation (“Madewell”, and together with Existing Guarantors, each individually a “Guarantor” and collectively, “Guarantors”), the parties from time to time to the Loan Agreement (as hereinafter defined) as lenders (each individually, a “Lender” and collectively, “Lenders”) and Wachovia Bank, National Association, successor by merger to Congress Financial Corporation, a national banking association, in its capacity as administrative agent and collateral agent for Lenders pursuant to the Loan Agreement (in such capacity, “Agent”), and AMENDMENT NO. 1 TO GUARANTEE (“Guarantee Amendment”), dated as of May 15, 2006, by the Borrowers and Guarantors in favor of Agent.

W I T N E S S E T H:

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Agent and Lenders have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Amended and Restated Loan and Security Agreement, dated December 23, 2004, by and among Agent, Lenders, Borrowers and Guarantors, as amended by Amendment No. 1 to Amended and Restated Loan and Security Agreement, dated as of October 10, 2005 (as the same is amended and supplemented hereby and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the “Loan Agreement”) and the agreements, documents and instruments at any time executed and/or delivered in connection therewith or related thereto (collectively, together with the Loan Agreement, the “Financing Agreements”), including, without limitation, the Guarantee, dated December 23, 2002, by the Borrowers and Existing Guarantors in favor of Agent (the “Existing Guarantee”, and as the same is amended and supplemented hereby and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the “Guarantee”);

WHEREAS, Borrowers, Existing Guarantors and Madewell have requested that Agent and Lenders amend the Loan Agreement and the Guarantee to add Madewell as an additional Guarantor and make certain other amendments to the Loan Agreement and the Guarantee;

WHEREAS, Agent and Required Lenders are willing to agree to such amendments to the extent, and subject to, the terms and conditions set forth herein.

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

Section 1. Definitions.

1.1 Additional Definitions. As used herein, the following terms shall have the respective meanings given to them below and the Loan Agreement shall be deemed and is hereby amended to include, in addition and not in limitation of, each of the following definitions:

(a) "Amendment No. 2" shall mean this Amendment No. 2 to Amended and Restated Loan and Security Agreement by and among Agent, Lenders, Borrowers and Guarantors (including the Amendment No. 1 to Guarantee by Borrowers and Guarantors in favor of Agent set forth herein), as the same now exists and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced.

(b) "Madewell" shall mean Madewell Inc., a Delaware Corporation, and its successors and assigns.

(c) "Madewell Supplemental Agreements" shall mean, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (i) the Information Certificate of Madewell referred to in Section 1.2(d) of Amendment No. 2, (ii) Amendment No. 1 to Pledge and Security Agreement by Operating in favor of Agent and (iii) UCC financing statement by and between Madewell, as debtor, and Agent, as secured party.

(d) "9 ³/₄% Notes" shall mean, collectively, the 9 ³/₄% Senior Subordinated Notes due 2014 issued by Operating under the Black Canyon Indenture in the original aggregate principal amount of \$275,000,000 and guaranteed by Parent and certain subsidiaries of Parent, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(e) "9 ³/₄% Note Tender Offer Closing Date" shall mean the date on which the transactions contemplated by the 9 ³/₄% Note Tender Offer Documents have been consummated, but in no event after May 31, 2006.

(f) "9 ³/₄% Note Tender Offer Documents" shall mean, collectively, (i) the Offer to Purchase for Cash Any and All Outstanding 9 ³/₄% Senior Subordinated Notes due 2014 (CUSIP No. 46612GAC1) and Solicitation of Consents to Amendments to the Related Indenture, dated October 3, 2005, by Operating with respect to the repurchase by Operating of the 9 ³/₄% Notes, (ii) the Consent and Letter of Transmittal in Respect of 9 ³/₄% Senior Subordinated Notes due 2014, (iii) the Black Canyon First Supplemental Indenture, and (iv) all other agreements, documents and instruments related thereto, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.2 Amendment to Definitions.

(a) As of the 9 3/4% Note Tender Offer Closing Date, all references to the term “Collateral” in the Loan Agreement or any of the other Financing Agreements shall be deemed and each such reference is hereby amended to include, in addition and not in limitation, the assets and properties of Madewell at any time subject to the security interest or lien of Agent.

(b) As of the 9 3/4% Note Tender Offer Closing Date, all references to the term “Guarantor” in the Loan Agreement and the other Financing Agreements shall be deemed and each such reference is hereby amended to include, in addition, and not in limitation, Madewell as such term is defined herein.

(c) As of the date hereof, all references to the term “Financing Agreements” in the Loan Agreement and the other Financing Agreements shall be deemed and each such reference is hereby amended to include, in addition and not in limitation, this Amendment, and all other agreements documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Agent, any Lender or any other person in connection with the Obligations.

(d) As of the 9 3/4% Note Tender Offer Closing Date, all references to the term “Information Certificate” in Loan Agreement or any of the other Financing Agreements shall be deemed and each such reference is hereby amended to include, in addition and not in limitation, the Information Certificate of Madewell set forth as Exhibit A to this Amendment, and such Information Certificate shall be deemed to be included as part of Exhibit B to the Loan Agreement.

1.3 Interpretation. We refer herein to Amendment No.2 and the Guarantee Amendment collectively as this “Amendment”). For purposes of this Amendment, all terms used herein, including those terms used or defined in the recitals hereto, shall have the respective meanings assigned thereto in the Loan Agreement.

Section 2. Assumption of Obligations: Amendments to Guarantees and Financing Agreements .

2.1 Effective as of the 9 3/4% Note Tender Offer Closing Date, Madewell hereby expressly (a) agrees to perform, comply with and be bound by all terms, conditions and covenants of the Loan Agreement and the other Financing Agreements applicable to Existing Guarantors and as applied to Madewell, with the same force and effect as if Madewell had originally executed and been an original Guarantor signatory to the Loan Agreement and the other Financing Agreements, (b) is deemed to make as to itself and Existing Guarantors, and is, in all respects, bound by all representations and warranties made by Existing Guarantors to Agent and Lenders set forth in the Loan Agreement or in any of the other Financing Agreements, (c) agrees that Agent, for itself and the benefit of Lenders, shall have all rights, remedies and interests, including security interests in and liens upon the Collateral granted to Agent pursuant to Section 5.1 of the Loan Agreement, under and pursuant to the Loan Agreement and the other Financing Agreements, with respect to Madewell and its properties and assets with the same

force and effect as Agent, for itself and the benefit of Lenders, has with respect to Existing Guarantors and their respective assets and properties, as if Madewell had originally executed and had been an original Guarantor signatory to the Loan Agreement and the other Financing Agreements, and (d) assumes and agrees to be directly liable to Agent and Lenders for all Obligations under, contained in, or arising pursuant to the Loan Agreement or any of the other Financing Agreements to the same extent as if Madewell had originally executed and had been an original Guarantor signatory to the Loan Agreement and the other Financing Agreements.

2.2 Effective as of the 9 ³/₄% Note Tender Offer Closing Date, each Borrower, in its capacity as a guarantor of the payment and performance of the Obligations of the other Borrowers, and each Existing Guarantor hereby agrees that the Existing Guarantee is hereby amended to include Madewell as an additional guarantor party signatory thereto, and Madewell hereby agrees that the Existing Guarantee is hereby amended to include Madewell as an additional guarantor party signatory thereto. Madewell hereby expressly (a) assumes and agrees to be directly liable to Agent and Lenders, jointly and severally with Existing Guarantors and Borrowers signatories thereto, for payment and performance of all Guaranteed Obligations (as defined in the Existing Guarantee), (b) agrees to perform, comply with and be bound by all terms, conditions and covenants of the Existing Guarantee with the same force and effect as if Madewell had originally executed and been an original party signatory to the Existing Guarantee as a Guarantor, and (c) agrees that Agent and Lenders shall have all rights, remedies and interests with respect to Madewell and its assets and properties under the Existing Guarantee with the same force and effect as if Madewell had originally executed and been an original party signatory as a Guarantor to the Existing Guarantee as a Guarantor.

2.3 Effective as of the 9 ³/₄% Note Tender Offer Closing Date, Madewell, pursuant to Section 5.1 of the Loan Agreement, grants to and confirms its grant to Agent (for itself and the benefit of Lenders) of, a continuing security interest in, a lien upon, and a right of set off against, and assigns to Agent, for itself and the benefit of Lenders, as security for the payment and performance of all Obligations, all Collateral whether now owned or hereafter acquired or existing, and wherever located.

Section 3. Additional Representations, Warranties and Covenants. In addition to the continuing representations, warranties and covenants heretofore or hereafter made by Borrowers and Guarantors to Agent and Lenders pursuant to the other Financing Agreements, each of Borrowers and Guarantors (including Madewell), jointly and severally, hereby represents, warrants and covenants with and to Agent and Lenders as follows (which representations, warranties and covenants are continuing and shall survive the execution and delivery hereof and shall be incorporated into and made a part of the Financing Agreements):

3.1 This Amendment and each other agreement or instrument to be executed and delivered by each Borrower and Guarantor in connection herewith have been duly authorized, executed and delivered by all necessary action on the part of such Borrower or Guarantor which is a party hereto and thereto and, if necessary, its stockholders, and is in full force and effect as of the date hereof, as the case may be, and the agreements and obligations of each Borrower and Guarantor contained herein and therein constitute legal, valid and binding obligations of such Borrower or Guarantor enforceable against it in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditor's rights generally and by general principles of equity.

3.2 No action of, or filing with, or consent of any Governmental Authority (other than the filing of UCC financing statements), and no approval or consent of any other party, is required to authorize, or is otherwise required in connection with, the execution, delivery and performance of this Amendment and the transactions contemplated hereby.

3.3 None of the transactions contemplated by this Amendment violate or will violate any applicable material law applicable to any Borrower, Guarantor or Madewell, or regulation, or do or will give rise to a default or breach under any material agreement to which any Borrower, Guarantor or Madewell is a party or by which any material property of any Borrower, Guarantor or Madewell is bound.

3.4 Borrowers and Guarantors (including Madewell) shall take such steps and execute and deliver, and cause to be executed and delivered, to Agent, such additional UCC financing statements, and other and further agreements, documents and instruments as Agent may require in order to more fully evidence, perfect and protect Agent's first priority security interest in the Collateral (including the Collateral of Madewell).

3.5 Each other representation and warranty applicable to Madewell as a Person comprising a Guarantor under the Financing Agreements is and will be true and correct as of the date hereof, excluding any representations and warranties which specifically relate to an earlier date.

Section 4. Conditions. The effectiveness of the amendments set forth in this Amendment shall be subject to the satisfaction of each of the following conditions:

4.1 Agent shall have received an original of this Amendment, duly authorized, executed and delivered by Borrowers and Guarantors;

4.2 Agent shall have received all consents of Lenders required for the consents and amendments provided for herein;

4.3 Agent shall have received evidence, in form and substance satisfactory to Agent, that Borrowers and Guarantors have obtained all necessary consents and approvals to the execution, delivery and performance of this Amendment, which are and shall remain in full force and effect;

4.4 Agent shall have received, in form and substance satisfactory to Agent, evidence that all requisite corporate or limited liability company action and proceedings in connection with this Amendment have been taken and approved, and Agent shall have received all information and copies of all documents, including records of requisite corporate or limited liability company action and proceedings which Agent may have reasonably requested in connection therewith, such documents where requested by Agent or its counsel to be certified by appropriate corporate officers;

4.5 Agent shall have received (i) a copy of the By-Laws of Madewell, (ii) a certificate from the Secretary or Assistant Secretary of Madewell dated on or about the date hereof certifying that each of the foregoing documents remains in full force and effect and has not been modified or amended, except as described therein, and (iii) good standing certificates (or its equivalent) from the Secretary of State (or comparable official) from each jurisdiction where the nature and extent of the business transacted by Madewell or ownership of assets and properties makes such qualification necessary;

4.6 Agent shall have received, in form and substance reasonably satisfactory to Agent, from Madewell, Secretary's Certificates of Directors' Resolutions, Corporate By-laws, Incumbency and Shareholder's Consent evidencing the adoption and subsistence of corporate resolutions approving the execution, delivery and performance by Madewell of this Amendment and the agreements, documents and instruments to be delivered pursuant to this Amendment;

4.7 Agent shall have received, in form and substance satisfactory to Agent, evidence that Agent will have a valid perfected first priority security interest in all of the Collateral of Madewell upon the filing of a UCC financing statement naming Agent, as secured party, and Madewell, as debtor;

4.8 Agent shall have received, in form and substance reasonably satisfactory to Agent, each of the Madewell Supplemental Agreements, as duly authorized, executed and delivered by the parties thereto; and

4.9 No Default or Event of Default shall exist or have occurred and be continuing.

Section 5. Miscellaneous.

5.1 Effect of this Amendment. Except as modified pursuant hereto, no other changes or modifications to the Financing Agreements are intended or implied, and in all other respects, the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof. The Loan Agreement and this Amendment shall be read and construed as one agreement. To the extent of conflict between the terms of this Amendment and the other Financing Agreements, the terms of this Amendment shall control.

5.2 Further Assurances. The parties hereto shall execute and deliver such additional documents and take such additional actions as may be necessary, in the reasonable discretion of Agent, to effectuate the provisions and purpose of this Amendment.

5.3 Governing Law. The rights and obligations hereunder of each of the parties hereto shall be governed by and interpreted and determined in accordance with the laws of the State of New York without regard to principals of conflicts of law or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of New York.

5.4 Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

5.5 Counterparts. This Amendment may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. This Amendment may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties hereto. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic means shall have the same force and effect as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic means also shall deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment as to such party or any other party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their authorized officers as of the date and year first above written.

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a J. CREW RETAIL
H.F.D NO. 55, INC. d/b/a J. CREW FACTORY
J. CREW GROUP, INC.
MADEWELL INC.

By: /s/ James S Scully
Name: James S. Scully
Title: Executive Vice President and Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P Lamberti
Name: Nicholas P. Lamberti
Title: Vice President and Controller

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

WACHOVIA BANK, NATIONAL ASSOCIATION,
successor by merger to Congress Financial Corporation, as
Agent and as Lender

By: /s/ Jason Searle

Name: Jason Searle

Title: Vice President

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

BANK OF AMERICA N.A.

By: /s/ Kathleen Dimock

Name: Kathleen Dimock

Title: Managing Director

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

LASALLE RETAIL FINANCE, a division of Lasalle
Business Credit, as agent for Standard Federal Bank National
Association

By: /s/ Dan O'Rourke

Name: Dan O'Rourke

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

SIEMEN'S FINANCIAL SERVICES, INC.

By: /s/ Joseph Accardi

Name: Joseph Accardi

Title: Vice President

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

THE CIT GROUP/BUSINESS CREDIT, INC.

By: /s/ Steve Schuitt

Name: Steve Schuitt

Title: Vice President

[Signature Page to Amendment No. 2 to Amended and Restated Loan and Security Agreement and Amendment No. 1 to Guarantee]

EXHIBIT A TO
AMENDMENT NO.2 TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

AND
AMENDMENT NO. 1 TO GUARANTEE

Information Certificate

See Attached.

\$200,000,000

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of May 4, 2007

among

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. D/B/A J. CREW RETAIL
H.F.D. NO. 55, INC. D/B/A J. CREW FACTORY
MADEWELL INC.
as Borrowers

J. CREW GROUP, INC.
J. CREW INTERNATIONAL, INC.
as Guarantors

and

THE LENDERS AND ISSUERS PARTY HERETO

and

CITICORP USA, INC.
as Administrative Agent and Collateral Agent

BANK OF AMERICA, N.A.
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Syndication Agents

CITIGROUP GLOBAL MARKETS INC
WACHOVIA CAPITAL MARKETS LLC
BANK OF AMERICA, N.A.
as Joint Lead Arrangers

CITIGROUP GLOBAL MARKETS INC
WACHOVIA CAPITAL MARKETS LLC
BANK OF AMERICA, N.A.
as Joint Bookrunning Managers

* * *

WELL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NEW YORK 10153-0119

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of May 4, 2007, among J. CREW OPERATING CORP., a Delaware corporation (“*Operating*”), J. CREW INC., a New Jersey corporation (“*J. Crew*”), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL (“*Retail*”), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory (“*Factory*”), Madewell Inc., a Delaware corporation (“*Madewell*”), and together with Factory, J. Crew, Retail, and Operating, each individually a “*Borrower*” and collectively, the “*Borrowers*”), J. CREW GROUP, INC., a Delaware corporation (“*Holdings*”) and J. CREW INTERNATIONAL, INC., a Delaware corporation (“*JCI*” and together with Holdings, each individually a “*Guarantor*” and collectively, the “*Guarantors*”), the Lenders (as defined below), the Issuers (as defined below) and CITICORP USA, INC. (“*Citicorp*”), as administrative agent for the Lenders and the Issuers (in such capacity, the “*Administrative Agent*”), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the “*Collateral Agent*”) and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the “*Syndication Agents*”).

WITNESSETH:

WHEREAS, the Borrowers, the Guarantors, the lenders and issuers from time to time party thereto, Wachovia Bank, National Association, as administrative agent (the “*Existing Agent*”), Congress Financial Corporation, as collateral agent (the “*Existing Collateral Agent*”), Bank of America, as the syndication agent and certain other parties thereto, are parties to the Amended and Restated Loan and Security Agreement, dated as of December 23, 2004 (as amended, modified, or supplemented prior to the Effective Date (as defined below), the “*Existing Credit Agreement*”);

WHEREAS, the Existing Agent and the Existing Collateral Agent have resigned from each of their respective capacities as administrative agent and collateral agent under the Existing Credit Agreement, and Citicorp has been appointed as the successor Administrative Agent and as Swing Loan Lender and as Collateral Agent under the Existing Credit Agreement, each effective immediately prior to the Effective Date (as defined below), pursuant to a master assignment and resignation agreement dated on or prior to the date hereof (the “*Master Assignment and Resignation Agreement*”), among the Existing Agent, the Existing Collateral Agent, Citicorp, the Borrowers and the other Loan Parties; and

WHEREAS, the Borrowers, the Guarantors, the Lenders, the Issuers and the other parties hereto have agreed to amend and restate the Existing Credit Agreement on the terms set forth herein;

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

ARTICLE I

DEFINITIONS, INTERPRETATION AND ACCOUNTING TERMS

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Account*” has the meaning given to such term in Article 9 of the UCC.

“*Account Debtor*” has the meaning given to such term in Article 9 of the UCC.

“*Acquired Indebtedness*” means (a) with respect to any Person, Indebtedness existing at the time such Person becomes a Subsidiary of Holdings, (b) Indebtedness assumed by Holdings or any of its Subsidiaries in a Permitted Acquisition; *provided*, that in the case of this *clause (b)*, such Indebtedness (i) is unsecured or secured only by collateral of such Person granted prior to the consummation of any such Permitted Acquisition and (ii) was not incurred in anticipation of such Permitted Acquisition, or (c) Indebtedness secured by a Lien encumbering any asset acquired by such Person.

“*Acquisition*” means any acquisition, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all or substantially all of the Stock of, or a business line or unit or a division of, any Person.

“*Administrative Agent*” has the meaning specified in the preamble to this Agreement.

“*Administrative Questionnaire*” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“*Advance Rate*” means, at any time, (1) ninety (90%) percent of Eligible Credit Card Receivables, (2) the amount equal to the lesser of: (x) ninety (90%) percent *multiplied* by the Value of each category of Eligible Inventory of each Borrower and (y) during the period from August 1 of any Fiscal Year through and including December 31 of such Fiscal Year, ninety-two and one half (92.5%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower *multiplied* by the Value of such category of Eligible Inventory of such Borrower, and at all other times, ninety (90%) percent of the Net Recovery Percentage as to each category of Eligible Inventory of each Borrower *multiplied* by the Value of such category of Eligible Inventory of such Borrower, (3) sixty-five (65%) percent of Eligible Real Property and (4) 100% of Qualified Cash maintained by each Borrower in a Cash Collateral Account or in an Approved Deposit Account subject to a perfected first priority Lien in favor of the Administrative Agent.

“*Affected Lender*” has the meaning specified in *Section 2.17 (Substitution of Lenders)*.

“*Affiliate*” means, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under

common control with such Person, and without limiting the generality of the foregoing, includes (a) any Person which beneficially owns or holds ten (10%) percent or more of any class of Voting Stock of such Person and (b) any Person of which such Person beneficially owns or holds ten (10%) percent or more of any class of Voting Stock of such Person. For the purposes of this definition, the term “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

“*Agent Affiliate*” has the meaning specified in *Section 10.3(c) (Posting of Approved Electronic Communications)*.

“*Agreement*” means this Second Amended and Restated Credit Agreement.

“*Anti-Terrorism Order*” means U.S. Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49,079 (2001)).

“*Applicable Lending Office*” means, with respect to each Lender, its Domestic Lending Office in the case of a Base Rate Loan, and its Eurodollar Lending Office in the case of a Eurodollar Rate Loan.

“*Applicable Margin*” means (a) during the period commencing on the Effective Date and ending on the last day of the first full Fiscal Quarter commencing after the Effective Date, with respect to (i) Loans maintained as Base Rate Loans, a rate equal to 0.0% per annum and (ii) Loans maintained as Eurodollar Rate Loans, a rate equal to 1.00% per annum and (b) thereafter, as of any date of determination, a per annum rate equal to the rate set forth below opposite the applicable type of Loan and the then applicable Quarterly Excess Availability (determined on the last day of the most recent Fiscal Quarter) set forth below:

<u>QUARTERLY EXCESS AVAILABILITY</u>	<u>BASE RATE LOANS</u>	<u>EURODOLLAR RATE LOANS</u>
Greater than \$50,000,000	0.0%	1.0%
Less than or equal to \$50,000,000	0.25%	1.25%

Changes in the Applicable Margin resulting from a change in the Quarterly Excess Availability on the last day of any Fiscal Quarter shall become effective as to all Loans upon the first Business Day of the succeeding Fiscal Quarter.

“*Applicable Unused Commitment Fee Rate*” means 0.20% per annum.

“*Approved Deposit Account*” means a Deposit Account that is the subject of an effective Deposit Account Control Agreement and that is maintained by any Loan Party with a Deposit Account Bank. “*Approved Deposit Account*” includes all monies on deposit in such Deposit Account and all certificates and instruments, if any, representing or evidencing such Deposit Account.

“*Approved Electronic Communications*” means each notice, demand, communication, information, document and other material that any Loan Party is obligated to, or

otherwise chooses to, provide to the Administrative Agent pursuant to any Financing Agreement or the transactions contemplated therein, including (a) any supplement to the Guaranty, any joinder to the Pledge and Security Agreement and any other written Contractual Obligation delivered or required to be delivered in respect of any Financing Agreement or the transactions contemplated therein and (b) any Financial Statement, financial and other report, notice, request, certificate and other information material; *provided, however*, that, “*Approved Electronic Communication*” shall exclude (i) any Notice of Borrowing, Letter of Credit Request, Swing Loan Request, Notice of Conversion or Continuation, and any other notice, demand, communication, information, document and other material relating to a request for a new, or a conversion of an existing, Borrowing, (ii) any notice pursuant to and *Section 2.9 (Mandatory Prepayments)* and any other notice relating to the payment of any principal or other amount due under any Financing Agreement prior to the scheduled date therefor, (iii) all notices of any Default or Event of Default and (iv) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in *Article III (Conditions Precedent)* or *Section 2.4(a) (Letters of Credit)* or any other condition to any Borrowing or other extension of credit hereunder or any condition precedent to the effectiveness of this Agreement.

“*Approved Electronic Platform*” has the meaning specified in *Section 10.3(a) (Posting of Approved Electronic Communications)*.

“*Approved Fund*” means any Fund that is advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or Affiliate of an entity that administers or manages a Lender.

“*Approved Securities Intermediary*” means a Securities Intermediary or Commodity Intermediary at which a Borrower or a Guarantor maintains a Control Account.

“*Arrangers*” means Citigroup Global Markets Inc., Wachovia Capital Markets and Bank of America, N.A., as joint lead arrangers.

“*Asset Sale*” has the meaning specified in *Section 8.4 (Sale of Assets)*.

“*Assignment and Acceptance*” means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of *Exhibit A (Form of Assignment and Acceptance)*.

“*Bailee’s Letter*” means the form bailee letter identified on *Exhibit L* executed in connection with the Existing Credit Agreement.

“*Base Rate*” means, with respect to any period, a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall be equal at all times to the highest of the following:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank’s base rate;

(b) the sum (adjusted to the nearest 0.25% or, if there is no nearest 0.25%, to the next higher 0.25%) of (i) 0.5% per annum, plus (ii) the rate per annum obtained by dividing (A) the latest three week moving average of secondary market morning offering

rates in the United States for three month certificates of deposit of major United States money market banks, such three week moving average being determined weekly on each Monday (or, if any such day is not a Business Day, on the next succeeding Business Day) for the three week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three week period by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) for Citibank in respect of liabilities consisting of or including (among other liabilities) three month Dollar nonpersonal time deposits in the United States plus (iii) the average during such three week period of the maximum annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring Dollar deposits in the United States; and

(c) the sum of (i) 0.5% per annum plus (ii) the Federal Funds Rate.

“*Base Rate Loan*” means any Swing Loan or any other Loan during any period in which it bears interest based on the Base Rate.

“*Benefit Plan*” means any employee benefit plan as defined in Section 3(3) of ERISA to which any Loan Party incurs or otherwise has any obligation or liability, contingent or otherwise.

“*Borrower*” and “*Borrowers*” has the meaning specified in the preamble to this Agreement.

“*Borrower Agent*” means J. Crew Operating Corp., a Delaware corporation, in its capacity as agent on behalf of the Borrowers pursuant to Section 2.19 (*Appointment of Borrower Agent*) hereof and its successors and assigns in such capacity.

“*Borrowers' Accountants*” means KPMG LLP or other independent nationally-recognized public accountants.

“*Borrowing*” means a borrowing consisting of Loans made on the same day by the Lenders ratably according to their respective Revolving Credit Commitments.

“*Borrowing Base*” means, at any time, the amount calculated pursuant to the Borrowing Base Certificate most recently delivered to the Administrative Agent in accordance with Section 6.11(a) equal to the sum of (i) the product of the Advance Rate then in effect for Eligible Credit Card Receivables and the Dollar Equivalent of the face amount of all Eligible Credit Card Receivables of the Borrowers, (ii) the product of the Advance Rate then in effect for each class of Eligible Inventory and the Dollar Equivalent of the Value of each such class of Eligible Inventory of the Borrowers constituting each such class at such time; (iii) the product of the Advance Rate then in effect for Eligible Real Property and the Fair Market Value of such Eligible Real Property and (iv) 100% of Qualified Cash maintained by each Borrower in a Cash Collateral Account or in an Approved Deposit Account subject to a perfected first priority Lien in favor of, the Administrative Agent.

“*Borrowing Base Certificate*” means a certificate of the Borrower Agent substantially in the form of *Exhibit J (Form of Borrowing Base Certificate)*.

“*Business Day*” means a day of the year on which banks are not required or are authorized to close in New York City and, if the applicable Business Day relates to notices, determinations, fundings and payments in connection with the Eurodollar Rate or any Eurodollar Rate Loans, a day on which dealings in Dollar deposits are also carried on in the London interbank market.

“*Capital Expenditures*” means, for any Person for any period, the aggregate of amounts that would be reflected as additions to property, plant or equipment or similar items on a Consolidated balance sheet of such Person and its Subsidiaries prepared in accordance with GAAP, excluding interest capitalized during construction.

“*Capital Lease*” means, with respect to any Person, any lease of, or other arrangement conveying the right to use, property by such Person as lessee that would be accounted for as a capital lease on a balance sheet of such Person prepared in accordance with GAAP.

“*Capital Lease Obligations*” means, with respect to any Person, the capitalized amount of all Consolidated obligations of such Person or any of its Subsidiaries under Capital Leases.

“*Cash Collateral Account*” means any Deposit Account or Securities Account that is (a) established by the Administrative Agent from time to time in its sole discretion to receive cash and Cash Equivalents (or purchase cash or Cash Equivalents with funds received) from the Loan Parties or Persons acting on their behalf pursuant to the Financing Agreements, (b) with such depositaries and securities intermediaries as the Administrative Agent may determine in its sole discretion exercised reasonably, (c) in the name of the Administrative Agent (although such account may also have words referring to the Loan Parties and the account’s purpose), (d) under the control of the Administrative Agent and (e) in the case of a Securities Account, with respect to which the Administrative Agent shall be the Entitlement Holder and the only Person authorized to give Entitlement Orders with respect thereto.

“*Cash Equivalents*” means (a) securities issued or fully guaranteed or insured by the United States federal government or any agency thereof, (b) certificates of deposit, eurodollar time deposits, overnight bank deposits and bankers’ acceptances of any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations) that, at the time of acquisition, are rated at least “A-1” by S&P or “P-1” by Moody’s, (c) commercial paper of an issuer rated at least “A-1” by S&P or “P-1” by Moody’s and (d) shares of any money market fund that (i) has at least 95% of its assets invested continuously in the types of investments referred to in *clauses (a), (b) and (c)* above, (ii) has net assets exceeding \$500,000,000 and (iii) is rated at least “A-1” by S&P or “P-1” by Moody’s; *provided, however*, that the maturities of all obligations of the type specified in *clauses (a), (b) and (c)* above shall not exceed 180 days. Cash Equivalents shall also include “Cash Equivalents” as such term is defined in the Term Loan Facility.

“*Cash Interest Expense*” means, with respect to any Person for any period, the Interest Expense of such Person for such period less the Non-Cash Interest Expense of such Person for such period.

“*Cash Management Document*” means any certificate, agreement or other document executed by the Loan Parties evidencing the Cash Management Obligations of any Loan Party.

“*Cash Management Obligation*” means, any direct or indirect liability, contingent or otherwise, of the Loan Parties in respect of cash management services (including treasury, depository, overdraft, credit or debit card, the provision of certain trade finance services, including, without limitation, open account services and account receivable purchases, electronic funds transfer and other cash management arrangements) provided by the Administrative Agent, any Lender or any Affiliate of any of them including obligations for the payment of fees, interest, charges, expenses, attorneys’ fees and disbursements in connection therewith.

“*Change of Control*” shall mean (a) any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than Permitted Holders, shall beneficially own, directly or indirectly, shares of Voting Stock of Holdings representing more than thirty (30%) percent of the voting power of the total outstanding Voting Stock of Holdings; (b) occupation of a majority of the seats (other than vacant seats) on the Board of Directors of Holdings by individuals who were neither (i) nominated by members of Permitted Holders or the Board of Directors of Holdings nor (ii) appointed by directors so nominated; or (c) the failure of Holdings to own directly or indirectly one hundred (100%) percent of the voting power of the total outstanding Voting Stock of any Borrower or other Guarantor (except as a result of a transaction or event expressly permitted under *Section 8.4*).

“*Citibank*” means Citibank, N.A., a national banking association.

“*Citicorp*” has the meaning specified in the preamble to this Agreement.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Collateral*” means all property and interests in property and proceeds thereof now owned or hereafter acquired by any Loan Party in or upon which a Lien is granted under any Collateral Document.

“*Collateral Access Agreement*” means the form collateral access agreement identified on *Exhibit K* executed in connection with the Existing Credit Agreement.

“*Collateral Documents*” means the Pledge and Security Agreement, the Deposit Account Control Agreements, Securities Account Control Agreements, the Mortgages, any Collateral Access Agreement, any Bailee Letter and any other Financing Agreement executed and delivered by a Loan Party granting a Lien on any of its property to secure payment of the Secured Obligations.

“*Commodity Account*” has the meaning given to such term in Article 9 of the UCC.

“*Commodity Intermediary*” has the meaning given to such term in Article 9 of the UCC.

“*Compliance Certificate*” has the meaning specified in *Section 6.1(c) (Financial Statements)*.

“*Consolidated*” means, with respect to any Person, the consolidation of accounts of such Person and any other Person in accordance with GAAP.

“*Consolidated Net Income*” means, for any Person for any period, the Consolidated net income (or loss) of such Person and its Subsidiaries for such period; *provided, however*, that (a) the net income of any other Person in which such Person or one of its Subsidiaries has a joint interest with a third party (which interest does not cause the net income of such other Person to be Consolidated into the net income of such Person) shall be included only to the extent of the amount of dividends or distributions paid to such Person or Subsidiary, (b) the net income of any Subsidiary of such Person that is subject to any restriction or limitation on the payment of dividends or the making of other distributions shall be excluded to the extent of such restriction or limitation and (c) extraordinary gains and losses and any one-time increase or decrease to net income that is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP shall be excluded.

“*Constituent Documents*” means, with respect to any Person, (a) the articles of incorporation, certificate of incorporation, constitution or certificate of formation (or the equivalent organizational documents) of such Person, (b) the by-laws or operating agreement (or the equivalent governing documents) of such Person and (c) any document setting forth the manner of election or duties of the directors or managing members of such Person (if any) and the designation, amount or relative rights, limitations and preferences of any class or series of such Person’s Stock.

“*Contaminant*” means any material, substance or waste that is classified, regulated or otherwise characterized under any Environmental Law as hazardous, toxic, a contaminant or a pollutant or by other words of similar meaning or regulatory effect, including any petroleum or petroleum-derived substance or waste, asbestos and polychlorinated biphenyls.

“*Contractual Obligation*” of any Person means any obligation, agreement, undertaking or similar provision of any Security issued by such Person or of any agreement, undertaking, contract, lease, indenture, mortgage, deed of trust or other instrument (excluding a Financing Agreement) to which such Person is a party or by which it or any of its property is bound or to which any of its property is subject.

“*Control Account*” means a Securities Account or Commodity Account that is the subject of an effective Securities Account Control Agreement and that is maintained by any Loan Party with an Approved Securities Intermediary. “*Control Account*” includes all Financial Assets held in a Securities Account or a Commodity Account and all certificates and instruments, if any, representing or evidencing the Financial Assets contained therein.

“*Credit Card Acknowledgments*” shall mean, collectively, the agreements by Credit Card Issuers or Credit Card Processors who are parties to Credit Card Agreements in favor of the Administrative Agent in the form delivered under the Existing Credit Agreement.

“*Credit Card Agreements*” shall mean all agreements now or hereafter entered into by any Borrower or any Guarantor for the benefit of any Borrower, in each case with any Credit Card Issuer or any Credit Card Processor, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, including, but not limited to, the agreements set forth on *Schedule 4.20 (Credit Card Agreements)* hereto.

“*Credit Card Issuer*” shall mean any Person (other than a Borrower or a Guarantor) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., Novus Services, Inc. and the J. Crew Card.

“*Credit Card Processor*” shall mean any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to any Borrower’s or Guarantor’s sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

“*Credit Card Receivables*” shall mean, collectively, (a) all present and future rights of any Borrower or Guarantor to payment from any Credit Card Issuer, Credit Card Processor or other third party arising from sales of goods or rendition of services to customers who have purchased such goods or services using a credit or debit card and (b) all present and future rights of any Borrower or Guarantor to payment from any Credit Card Issuer, Credit Card Processor or other third party in connection with the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers who have purchased such goods or services using a credit card or a debit card, including, but not limited to, all amounts at any time due or to become due from any Credit Card Issuer or Credit Card Processor under the Credit Card Agreements or otherwise, in each case above calculated net of prevailing interchange charges.

“*Default*” means any event that, with the passing of time or the giving of notice or both, would become an Event of Default.

“*Deposit Account*” has the meaning given to such term in Article 9 of the UCC.

“*Deposit Account Bank*” means a financial institution at which a Borrower or a Guarantor maintains a Deposit Account.

“*Deposit Account Control Agreement*” has the meaning specified in the Pledge and Security Agreement.

“*Documentary Letter of Credit*” means any Letter of Credit that is drawable upon presentation of documents evidencing the sale or shipment of goods purchased by a Borrower or a Guarantor in the ordinary course of its business.

“*Dollar Equivalent*” of any amount means, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount or (b) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it reasonably deems appropriate.

“*Dollars*” and the sign “\$” each mean the lawful money of the United States of America.

“*Domestic Lending Office*” means, with respect to any Lender, the office of such Lender specified as its “*Domestic Lending Office*” opposite its name on *Schedule II (Applicable Lending Offices and Addresses for Notices)* or on the Assignment and Acceptance or, in connection with a Facility Increase, on the Lender Joinder Agreement by which it became a Lender or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

“*Domestic Subsidiary*” means any Subsidiary of Holdings organized under the laws of any state of the United States of America or the District of Columbia.

“*EBITDA*” means, with respect to any Person for any period, (a) Consolidated Net Income of such Person for such period *plus* (b) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income, but without duplication, (i) any Provision for Taxes, (ii) Interest Expense, (iii) loss from extraordinary items, (iv) depreciation, depletion and amortization expenses, (v) any aggregate net loss from the sale, exchange or other disposition of capital assets by such Person and (vi) all other non-cash charges and non-cash losses for such period, including the amount of any compensation deduction as the result of any grant of Stock or Stock Equivalents to employees, officers, directors or consultants *minus* (c) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income but without duplication, (i) any credit for income tax, (ii) interest income, (iii) gains from extraordinary items, (iv) any aggregate net gain from the sale, exchange or other disposition of capital assets by such Person and (v) any other non-cash gains or other items which have been added in determining Consolidated Net Income, including any reversal of a change referred to in *clause (b)(v)* above by reason of a decrease in the value of any Stock or Stock Equivalent.

“*Effective Date*” means May 4, 2007.

“*Eligible Assignee*” means (a) a Lender or an Affiliate or Approved Fund of any Lender or (b) any other Person (other than a natural person) approved by (i) the Administrative Agent, (ii) in the case of any assignment of a Revolving Credit Commitment, each Issuer and (iii) unless an Event of Default shall have occurred and be continuing, the Borrower Agent (each such approval not to be unreasonably withheld or delayed); *provided, however*, that notwithstanding the foregoing, “*Eligible Assignee*” shall not include the Borrowers, the Guarantors or any Affiliate or Subsidiary of the Borrowers or the Guarantors.

“*Eligible Credit Card Receivables*” shall mean, as to each Borrower, Credit Card Receivables of such Borrower which satisfy the criteria set forth below:

(a) such Credit Card Receivables arise from the actual and bona fide sale and delivery of goods or rendition of services by such Borrower in the ordinary course of the business of such Borrower;

(b) such Credit Card Receivables are not past due (beyond any stated applicable grace period, if any, therefor) pursuant to the terms set forth in the Credit Card Agreements with the Credit Card Issuer or Credit Card Processor of the credit card or debit card used in the purchase which give rise to such Credit Card Receivables;

(c) such Credit Card Receivables are not unpaid more than five (5) Business Days after the date of the sale of Inventory giving rise to such Credit Card Receivables;

(d) the Credit Card Issuer or Credit Card Processor obligated in respect of such Credit Card Receivable has not failed to remit any monthly payment in respect of such Credit Card Receivable;

(e) the Credit Card Issuer or Credit Card Processor with respect to such Credit Card Receivables has not asserted a counterclaim, defense or dispute against such Credit Card Receivables (other than customary setoffs to fees and chargebacks consistent with the practices of such Credit Card Issuer or Credit Card Processor with such Borrower from time to time), but the portion of the Credit Card Receivables owing by such Credit Card Issuer or Credit Card Processor in excess of the amount owing by such Borrower to such Credit Card Issuer or Credit Card Processor pursuant to such fees and chargebacks shall be deemed Eligible Credit Card Receivables;

(f) the Credit Card Issuer or Credit Card Processor with respect to such Credit Card Receivables has not setoff against amounts otherwise payable by such Credit Card Issuer or Credit Card Processor to such Borrower for the purpose of establishing a reserve or collateral for obligations of such Borrower to such Credit Card Issuer or Credit Card Processor (other than customary set-offs and chargebacks consistent with the practices of such Credit Card Issuer or Credit Card Processor from time to time);

(g) such Credit Card Receivables (x) are owned by a Borrower and such Borrower has a good title to such Credit Card Receivables, (y) are subject to the first priority, valid and perfected security interest and Lien of Administrative Agent, for and on behalf of itself and Lenders, as to such Credit Card Receivables of such Borrower and (z) are not subject to any other Lien except those permitted under *clause (y)* above and those permitted under this Agreement and the other Financing Agreements;

(h) the Credit Card Issuer or Credit Card Processor with respect to such Credit Card Receivables is not subject to any bankruptcy or insolvency proceedings;

(i) no event of default has occurred under the Credit Card Agreement of such Borrower with the Credit Card Issuer or Credit Card Processor who has issued the credit card or debit card or handles payments under the credit card or debit card used in the sale which gave rise to such Credit Card Receivables which event of default gives such Credit Card Issuer or Credit Card Processor the right to cease or suspend payments to such Borrower or any Guarantor; and

(j) the customer using the credit card or debit card giving rise to such Credit Card Receivable shall not have returned the merchandise purchased giving rise to such Credit Card Receivable.

Credit Card Receivables which would otherwise constitute Eligible Credit Card Receivables pursuant to this Section will not be deemed ineligible solely by virtue of the Credit Card Agreements with respect thereto having been entered into by any Guarantor, for the benefit of Borrowers. General criteria for Eligible Credit Card Receivables may only be changed and any new criteria for Eligible Credit Card Receivables may only be established by the Administrative Agent in good faith, upon notice to Borrower Agent, based on either: (i) an event, condition or

other circumstance arising after the date hereof, or (ii) existing on the date hereof to the extent the Administrative Agent has no written notice thereof from a Borrower prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Credit Card Receivables in the good faith determination of the Administrative Agent. Any Credit Card Receivables which are not Eligible Credit Card Receivables shall nevertheless be part of the Collateral.

“*Eligible Inventory*” shall mean, as to each Borrower, Inventory consisting of finished goods held for resale in the ordinary course of the business of such Borrower but shall not include: (a) work-in-process; (b) raw materials; (c) spare parts for equipment; (d) packaging and shipping materials; (e) supplies used or consumed in such Borrower’s business; (f) Inventory (other than In-Transit Inventory as described in *clause (n)* below) at premises other than those owned or leased and controlled by any Borrower; *provided*, that, (i) as to retail store locations (including factory store locations) which are leased by a Borrower, Administrative Agent may, at its option, establish Reserves in respect of rental payments and other amounts in respect of such leased location, (ii) as to all other locations leased by any Borrower, if the Administrative Agent shall not have received a Collateral Access Agreement from the owner and lessor with respect to such location, duly authorized, executed and delivered by such owner and lessor (or the Administrative Agent shall determine to accept a Collateral Access Agreement that does not include all required provisions or provisions in the form otherwise required by Administrative Agent), the Administrative Agent may, at its option, upon notice to any Borrower or Borrower Agent, establish such Reserves in respect of amounts at any time due or to become due to the owner and lessor thereof as Administrative Agent shall determine and (iii) as to locations owned and operated by a Person other than a Borrower or Guarantor, if the Administrative Agent shall not have received a Collateral Access Agreement from the owner and operator with respect to such location, duly authorized, executed and delivered by such owner and operator (or the Administrative Agent shall determine to accept a Collateral Access Agreement that does not include all required provisions or provisions in the form otherwise required by the Administrative Agent), Administrative Agent may, at its option, establish such Reserves in respect of amounts at any time due or to become due to the owner and operator thereof as the Administrative Agent shall determine; (g) Inventory subject to a security interest or Lien in favor of any Person other than the Administrative Agent except those permitted in this Agreement that are subordinate to the security interest of the Administrative Agent pursuant to an intercreditor agreement in form and substance satisfactory to the Administrative Agent between the Administrative Agent and the holder of such other security interest or Lien; (h) bill and hold goods; (i) obsolete or slow moving Inventory; (j) Inventory which is not subject to the first priority, valid and perfected security interest of the Administrative Agent; (k) damaged and/or defective Inventory; (l) returned Inventory which is not held for sale in the ordinary course of business; (m) Inventory purchased or sold on consignment, (n) Inventory acquired in a Permitted Acquisition, unless the Administrative Agent shall have received or conducted (i) appraisals, from appraisers reasonably satisfactory to the Administrative Agent, of such Inventory to be acquired in such Acquisition and (ii) such other due diligence as the Administrative Agent may reasonably require, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent (so long as the Administrative Agent has received reasonable prior notice of such Permitted Acquisition and the Loan Parties reasonably cooperate (and cause the Person being acquired to reasonably cooperate) with the Administrative Agent, the Administrative Agent shall use reasonable best efforts to complete such due diligence and a related appraisal on or prior to the closing date of such Permitted Acquisition) and (o) In-Transit Inventory (other than In-Transit Inventory the purchase of which is financed with Letters of Credit hereunder which shall be deemed Eligible Inventory).

Notwithstanding the foregoing, Eligible Inventory shall at any given time be deemed to include an amount equal to the aggregate undrawn amount of Documentary Letters of Credit at such time. General criteria for Eligible Inventory may only be changed and any new criteria for Eligible Inventory may only be established by Administrative Agent in good faith, upon notice to Borrower Agent, based on either (i) an event, condition or other circumstance arising after the date hereof, or (ii) existing on the date hereof to the extent the Administrative Agent has no written notice thereof from the Borrower Agent prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Inventory in the good faith determination of Administrative Agent. Any Inventory which is not Eligible Inventory shall nevertheless be part of the Collateral.

“*Eligible Real Property*” shall mean, as to any Borrower, Real Property owned by such Borrower in fee simple but shall not include: (i) Real Property which is not operated by a Borrower except as the Administrative Agent may otherwise agree; (ii) Real Property subject to a security interest, Lien, mortgage or other encumbrance in favor of any person other than the Administrative Agent (and other than those permitted under *Section 8.2 (Liens, Etc.)* hereof or are subject to an intercreditor agreement in form and substance satisfactory to the Administrative Agent between the holder of such Lien and Administrative Agent); (iii) Real Property that is not located in the continental United States of America; (iv) Real Property that is not subject to the valid and enforceable, first priority, perfected security interest, Lien and Mortgage of the Administrative Agent; (v) Real Property where the Administrative Agent reasonably determines that issues relating to compliance with Environmental Laws adversely affect such Real Property in such manner that such Real Property would not be acceptable for purposes of including it in the calculation of the Borrowing Base based on the customary practices, procedures and policies of Administrative Agent and its Affiliates; (vi) Real Property improved with residential housing; (vii) if reasonably requested by Administrative Agent, Real Property for which Administrative Agent shall not have received a then current environmental audit conducted by an independent environmental engineering firm reasonably acceptable to the Administrative Agent (based on the Administrative Agent’s list of approved firms) and in form, scope, substance and methodology reasonably satisfactory to the Administrative Agent, the results of which are satisfactory to the Administrative Agent; (viii) if requested by the Administrative Agent, Real Property for which the Administrative Agent shall not have received, in form and substance reasonably satisfactory to the Administrative Agent, a valid and effective title insurance policy (whether in the form of a pro form policy or a marked up title policy commitment) issued by a company reasonably acceptable to the Administrative Agent: (A) insuring the priority, amount and sufficiency of the Mortgage with respect to such Real Property, (B) insuring against matters that would be disclosed by surveys and (C) containing any legally available endorsements, assurances or affirmative coverage reasonably requested by the Administrative Agent for protection of its interests and which the Borrowers can obtain on commercially reasonable terms or (ix) any Real Property acquired by any Loan Party after the Effective Date which the Administrative Agent shall not have received an appraisal with respect to such parcel in form and substance satisfactory to the Administrative Agent and performed by an appraiser that is satisfactory to the Administrative Agent. Any Real Property subject to a Mortgage that is not Eligible Real Property shall nevertheless be part of the Collateral.

“*Entitlement Holder*” has the meaning given to such term in the UCC.

“*Entitlement Order*” has the meaning given to such term in the UCC.

“*Environmental Laws*” means all applicable Requirements of Law now or hereafter in effect and as amended or supplemented from time to time, relating to pollution or the regulation and protection of human or animal health, safety, the environment or natural resources, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601 *et seq.*); the Hazardous Material Transportation Act, as amended (49 U.S.C. § 5101 *et seq.*); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. § 136 *et seq.*); the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 *et seq.*); the Toxic Substance Control Act, as amended (15 U.S.C. § 2601 *et seq.*); the Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*); the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 *et seq.*); the Occupational Safety and Health Act, as amended (29 U.S.C. § 651 *et seq.*); the Safe Drinking Water Act, as amended (42 U.S.C. § 300f *et seq.*); and each of their state and local counterparts or equivalents and any transfer of ownership notification or approval statute, including the Industrial Site Recovery Act (N.J. Stat. Ann. § 13:1K-6 *et seq.*).

“*Environmental Liabilities and Costs*” means, with respect to any Loan Party, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any other Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute and whether arising under any Environmental Law, Permit, order or agreement with any Governmental Authority or other Person, in each case relating to any environmental, health or safety condition or to any Release or threatened Release and resulting from the past, present or future operations of, or ownership of property by, such Loan Party.

“*Environmental Lien*” means any Lien in favor of any Governmental Authority for Environmental Liabilities and Costs.

“*Equipment*” has the meaning given to such term in Article 9 of the UCC.

“*ERISA*” means the United States Employee Retirement Income Security Act of 1974, as amended.

“*ERISA Affiliate*” means, collectively, any Loan Party, and any Person under common control or treated as a single employer with any Loan Party, within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“*ERISA Event*” means (a) a reportable event described in Section 4043(b) (or, unless the 30-day notice requirement has been duly waived under the applicable regulations, Section 4043(c) of ERISA) with respect to a Title IV Plan, (b) the withdrawal of any ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA, (c) the complete or partial withdrawal of any ERISA Affiliate from any Multiemployer Plan, (d) with respect to any Multiemployer Plan, the filing of notice of reorganization, insolvency or termination (or treatment of a plan amendment as termination) under Section 4041A of ERISA, (e) the filing of a notice of intent to terminate a Title IV Plan (or the treatment of a plan amendment as termination) under Section 4041 of ERISA, (f) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC, (g) the failure to make any required contribution to a Title IV Plan or Multiemployer Plan, (h) the imposition of a Lien under Section 412 of the Code or

Section 302 or 4068 of ERISA on any property (or rights to property, whether real or personal) of any ERISA Affiliate, (i) the loss of the tax-qualified status of a Benefit Plan or any related trust under Section 401 or 501 of the Code or (j) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or the imposition of any liability upon any ERISA Affiliate under Title IV of ERISA other than for PBGC premiums due but not delinquent.

“*Eurocurrency Liabilities*” has the meaning assigned to that term in Regulation D of the Federal Reserve Board.

“*Eurodollar Base Rate*” means, with respect to any Interest Period for any Eurodollar Rate Loan, the rate of interest determined by the Administrative Agent to be the rate per annum at which deposits in Dollars are offered by the principal office of Citibank in London to major banks in the London interbank market at 11:00 a.m. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the Eurodollar Rate Loan of Citibank for a period equal to such Interest Period.

“*Eurodollar Lending Office*” means, with respect to any Lender, the office of such Lender specified as its “Eurodollar Lending Office” opposite its name on *Schedule II (Applicable Lending Offices and Addresses for Notices)* or on the Assignment and Acceptance or, in connection with a Facility Increase, on the Lender Joinder Agreement by which it became a Lender (or, if no such office is specified, its Domestic Lending Office) or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

“*Eurodollar Rate*” means, with respect to any Interest Period for any Eurodollar Rate Loan, an interest rate per annum equal to the rate per annum obtained by dividing (a) the Eurodollar Base Rate by (b)(i) a percentage equal to 100% *minus* (ii) the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the Eurodollar Rate is determined) having a term equal to such Interest Period.

“*Eurodollar Rate Loan*” means any Loan that, for an Interest Period, bears interest based on the Eurodollar Rate.

“*Event of Default*” has the meaning specified in *Section 9.1 (Events of Default)*.

“*Excess Availability*” means, at any time, (a) the Maximum Credit at such time *minus* (b) the aggregate Revolving Credit Outstandings at such time.

“*Excluded Foreign Subsidiary*” means any Subsidiary that is not a Domestic Subsidiary in respect of which either (a) the pledge of all of the Stock of such Subsidiary as Collateral to secure payment of the Obligations of the Loan Parties, (b) the grant of a Lien on any of its property as Collateral to secure payment of the Obligations of the Loan Parties or (c) the guaranteeing by such Subsidiary of the Obligations of the Loan Parties, would, in the good faith

judgment of the Borrowers based on an analysis reasonably satisfactory to the Administrative Agent, result in materially adverse tax consequences to Holdings and its Subsidiaries, taken as a whole; *provided, however*, that no such Subsidiary shall be an Excluded Foreign Subsidiary if, with substantially similar tax consequences, such Subsidiary has entered into Guaranty Obligations in respect of, such Subsidiary has granted a security interest in any of its property to secure, or more than 66% of the voting power of the Stock of such Subsidiary has been pledged to secure, directly or indirectly, any obligations under the Term Loan Facility or any Indebtedness (other than the Obligations) of any Loan Party.

“*Existing Credit Agreement*” has the meaning assigned to such term in the preamble to this Agreement.

“*Existing Loan Documents*” means the “Financing Agreements” under and as defined in the Existing Credit Agreement.

“*Existing Revolving Loans*” means the “Revolving Loans” under and as defined in the Existing Credit Agreement.

“*Facility*” means the Revolving Credit Commitments and the provisions herein related to the Loans, Swing Loans and Letters of Credit.

“*Facility Increase*” has the meaning specified in *Section 2.18(a) (Facility Increase)*.

“*Facility Increase Effective Date*” has the meaning specified in *Section 2.18(b) (Facility Increase)*.

“*Fair Market Value*” means (a) with respect to any asset or group of assets (other than a marketable Security) at any date, the value of the consideration obtainable in a sale of such asset at such date assuming a sale by a willing seller to a willing purchaser dealing at arm’s length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined by the Board of Directors of the Borrower Agent (or if less than \$5,000,000, by the chief financial officer) or, if such asset shall have been the subject of a relatively contemporaneous appraisal by an independent third party appraiser, the basic assumptions underlying which have not materially changed since its date, the value set forth in such appraisal and (b) with respect to any marketable Security at any date, the closing sale price of such Security on the Business Day next preceding such date, as appearing in any published list of any national securities exchange or the NASDAQ Stock Market or, if there is no such closing sale price of such Security, the final price for the purchase of such Security at face value quoted on such Business Day by a financial institution of nationally recognized standing regularly dealing in Securities of such type.

“*Federal Funds Rate*” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“*Federal Reserve Board*” means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

“*Fee Letter*” shall mean the letter dated as of May 4, 2007, addressed to Holdings from Citigroup Global Markets, Inc. and accepted by the Borrowers on May 4, 2007, with respect to certain fees to be paid from time to time to Citigroup Global Markets, Inc. and the Syndication Agents and the Lenders.

“*Financial Asset*” has the meaning given to such term in Article 8 of the UCC.

“*Financial Statements*” means the financial statements of Holdings and its Subsidiaries delivered in accordance with *Section 6.1 (Financial Statements)*.

“*Financing Agreements*” means, collectively, this Agreement, the Revolving Credit Notes (if any), the Guaranty, the Fee Letter, each Letter of Credit Reimbursement Agreement, the Collateral Documents, the Intercreditor Agreement and each certificate, agreement or document executed by a Loan Party and delivered to the Administrative Agent or any Lender in connection with or pursuant to any of the foregoing.

“*Fiscal Quarter*” means a fiscal quarter of any Fiscal Year.

“*Fiscal Year*” means the fiscal year of Holdings and its Subsidiaries ending on the Saturday closest to January 31 in the following calendar year.

“*Fixed Charge Coverage Ratio*” means, with respect to any Person for any period, the ratio of (a) EBITDA of such Person for such period to (b) the Fixed Charges of such Person for such period.

“*Fixed Charges*” means, with respect to any Person for any period, the sum, determined on a Consolidated basis, of (a) the Cash Interest Expense of such Person and its Subsidiaries for such period, (b) scheduled payments of principal on Indebtedness of such Person and its Subsidiaries having a scheduled due date during such period, (c) all cash dividends paid by such Person and its Subsidiaries on Stock in respect of such period to Persons other than such Person and its Subsidiaries, (d) all Capital Expenditures (excluding Capital Expenditures financed with the proceeds of Indebtedness permitted under *Section 8.1 (i)* and insurance proceeds obtained in connection with property, plant and equipment) and (e) the cash portion of any Provision for Taxes paid in such period (net of any tax refunds paid to any Loan Party) and unpaid amounts of any Provision for Taxes the last date for payment of which before becoming past due occurs during such period.

“*Fund*” means any Person (other than a natural Person) that is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“*GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, that are applicable to the circumstances as of the date of determination.

“*General Intangible*” has the meaning given to such term in Article 9 of the UCC.

“*Governmental Authority*” means any nation, sovereign or government, any state or other political subdivision thereof and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any central bank or stock exchange and any supranational bodies such as the European Union or the European Central Bank.

“*Guarantors*” means Holdings and each Subsidiary Guarantor.

“*Guaranty*” means the guaranty, in substantially the form of *Exhibit H (Form of Guaranty)*, executed by the Guarantors.

“*Guaranty Obligation*” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any Indebtedness of another Person, if the purpose or intent of such Person in incurring the Guaranty Obligation is to provide assurance to the obligee of such Indebtedness that such Indebtedness will be paid or discharged, that any agreement relating thereto will be complied with, or that any holder of such Indebtedness will be protected (in whole or in part) against loss in respect thereof, including (a) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of Indebtedness of another Person and (b) any liability of such Person for such Indebtedness of another Person through any agreement (contingent or otherwise) (i) to purchase, repurchase or otherwise acquire such Indebtedness or any security therefor or to provide funds for the payment or discharge of such Indebtedness (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (ii) to maintain the solvency or any balance sheet item, level of income or financial condition of another Person, (iii) to make take-or-pay or similar payments, if required, regardless of non-performance by any other party or parties to an agreement, (iv) to purchase, sell or lease (as lessor or lessee) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss or (v) to supply funds to, or in any other manner invest in, such other Person (including to pay for property or services irrespective of whether such property is received or such services are rendered), if in the case of any agreement described under *clause (b)(i), (ii), (iii), (iv) or (v)* above the primary purpose or intent thereof is to provide assurance that Indebtedness of another Person will be paid or discharged, that any agreement relating thereto will be complied with or that any holder of such Indebtedness will be protected (in whole or in part) against loss in respect thereof. The amount of any Guaranty Obligation shall be equal to the amount of the Indebtedness so guaranteed or otherwise supported.

“*Hedging Contracts*” means all Interest Rate Contracts, foreign exchange contracts, currency swap or option agreements, forward contracts, commodity swap, purchase or option agreements, other commodity price hedging arrangements and all other similar agreements or arrangements designed to alter the risks of any Person arising from fluctuations in interest rates, currency values or commodity prices.

“*Holdings*” has the meaning specified in the preamble to this Agreement.

“*Inactive Subsidiary*” means any Subsidiary, direct or indirect, that (a) has total assets not in excess of \$50,000; (b) conducts no business; and (c) has no Indebtedness; *provided,*

that, if more than one Subsidiary is deemed an Inactive Subsidiary pursuant to this definition, all Inactive Subsidiaries shall be considered to be a single Consolidated Subsidiary for purposes of determining whether the conditions specified above are satisfied.

“*Indebtedness*” means, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (except any such balance that constitutes an account payable to a trade creditor (whether or not an Affiliate) created, incurred, assumed or guaranteed by such Person in the ordinary course of business of such Person in connection with obtaining goods, materials or services that is not overdue by more than ninety (90) days, unless the trade payable is being contested in good faith); (c) all Capital Lease Obligations; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all reimbursement obligations of such Person with respect to letters of credit, banker’s acceptances, drafts or similar documents or instruments issued for such Person’s account; (f) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual Lien, on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; *provided*, that, to the extent that such Indebtedness is non-recourse to such Person, the amount of such Indebtedness shall not be deemed to exceed the lesser of the amount of such Indebtedness and the value of the assets securing such Indebtedness; and (g) all obligations of such Person in respect of any Hedging Contracts; *provided* that, (x) in no event shall obligations with respect to any Hedging Contract be deemed “Indebtedness” for any purpose except as provided in the following *clause (y)*, and (y) all Indebtedness referred to in the preceding *clause (x)* of any Person shall be zero unless and until there is an early termination event (or equivalent) under such Hedging Contract, in which case, for purposes of *Section 9.1(e)*, the amount of such Indebtedness shall be the termination payment due thereunder by such Person.

“*Indemnified Matter*” has the meaning specified in *Section 11.4 (Indemnities)*.

“*Indemnitee*” has the meaning specified in *Section 11.4 (Indemnities)*.

“*Initial Inventory Appraisals*” means that certain report prepared by Great American Group for Citigroup Global Markets, Inc. and titled “Inventory Valuation and Appraisal-April 2007 (Inventory as of February 3, 2007)”.

“*Intercreditor Agreement*” means that certain Intercreditor Agreement, dated as of May 15, 2006, by and among Holdings, the Borrowers, Goldman Sachs Credit Partners L.P., administrative agent and collateral agent for the holders of the Term Loan Facility, the lenders party thereto, and the Existing Administrative Agent, in the form attached hereto as Exhibit N.

“*Interest Expense*” means, for any Person for any period, (a) Consolidated total interest expense of such Person and its Subsidiaries for such period and including, in any event, interest capitalized during such period and net costs under Interest Rate Contracts for such period

minus (b) Consolidated net gains of such Person and its Subsidiaries under Interest Rate Contracts for such period and *minus* (c) any Consolidated interest income of such Person and its Subsidiaries for such period.

“*Interest Period*” means, in the case of any Eurodollar Rate Loan, (a) initially, the period commencing on the date such Eurodollar Rate Loan is made or on the date of conversion of a Base Rate Loan to such Eurodollar Rate Loan and ending one, two, three or six months thereafter (or if deposits of such duration are available to all Revolving Credit Lenders, nine or twelve months thereafter), as selected by the Borrower Agent in its Notice of Borrowing or Notice of Conversion or Continuation given to the Administrative Agent pursuant to *Section 2.2 (Borrowing Procedures)* or *2.11 (Conversion/Continuation Option)* and (b) thereafter, if such Loan is continued, in whole or in part, as a Eurodollar Rate Loan pursuant to *Section 2.11 (Conversion/Continuation Option)*, a period commencing on the last day of the immediately preceding Interest Period therefor and ending one, two, three or six months thereafter (or if deposits of such duration are available to all Revolving Credit Lenders, nine or twelve months thereafter), as selected by the Borrower Agent in its Notice of Conversion or Continuation given to the Administrative Agent pursuant to *Section 2.11 (Conversion/Continuation Option)*; *provided, however*, that all of the foregoing provisions relating to Interest Periods in respect of Eurodollar Rate Loans are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless the result of such extension would be to extend such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(iii) the Borrower Agent may not select any Interest Period that ends after the Scheduled Termination Date or any date on which the Borrower Agent indicated that it intends to terminate the Revolving Credit Commitments in accordance with *Section 2.5 (Reduction and Termination of the Revolving Credit Commitments)*;

(iv) the Borrower Agent may not select any Interest Period in respect of Loans having an aggregate principal amount of less than \$1,000,000; and

(v) there shall be outstanding at any one time no more than eight (8) Interest Periods in the aggregate.

“*Interest Rate Contracts*” means all interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and interest rate insurance.

“*Inventory*” has the meaning given to such term in Article 9 of the UCC.

“*In-Transit Inventory*” means Inventory located outside of the United States or is in transit within or outside of the United States to any Borrower from vendors and suppliers that has not yet been received into a distribution center or store of such Borrower.

“*Investment*” means, with respect to any Person, (a) any purchase or other acquisition by such Person of (i) any Security issued by, or (ii) a beneficial interest in any Security issued by, any other Person, (b) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable and similar items made or incurred in the ordinary course of business as presently conducted) or capital contribution by such Person to any other Person, including all Indebtedness of any other Person to such Person arising from a sale of property by such Person other than in the ordinary course of its business and (c) any Guaranty Obligation incurred by such Person in respect of Indebtedness of any other Person.

“*IRS*” means the Internal Revenue Service of the United States or any successor thereto.

“*Issue*” means, with respect to any Letter of Credit, to issue, extend the expiry of, renew or increase the maximum face amount (including by deleting or reducing any scheduled decrease in such maximum face amount) of, such Letter of Credit. The terms “*Issued*” and “*Issuance*” shall have a corresponding meaning.

“*Issuer*” means each Lender or Affiliate of a Lender that (a) is listed on the signature pages hereof as an “*Issuer*” or (b) hereafter becomes an Issuer with the approval of the Administrative Agent and the Borrower Agent by agreeing pursuant to an agreement with and in form and substance satisfactory to the Administrative Agent and the Borrower Agent to be bound by the terms hereof applicable to Issuers.

“*J. Crew Card*” shall mean the private label credit card issued by World Financial Network National Bank pursuant to the Credit Card Agreement of Operating with such bank (or any subsequent Credit Card Issuer with respect to such private label credit card) to customers or prospective customers of Borrowers.

“*Leases*” means, with respect to any Person, all of those leasehold estates in Real Property of such Person, as lessee, as such may be amended, supplemented or otherwise modified from time to time.

“*Lender*” means the Swing Loan Lender, Revolving Credit Lender and each other financial institution or other entity that (a) is listed on the signature pages hereof as a “*Lender*” or (b) from time to time becomes a party hereto by execution of an Assignment and Acceptance or, in connection with a Facility Increase, a Lender Joinder Agreement.

“*Lender Joinder Agreement*” means a joinder agreement substantially in the form attached hereto as *Exhibit M (Form of Lender Joinder Agreement)* or such other form as may be reasonably acceptable to the Administrative Agent.

“*Letter of Credit*” means any letter of credit Issued (or deemed Issued) pursuant to *Section 2.4 (Letters of Credit)*.

“*Letter of Credit Obligations*” means, at any time, the Dollar Equivalent of the aggregate of all liabilities at such time of any Loan Party to all Issuers with respect to Letters of Credit, whether or not any such liability is contingent, including, without duplication, the sum of (a) the Reimbursement Obligations at such time and (b) the Letter of Credit Undrawn Amounts at such time.

“*Letter of Credit Reimbursement Agreement*” has the meaning specified in *Section 2.4(a)(v) (Letters of Credit)*.

“*Letter of Credit Request*” has the meaning specified in *Section 2.4(c) (Letters of Credit)*.

“*Letter of Credit Undrawn Amounts*” means, at any time, the aggregate undrawn face amount of all Letters of Credit outstanding at such time.

“*Lien*” means any mortgage, deed of trust, pledge, hypothecation, collateral assignment, charge, deposit arrangement, encumbrance, lien (statutory or other), security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever giving rise to an interest in property and intended to assure payment of any Indebtedness or the performance of any other obligation, including any conditional sale or other title retention agreement or the interest of a lessor under a Capital Lease.

“*Loan*” means any loan made by any Lender pursuant to this Agreement, including, without limitation, Swing Loans.

“*Loan Party*” means each of Holdings, the Borrowers, each Subsidiary Guarantor and each other Subsidiary of the Borrowers that executes and delivers a Financing Agreement.

“*Material Adverse Effect*” shall mean a material adverse effect on (a) the financial condition, business, performance or operations of Holdings and its Subsidiaries, taken as a whole, (b) the perfection or priority of the security interests and Liens of Administrative Agent upon the Collateral; (c) the Collateral or its value, (d) the ability of Borrowers to repay the Obligations or of Borrowers or Guarantors to perform their obligations under this Agreement or any of the other Financing Agreements as and when to be performed; or (e) the ability of the Administrative Agent or any Lender to enforce the Obligations or realize upon the Collateral or otherwise with respect to the material rights and remedies of the Administrative Agent and Lenders under this Agreement or any of the other Financing Agreements (taken as a whole).

“*Material Domestic Subsidiary*” means a Domestic Subsidiary that is not a Non- Material Domestic Subsidiary.

“*Maximum Credit*” means, at any time, the lesser of (i) the Revolving Credit Commitments in effect at such time and (ii) the Borrowing Base at such time *minus* the aggregate amount of any Reserve in effect at such time.

“*Moody’s*” means Moody’s Investors Services, Inc.

“*Mortgage Supporting Documents*” means, with respect to a Mortgage for a parcel of Real Property, title policies or marked-up unconditional insurance binders (in each case, together with copies of all documents referred to therein), ALTA (or TLTA, if applicable) as-built

surveys (in form and as to date that is sufficiently acceptable to the title insurer issuing title insurance to the Administrative Agent for such title insurer to deliver endorsements to such title insurance as reasonably requested by the Administrative Agent), copies of all existing environmental assessments and reports, an opinion of counsel regarding the validity and enforceability of each mortgage in each jurisdiction where a Mortgage is granted, in form and substance reasonably satisfactory to the Administrative Agent and evidence of payment of fees, insurance premiums and taxes due, as set forth on an invoice of each applicable title insurer to create, register and perfect a valid Lien on such parcel of Real Property in favor of the Administrative Agent for the benefit of the Secured Parties, subject only to Liens permitted under *Section 8.2* or other Liens as the Administrative Agent may approve.

“*Mortgages*” means the mortgages, deeds of trust or other real estate security documents made or required herein to be made by the Borrowers or any other Loan Party, each in form consistent with those delivered under the Existing Credit Agreement prior to the Effective Date.

“*Multiemployer Plan*” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrowers, any of their Subsidiaries or any ERISA Affiliate has any obligation or liability, contingent or otherwise.

“*Net Cash Proceeds*” means, (a) with respect to any Asset Sale, an amount equal to (i) cash or Cash Equivalents (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by any Loan Party from such Asset Sale, *minus* (ii) any bona fide direct costs incurred in connection with such Asset Sale, including (x) income or gains taxes payable by the seller as a result of any gain recognized in connection with such Asset Sale, (y) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Obligations) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale and (z) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller’s indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by any Loan Party in connection with such Asset Sale and (b) with respect to any Property Loss Event, an amount equal to (i) cash or Cash Equivalents received by any Loan Party (x) under any casualty insurance policy in respect of a covered loss thereunder or (y) as a result of the taking of any assets of any Loan Party by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, *minus* (ii)(x) any actual and reasonable costs incurred by any Loan Party in connection with the adjustment or settlement of any claims in respect thereof (including any legal, accounting and advisory fees, and brokerage and sales commissions), and (y) any bona fide direct costs (including any legal, accounting and advisory fees, and brokerage and sales commissions) incurred in connection with any sale of such assets as referred to in the immediately preceding *subclause (y)* of this *clause (b)*, including income taxes payable as a result of any gain recognized in connection therewith.

“*Net Recovery Percentage*” means the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the recovery on the aggregate amount of the Inventory at such time on a “going out of business sale” basis as set forth in the most recent appraisal of Inventory received by the Administrative Agent in accordance with *Section 6.11*, net of operating expenses, liquidation expenses and commissions, and (b) the denominator of which is the applicable original cost of the aggregate amount of the Inventory subject to appraisal. The Net

Recovery Percentage for any category of Inventory used in determining the Borrowing Base shall be based on the applicable percentage in the most recent appraisal conducted as set forth in *Section 6.11(b)*.

“*Non-Cash Interest Expense*” means, with respect to any Person for any period, the sum of the following amounts to the extent included in the definition of Interest Expense (a) the amount of debt discount and debt issuance costs amortized, (b) charges relating to write-ups or write-downs in the book or carrying value of existing Indebtedness, (c) interest payable in evidences of Indebtedness or by addition to the principal of the related Indebtedness and (d) other non-cash interest.

“*Non-Consenting Lender*” has the meaning specified in *Section 11.1(c)(Amendments, Waivers, Etc.)*.

“*Non-Funding Lender*” has the meaning specified in *Section 2.2(d) (Borrowing Procedures)*.

“*Non-Material Domestic Subsidiary*” means any Domestic Subsidiary the assets of which do not have a Fair Market Value in excess of \$5,000,000; *provided, however*, the aggregate Fair Market Value of all assets held by all Non-Material Domestic Subsidiaries shall not exceed \$25,000,000.

“*Non-U.S. Lender*” means each Lender (or the Administrative Agent) and each Issuer that is a foreign person as defined in Treasury Regulations Section 1.1441-1(c)(2).

“*Notice of Borrowing*” has the meaning specified in *Section 2.2(a) (Borrowing Procedures)*.

“*Notice of Conversion or Continuation*” has the meaning specified in *Section 2.11 (Conversion/Continuation Option)*.

“*Obligations*” means the Loans, the Letter of Credit Obligations and all other amounts, obligations, covenants and duties owing by the Borrowers to the Administrative Agent, any Lender, any Issuer, any Affiliate of any of them or any Indemnitee, of every type and description (whether by reason of an extension of credit, opening or amendment of a letter of credit or payment of any draft drawn or other payment thereunder, loan, guaranty, indemnification, foreign exchange or currency swap transaction, interest rate hedging transaction or otherwise), present or future, arising under this Agreement, any other Financing Agreement, Cash Management Documents and Hedging Contracts entered into with a Lender or an Affiliate of a Lender at a time when such Person (or its Affiliate) was a Lender, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and whether or not evidenced by any note, guaranty or other instrument or for the payment of money, including all letter of credit, cash management and, whether or not allowed to accrue in any insolvency proceeding, other fees, interest, charges, expenses, attorneys’ fees and disbursements, Cash Management Obligations and other sums chargeable to the Borrowers under this Agreement, any other Financing Agreement, any Cash Management Documents and any Hedging Contracts entered into with a Lender or an Affiliate of a Lender at a time when such Person (or its Affiliate) was a Lender, and all obligations of the Borrowers under any Financing Agreement to provide cash collateral for any Letter of Credit Obligation.

“*Other Taxes*” has the meaning specified in *Section 2.16(b) (Taxes)*.

“*Participant*” has the meaning specified in *Section 11.2(g)*.

“*Patriot Act*” means the USA Patriot Act of 2001 (31 U.S.C. 5318 *et seq.*), as currently amended.

“*PBGC*” means the Pension Benefit Guaranty Corporation or any successor thereto.

“*Permit*” means any permit, approval, authorization, license, variance or permission required from a Governmental Authority under an applicable Requirement of Law.

“*Permitted Acquisition*” means any Acquisition by Holdings or any of its Wholly-Owned Subsidiaries; *provided*, that:

(i) immediately prior to, and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable governmental authorizations;

(iii) in the case of the Acquisition of Stock of a Person, all of the Stock (except for any such Securities in the nature of directors’ qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Subsidiary of Holdings in connection with such Acquisition shall be owned 100% by Holdings or a Subsidiary thereof, and Holdings shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of Holdings, each of the actions set forth in *Sections 7.11* and/or *7.14*, as and when applicable;

(iv) If Holdings was required to comply with the financial covenant contained in *Article V* as of the last day of the Fiscal Quarter then most recently ended, Holdings and its Subsidiaries would have been in compliance with such financial covenant on a Pro Forma Basis after giving effect to such Acquisition as of the last day of the Fiscal Quarter then most recently ended;

(v) Borrower Agent shall have delivered to the Administrative Agent (A) at least 5 Business Days prior to the date of consummation of such proposed Acquisition, a Compliance Certificate evidencing compliance with *Section 5.1* if required under *clause (iv)* above, and (B) general information with respect to such Acquisition as the Administrative Agent may reasonably request, including, without limitation, the aggregate consideration for such Acquisition; and

(vi) Excess Availability, determined on a Pro Forma Basis after giving effect to such Acquisition, shall not be less than \$20,000,000.

“*Permitted Holders*” means, collectively, (a) TPG Partners II, L.P. and its Affiliates, (b) Millard S. Drexel and his immediate family members, (c) Emily Woods and her immediate family members and (d) trusts for the benefit of any of the forgoing Persons, or any of their heirs, executors, successors or legal representatives.

“*Permitted Refinancing*” means renewals, extensions, refinancings and refundings of Indebtedness permitted by *Section 8.1(h), (i) or (j)* that (a) are in an aggregate principal amount not greater than the principal amount of, and is on terms no less favorable to the Borrowers or any Subsidiary of the Borrowers obligated thereunder and (b) either have a weighted average maturity and final maturity (measured as of the date of such renewal, refinancing, extension or refunding) not shorter than that of such Indebtedness or the maturity thereof is after the Scheduled Termination Date.

“*Permitted Seller Note*” means a promissory note which is payable no earlier than the Scheduled Termination Date, containing subordination and other related provisions reasonably acceptable to the Administrative Agent, representing Indebtedness of Holdings or any of its Subsidiaries incurred in connection with any Permitted Acquisition and payable to the seller in connection therewith.

“*Person*” means an individual, partnership, corporation (including a business trust), joint stock company, estate, trust, limited liability company, unincorporated association, joint venture or other entity or a Governmental Authority.

“*Pledge and Security Agreement*” means the Amended and Restated Pledge and a Security Agreement, in substantially the form of *Exhibit I (Form of Pledge and Security Agreement)*, executed by Holdings, each Borrower and each Subsidiary Guarantor.

“*Pledged Debt Instruments*” has the meaning ascribed to such term in the Pledge and Security Agreement.

“*Pledged Stock*” has the meaning ascribed to such term in the Pledge and Security Agreement.

“*Pro Forma Basis*” means, with respect to any determination for any period, that such determination shall be made giving *pro forma* effect to each Acquisition consummated during such period, together with all transactions relating thereto consummated during such period (including any incurrence, assumption, refinancing or repayment of Indebtedness), as if such Acquisition and related transactions had been consummated on the first day of such period, in each case based on historical results accounted for in accordance with GAAP and, to the extent applicable, reasonable assumptions that are specified in details in the relevant Compliance Certificate, Financial Statement or other document provided to the Administrative Agent or any Lender in connection herewith in accordance with Regulation S-X of the Securities Act of 1933.

“*Proceeds*” has the meaning given to such term in Article 9 of the UCC.

“*Property Loss Event*” means (a) any loss of or damage to property of any Loan Party or any of its Subsidiaries that results in the receipt by such Person of proceeds of insurance which exceeds \$5,000,000 (individually or in the aggregate) or (b) any taking of property of any Loan Party or any of its Subsidiaries pursuant to the power of eminent domain, condemnation or other similar power of a Governmental Authority that results in the receipt by such Person of a compensation payment in respect thereof which exceeds \$5,000,000 (individually or in the aggregate).

“*Protective Advances*” means all expenses, disbursements and advances incurred by the Administrative Agent pursuant to the Financing Agreements after the occurrence and during the continuance of a Default or Event of Default that the Administrative Agent, in its sole discretion, deems necessary or desirable to preserve or protect the Collateral or any portion thereof or to enhance the likelihood, or maximize the amount, of repayment of the Obligations.

“*Provision for Taxes*” shall mean an amount equal to all taxes imposed on or measured by net income, whether Federal, State, Provincial, county or local, and whether foreign or domestic, that are paid or payable by any Person in respect of any period in accordance with GAAP.

“*Purchasing Lender*” has the meaning specified in *Section 11.7 (Sharing of Payments, Etc.)*.

“*Qualified Cash*” means unrestricted cash or Cash Equivalents of Borrowers that are subject to the valid, enforceable and first priority perfected security interest of the Administrative Agent in a Control Account or subject to an Approved Deposit Account, and which cash and Cash Equivalents are not subject to any other Lien, claim, except to the extent that the holder of any of the same has entered into an intercreditor agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent (other than customary Liens or rights of setoff of the institution maintaining such accounts permitted hereunder solely in its capacity as a depository, *provided*, that, for purposes of the amount of Qualified Cash included in the calculation of Borrowing Base, such amount may be reduced, at the Administrative Agent’s option, by any obligations owing to such institution and Borrowers shall provide such information with respect to such obligations as the Administrative Agent may from time to time request).

“*Quarterly Excess Availability*” means, for any Fiscal Quarter in any Fiscal Year, the average amount of Excess Availability on any date that occurs during that period.

“*Ratable Portion*” or (other than in the expression “equally and ratably”) “*ratably*” means, with respect to any Lender, the percentage obtained by dividing (a) the Revolving Credit Commitment of such Lender by (b) the aggregate Revolving Credit Commitments of all Lenders (or, at any time after the Revolving Credit Termination Date, the percentage obtained by dividing the aggregate outstanding principal balance of the Revolving Credit Outstandings owing to such Lender by the aggregate outstanding principal balance of the Revolving Credit Outstandings owing to all Lenders).

“*Real Property*” shall mean all now owned and hereafter acquired real property of each Borrower and Guarantor, including leasehold interests (other than with respect to retail store locations (including factory store locations)), together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, including the real property and related assets more particularly described in the Mortgages.

“*Register*” has the meaning specified in *Section 2.7(b) (Evidence of Debt)*.

“*Reimbursement Date*” has the meaning specified in *Section 2.4(h) (Letters of Credit)*.

“*Reimbursement Obligations*” means, as and when matured, the obligation of any Loan Party to pay, on the date payment is made or scheduled to be made to the beneficiary under each such Letter of Credit (or at such other date as may be specified in the applicable Letter of Credit Reimbursement Agreement) and in the currency drawn (or in such other currency as may be specified in the applicable Letter of Credit Reimbursement Agreement), all amounts of each drafts and other requests for payments drawn under Letters of Credit, and all other matured reimbursement or repayment obligations of any Loan Party to any Issuer with respect to amounts drawn under Letters of Credit.

“*Related Obligations*” has the meaning specified in *Section 10.9 (Collateral Matters Relating to Related Obligations)*

“*Release*” means, with respect to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration, in each case, of any Contaminant into the indoor or outdoor environment or into or out of any property owned, leased or operated by such Person, including the movement of Contaminants through or in the air, soil, surface water, ground water or property.

“*Remedial Action*” means all actions required to (a) clean up, remove, treat or in any other way address any Contaminant in the indoor or outdoor environment, (b) prevent the Release or threat of Release or minimize the further Release so that a Contaminant does not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care.

“*Requirement of Law*” means, with respect to any Person, the common law and all federal, state, local and foreign laws, treaties, rules and regulations, orders, judgments, decrees and other determinations of, concessions, grants, franchises and licenses with, any Governmental Authority or arbitrator, applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“*Requisite Lenders*” means, collectively, Lenders having more than fifty percent (50%) of the aggregate outstanding amount of the Revolving Credit Commitments or, after the Revolving Credit Termination Date, more than fifty percent (50%) of the aggregate Revolving Credit Outstandings. A Non-Funding Lender shall not be included in the calculation of “*Requisite Lenders*.”

“*Reserves*” means, as of two Business Days after the date of written notice of any determination thereof to the Borrower Agent by the Administrative Agent, such amounts as the Administrative Agent may from time to time establish against the Facility, in the Administrative Agent’s reasonable discretion and in accordance with customary business practices for comparable asset based transactions (a) in order either (i) to preserve the value of the Collateral or the Administrative Agent’s Lien thereon or (ii) to provide for the payment of unanticipated liabilities of any Loan Party arising after the Effective Date and (b) in order to establish from time to time against the gross amounts of Eligible Credit Card Receivables, Eligible Inventory (including In-Transit Inventory) and Eligible Real Property to reflect risks or contingencies arising after the Effective Date that may affect any one or more class of such items in any material respect and that have not already been taken into account in the calculation of the Borrowing Base.

“*Responsible Officer*” means, with respect to any Person, any of the chief executive officer, chief financial officer or vice president-controller of such Person (or if such Person is a limited liability company or limited partnership, the managing members or general partners, as applicable of such Person) but, in any event, with respect to financial matters, the chief financial officer of such Person.

“*Restricted Payment*” means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of Stock of Holdings, Operating or any Subsidiary of either of them, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of Stock of Holdings, Operating or any Subsidiary or any option, warrant or other right to acquire any such shares of Stock of Holdings, Operating or any such Subsidiary.

“*Revolving Credit Commitment*” means, with respect to each Lender, the commitment of such Lender to make Loans and acquire interests in other Revolving Credit Outstandings in the aggregate principal amount outstanding not to exceed the amount set forth opposite such Lender’s name on *Schedule I (Revolving Credit Commitments)* under the caption “*Revolving Credit Commitment,*” as amended to reflect each Assignment and Acceptance executed by such Lender and as such amount may be reduced pursuant to this Agreement.

“*Revolving Credit Lender*” means each Lender that (a) has a Revolving Credit Commitment, (b) holds a Revolving Loan or (c) participates in any Letter of Credit.

“*Revolving Credit Note*” means a promissory note of each Borrower payable to the order of any Revolving Credit Lender in a principal amount equal to the amount of such Lender’s Revolving Credit Commitment evidencing the aggregate Indebtedness of such Borrower to such Lender resulting from the Loans owing to such Lender.

“*Revolving Credit Outstandings*” means, at any particular time, the sum of (a) the principal amount of the Loans outstanding at such time, (b) the Letter of Credit Obligations outstanding at such time and (c) the principal amount of the Swing Loans outstanding at such time.

“*Revolving Credit Termination Date*” shall mean the earliest of (a) the Scheduled Termination Date, (b) the date of termination of all of the Revolving Credit Commitments pursuant to *Section 2.5 (Reduction and Termination of the Revolving Credit Commitments)* and (c) the date on which the Obligations become due and payable pursuant to *Section 9.2 (Remedies)*.

“*Revolving Loan*” has the meaning specified in *Section 2.1 (The Revolving Credit Commitments)*.

“*S&P*” means Standard & Poor’s Rating Services.

“*Scheduled Termination Date*” means May 4, 2013.

“*Secured Obligations*” means, in the case of the Borrowers, the Obligations and, in the case of any other Loan Party, the obligations of such Loan Party under the Guaranty and the other Financing Agreements to which it is a party.

“*Secured Parties*” means the Lenders, the Issuers, the Administrative Agent and any other holder of any Secured Obligation.

“*Securities Account*” has the meaning given to such term in Article 8 of the UCC.

“*Securities Account Control Agreement*” has the meaning specified in the Pledge and Security Agreement.

“*Securities Intermediary*” has the meaning given to such term in Article 8 of the UCC.

“*Security*” means any Stock, Stock Equivalent, voting trust certificate, bond, debenture, note or other evidence of Indebtedness, whether secured, unsecured, convertible or subordinated, or any certificate of interest, share or participation in, any temporary or interim certificate for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing, but shall not include any evidence of the Obligations.

“*Selling Lender*” has the meaning specified in *Section 11.7 (Sharing of Payments, Etc.)*.

“*Solvent*” means, with respect to any Person as of any date of determination, that, as of such date, (a) the value of the assets of such Person (both at fair value and present fair saleable value) is greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person, (b) such Person is able to pay all liabilities of such Person as such liabilities mature and (c) such Person does not have unreasonably small capital. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities shall be computed at the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“*Special Purpose Vehicle*” means any special purpose funding vehicle identified as such in writing by any Lender to the Administrative Agent.

“*Standby Letter of Credit*” means any Letter of Credit that is not a Documentary Letter of Credit.

“*Stock*” means shares of capital stock (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

“*Stock Equivalents*” means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

“*Subsidiary*” means, with respect to any Person, any corporation, partnership, limited liability company or other business entity, of which an aggregate of more than 50% of the outstanding Stock is, at the time, directly or indirectly, owned or controlled by such Person or one or more Subsidiaries of such Person.

“*Subsidiary Guarantor*” means each Domestic Subsidiary of Holdings party to or that becomes party to the Guaranty.

“*Substitute Institution*” has the meaning specified in *Section 2.17 (Substitution of Lenders)*.

“*Substitution Notice*” has the meaning specified in *Section 2.17 (Substitution of Lenders)*.

“*Swing Loan*” has the meaning specified in *Section 2.3 (Swing Loans)*.

“*Swing Loan Lender*” means Citicorp or any other Revolving Credit Lender that becomes the Administrative Agent or agrees, with the approval of the Administrative Agent and the Borrowers, to act as the Swing Loan Lender hereunder, in each case in its capacity as the Swing Loan Lender hereunder.

“*Swing Loan Request*” has the meaning specified in *Section 2.3(b) (Swing Loans)*.

“*Swing Loan Sublimit*” means \$20,000,000.

“*Syndication Agents*” has the meaning specified in the preamble to this Agreement.

“*Tax Affiliate*” means, with respect to any Person, (a) any Subsidiary of such Person and (b) any Affiliate of such Person with which such Person files or is eligible to file consolidated, combined or unitary tax returns.

“*Tax Returns*” has the meaning specified in *Section 4.8(a) (Taxes)*.

“*Taxes*” has the meaning specified in *Section 2.16(a) (Taxes)*.

“*Term Loan Collateral*” has the meaning specified in the Intercreditor Agreement.

“*Term Loan Documents*” means, collectively, each agreement, certificate or other document executed by a Loan Party in connection with or pursuant to any portion of the Term Loan Facility.

“*Term Loan Facility*” means that certain Credit and Guaranty Agreement, dated as of May 15, 2006, by and among Operating as borrower, Holdings and other subsidiaries of Holdings as guarantors, Goldman Sachs Credit Partners LP, as the administrative agent and the collateral agent, Goldman Sachs Credit Partners LP and Bear, Stearns & Co. Inc., as joint lead arrangers and joint bookrunners, the lenders party thereto.

“*Title IV Plan*” means a pension plan, other than a Multiemployer Plan, covered by Title IV of ERISA and to which any ERISA Affiliate has any obligation or liability, contingent or otherwise.

“*Treasury Regulations*” means the final and temporary (but not proposed) income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“*UCC*” has the meaning specified in the Pledge and Security Agreement.

“*Unused Commitment Fee*” has the meaning specified in *Section 2.12(a) (Fees)*.

“*Value*” shall mean, as determined by the Administrative Agent in good faith, with respect to Inventory, the lower of (a) cost (computed on a first-in first-out basis in accordance with GAAP) and (b) market value; *provided*, that, for purposes of the calculation of the Borrowing Base, (i) the Value of the Inventory shall not include: (A) the portion of the Value of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower or (B) write-ups or write-downs in value with respect to currency exchange rates and (ii) notwithstanding anything to the contrary contained herein, the cost of the Inventory shall be computed in the same manner and consistent with the most recent appraisal of the Inventory received by the Administrative Agent prior to the date hereof, if any.

“*Voting Stock*” means Stock of any Person having ordinary power to vote in the election of members of the board of directors, managers, trustees or other controlling Persons, of such Person (irrespective of whether, at the time, Stock of any other class or classes of such entity shall have or might have voting power by reason of the happening of any contingency).

“*Wholly-Owned Subsidiary*” of any Person means any Subsidiary of such Person, all of the Stock of which (other than director’s qualifying shares, as may be required by law) is owned by such Person, either directly or indirectly through one or more Wholly-Owned Subsidiaries of such Person.

“*Withdrawal Liability*” means, at any time, any liability incurred (whether or not assessed) by any ERISA Affiliate and not yet satisfied or paid in full at such time with respect to any Multiemployer Plan pursuant to Section 4201 of ERISA.

Section 1.2 Computation of Time Periods

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 mean “to but excluding” and the word “*through*” means “to and including.”

Section 1.3 Accounting Terms and Principles

(a) Except as set forth below, all accounting terms not specifically defined herein shall be construed in conformity with GAAP and all accounting determinations required to be made pursuant hereto (including for purpose of measuring compliance with *Article V (Financial Covenants)*) shall, unless expressly otherwise provided herein, be made in conformity with GAAP.

(b) If any change in the accounting principles used in the preparation of the most recent Financial Statements referred to in *Section 6.1 (Financial Statements)* is hereafter required or permitted by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or any

successors thereto) and such change is adopted by the Borrowers and results in a change in any of the calculations required to determine ongoing compliance with *Article V (Financial Covenants)* or *Article VIII (Negative Covenants)* that would not have resulted had such accounting change not occurred, the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such change such that the criteria for evaluating compliance with such covenants by the Borrowers shall be the same after such change as if such change had not been made; *provided, however*, that no change in GAAP that would affect a calculation that measures compliance with any covenant contained in *Article V (Financial Covenants)* or *Article VIII (Negative Covenants)* shall be given effect until such provisions are amended to reflect such changes in GAAP.

(c) For purposes of making all financial calculations to determine compliance with *Article V (Financial Covenants)* or *Article VIII (Negative Covenants)*, all components of such calculations shall be adjusted to include or exclude, as the case may be, without duplication, such components of such calculations attributable to any business or assets that have been acquired by the Loan Party (including through Permitted Acquisitions) after the first day of the applicable period of determination and prior to the end of such period, as determined in good faith by the Borrowers on a Pro Forma Basis.

Section 1.4 Conversion of Foreign Currencies

(a) *Dollar Equivalents*. The Administrative Agent shall determine the Dollar Equivalent of any amount as required hereby, and a determination thereof by the Administrative Agent shall be conclusive absent manifest error. The Administrative Agent may, but shall not be obligated to, rely on any determination made by any Loan Party in any document delivered to the Administrative Agent. The Administrative Agent may determine or predetermine the Dollar Equivalent of any amount on any date either in its own discretion or upon the request of any Lender or Issuer.

(b) *Rounding-Off*. The Administrative Agent may set up appropriate rounding off mechanisms or otherwise round-off amounts hereunder to the nearest higher or lower amount in whole Dollars or whole cents to ensure amounts owing by any party hereunder or that otherwise need to be calculated or converted hereunder are expressed in whole Dollars or in whole cents, as may be necessary or appropriate.

Section 1.5 Certain Terms

(a) The terms “*herein*,” “*hereof*,” “*hereto*” and “*hereunder*” and similar terms refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause in, this Agreement.

(b) Unless otherwise expressly indicated herein, (i) references in this Agreement to an Exhibit, Schedule, Article, Section, clause or sub-clause refer to the appropriate Exhibit or Schedule to, or Article, Section, clause or sub-clause in this Agreement and (ii) the words “*above*” and “*below*”, when following a reference to a clause or a sub-clause of any Financing Agreement, refer to a clause or sub-clause within, respectively, the same Section or clause.

(c) Each agreement defined in this *Article I* shall include all appendices, exhibits and schedules thereto. Unless the prior written consent of the Requisite Lenders is

required hereunder for an amendment, restatement, supplement or other modification to any such agreement and such consent is not obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

(d) References in this Agreement to any statute shall be to such statute as amended or modified from time to time and to any successor legislation thereto, in each case as in effect at the time any such reference is operative.

(e) The term “including” when used in any Financing Agreement means “including without limitation” except when used in the computation of time periods.

(f) The terms “Lender,” “Issuer” and “Administrative Agent” include, without limitation, their respective successors.

ARTICLE II

THE FACILITY

Section 2.1 The Revolving Credit Commitments

On the terms and subject to the conditions contained in this Agreement, each Lender severally agrees to make loans in Dollars (each a “*Revolving Loan*”) to the Borrowers from time to time on any Business Day during the period from the Effective Date until the Revolving Credit Termination Date in an aggregate principal amount at any time outstanding for all such loans by such Lender not to exceed such Lender’s Revolving Credit Commitment; *provided, however*, that at no time shall any Lender be obligated to make a Revolving Loan in excess of such Lender’s Ratable Portion of the Maximum Credit. Within the limits of the Revolving Credit Commitment of each Lender, amounts of Loans repaid may be reborrowed under this *Section 2.1*. On the Effective Date, all Existing Revolving Loans shall be deemed Loans outstanding under this Agreement.

Section 2.2 Borrowing Procedures

(a) Each Borrowing shall be made on notice given by the Borrower Agent to the Administrative Agent not later than 11:00 a.m. (New York time) (i) one Business Day, in the case of a Borrowing of Base Rate Loans, and (ii) three Business Days, in the case of a Borrowing of Eurodollar Rate Loans, prior to the date of the proposed Borrowing. Each such notice shall be in substantially the form of *Exhibit C (Form of Notice of Borrowing)* (a “*Notice of Borrowing*”), specifying (A) the date of such proposed Borrowing, (B) the aggregate amount of such proposed Borrowing, (C) whether any portion of the proposed Borrowing will be of Base Rate Loans or Eurodollar Rate Loans, (D) the initial Interest Period or Periods for any such Eurodollar Rate Loans and (E) the Maximum Credit (after giving effect to the proposed Borrowing). The Loans shall be made as Base Rate Loans unless, subject to *Section 2.14 (Special Provisions Governing Eurodollar Rate Loans)*, the Notice of Borrowing specifies that all or a portion thereof shall be Eurodollar Rate Loans. Notwithstanding anything to the contrary contained in *Section 2.3(a) (Swing Loans)*, if any Notice of Borrowing requests a Borrowing of Base Rate Loans, the Administrative Agent may make a Swing Loan available to the Borrowers in an aggregate amount not to exceed such proposed Borrowing, and the aggregate amount of the corresponding proposed Borrowing shall be reduced accordingly by the principal amount of such Swing Loan. Each Borrowing shall be in an aggregate amount of not less than \$2,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(b) The Administrative Agent shall give to each Lender prompt notice of the Administrative Agent's receipt of a Notice of Borrowing and, if Eurodollar Rate Loans are properly requested in such Notice of Borrowing, the applicable interest rate determined pursuant to *Section 2.14(a) (Determination of Interest Rate)*. Each Lender shall, before 1:00 p.m. (New York time) on the date of the proposed Borrowing, make available to the Administrative Agent at its address referred to in *Section 11.8 (Notices, Etc.)*, in immediately available funds, such Lender's Ratable Portion of such proposed Borrowing. Upon fulfillment (or due waiver in accordance with *Section 11.1 (Amendments, Waivers, Etc.)*) (i) on the Effective Date, of the applicable conditions set forth in *Section 3.1 (Conditions Precedent to Effective Date)* and (ii) at any time (including the Effective Date), of the applicable conditions set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)*, and, subject to *clause (c)* below, after the Administrative Agent's receipt of such funds, the Administrative Agent shall make such funds available to the Borrowers.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any proposed Borrowing that such Lender will not make available to the Administrative Agent such Lender's Ratable Portion of such Borrowing (or any portion thereof), the Administrative Agent may assume that such Lender has made such Ratable Portion available to the Administrative Agent on the date of such Borrowing in accordance with this *Section 2.2* and the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Ratable Portion available to the Administrative Agent, such Lender and the Borrowers severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrowers until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrowers, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate for the first Business Day and thereafter at the interest rate applicable at the time to the Loans comprising such Borrowing. If such Lender shall repay to the Administrative Agent such corresponding amount, such corresponding amount so repaid shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. If the Borrowers shall repay to the Administrative Agent such corresponding amount, such payment shall not relieve such Lender of any obligation it may have hereunder to the Borrowers.

(d) The failure of any Lender to make on the date specified any Loan or any payment required by it (such Lender being a "Non-Funding Lender", if the Administrative Agent shall have notified the Borrower Agent of such Lender's failure to make such payment), including any payment in respect of its participation in Swing Loans and Letter of Credit Obligations, shall not relieve any other Lender of its obligations to make such Loan or payment on such date but no such other Lender shall be responsible for the failure of any Non-Funding Lender to make a Loan or payment required under this Agreement.

Section 2.3 Swing Loans

(a) On the terms and subject to the conditions contained in this Agreement, the Swing Loan Lender shall make, in Dollars, loans (each a "Swing Loan") otherwise available to the Borrowers under the Facility from time to time on any Business Day during the period

from the Effective Date until the Revolving Credit Termination Date in an aggregate principal amount at any time outstanding (together with the aggregate outstanding principal amount of any other Loan made by the Swing Loan Lender hereunder in its capacity as the Swing Loan Lender) not to exceed the Swing Loan Sublimit; *provided, however*, that at no time shall the Swing Loan Lender make any Swing Loan to the extent that, after giving effect to such Swing Loan, the aggregate Revolving Credit Outstandings would exceed the Maximum Credit; *provided, further*, that in the event that the Swing Loan Lender and the Administrative Agent are not the same Person, then the Swing Loan Lender shall only make a Swing Loan after having given prior notice thereof to the Administrative Agent. Each Swing Loan shall be a Base Rate Loan and must be repaid in full within seven days after its making or, if sooner, upon any Borrowing hereunder and shall in any event mature no later than the Revolving Credit Termination Date. Within the limits set forth in the first sentence of this *clause (a)*, amounts of Swing Loans repaid may be reborrowed under this *clause (a)*.

(b) In order to request a Swing Loan, the Borrower Agent shall telecopy (or forward by electronic mail or similar means) to the Administrative Agent a duly completed request in substantially the form of *Exhibit D (Form of Swing Loan Request)*, setting forth the requested amount and date of such Swing Loan (a "*Swing Loan Request*"), to be received by the Administrative Agent not later than 1:00 p.m. (New York time) on the day of the proposed borrowing. The Administrative Agent shall promptly notify the Swing Loan Lender of the details of the requested Swing Loan. Subject to the terms of this Agreement, the Swing Loan Lender may make a Swing Loan available to the Administrative Agent and, in turn, the Administrative Agent shall make such amounts available to the Borrowers on the date set forth in the relevant Swing Loan Request. The Swing Loan Lender shall not make any Swing Loan (other than a Protective Advance) in the period commencing on the first Business Day after it receives written notice from the Administrative Agent or any Lender that one or more of the conditions precedent contained in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* shall not on such date be satisfied, and ending when such conditions are satisfied. The Swing Loan Lender shall not otherwise be required to determine that, or take notice whether, the conditions precedent set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* have been satisfied in connection with the making of any Swing Loan.

(c) [Intentionally Omitted].

(d) The Swing Loan Lender may demand at any time that each Lender pay to the Administrative Agent, for the account of the Swing Loan Lender, in the manner provided in *clause (e)* below, such Lender's Ratable Portion of all or a portion of the outstanding Swing Loans, which demand shall be made through the Administrative Agent, shall be in writing and shall specify the outstanding principal amount of Swing Loans demanded to be paid.

(e) The Administrative Agent shall forward each demand referred to in *clause (d)* above to each Lender on the day such notice or such demand is received by the Administrative Agent (except that any such notice or demand received by the Administrative Agent after 2:00 p.m. (New York time) on any Business Day or any such notice or demand received on a day that is not a Business Day shall not be required to be forwarded to the Lenders by the Administrative Agent until the next succeeding Business Day), together with a statement prepared by the Administrative Agent specifying the amount of each Lender's Ratable Portion of the aggregate principal amount of the Swing Loans stated to be outstanding in such notice or demanded to be paid pursuant to such demand, and, notwithstanding whether or not the conditions precedent set forth in *Sections 3.2 (Conditions Precedent to Each Loan and Letter of*

Credit) and 2.1 (*The Revolving Credit Commitments*) shall have been satisfied (which conditions precedent the Lenders hereby irrevocably waive), each Lender shall, before 11:00 a.m. (New York time) on the Business Day next succeeding the date of such Lender's receipt of such notice or demand, make available to the Administrative Agent, in immediately available funds, for the account of the Swing Loan Lender, the amount specified in such statement. Upon such payment by a Lender, such Lender shall, except as provided in *clause (f)* below, be deemed to have made a Revolving Loan to the Borrowers in the amount of such payment. The Administrative Agent shall use such funds to repay the Swing Loans to the Swing Loan Lender. To the extent that any Lender fails to make such payment available to the Administrative Agent for the account of the Swing Loan Lender, such Lender shall be deemed to be a Non-Funding Lender and the Borrowers shall repay such Swing Loan on demand.

(f) Upon the occurrence of a Default under *Section 9.1(f) (Events of Default)*, each Lender shall acquire, without recourse or warranty, an undivided participation in each Swing Loan otherwise required to be repaid by such Lender pursuant to *clause (e)* above, which participation shall be in a principal amount equal to such Lender's Ratable Portion of such Swing Loan, by paying to the Swing Loan Lender on the date on which such Lender would otherwise have been required to make a payment in respect of such Swing Loan pursuant to *clause (e)* above, in immediately available funds, an amount equal to such Lender's Ratable Portion of such Swing Loan. If all or part of such amount is not in fact made available by such Lender to the Swing Loan Lender on such date, the Swing Loan Lender shall be entitled to recover any such unpaid amount on demand from such Lender together with interest accrued from such date at the Federal Funds Rate for the first Business Day after such payment was due and thereafter at the rate of interest then applicable to Base Rate Loans.

(g) From and after the date on which any Lender (i) is deemed to have made a Revolving Loan pursuant to *clause (e)* above with respect to any Swing Loan or (ii) purchases an undivided participation interest in a Swing Loan pursuant to *clause (f)* above, the Swing Loan Lender shall promptly distribute to such Lender such Lender's Ratable Portion of all payments of principal and interest received by the Swing Loan Lender on account of such Swing Loan other than those received from a Lender pursuant to *clause (e)* or *(f)* above.

Section 2.4 Letters of Credit

(a) (x) On the Effective Date all "Letters of Credit" issued under and as defined in the Existing Credit Agreement shall be deemed to be Letters of Credit issued and outstanding under this Agreement and (y) on the terms and subject to the conditions contained in this Agreement, each Issuer agrees to Issue at the request of the Borrower Agent and for the account of the Borrowers or any of the Borrowers' Subsidiaries one or more Letters of Credit from time to time on any Business Day during the period commencing on the Effective Date and ending on the earlier of the Revolving Credit Termination Date and 30 days prior to the Scheduled Termination Date (or such later date as agreed to by the Administrative Agent); *provided, however*, that no Issuer shall be under any obligation to Issue (and, upon the occurrence of any of the events described in *clauses (ii), (iii), (iv) and (v)(A)* below, shall not Issue) any Letter of Credit upon the occurrence of any of the following:

(i) any order, judgment or decree of any Governmental Authority or arbitrator having binding powers shall purport by its terms to enjoin or restrain such Issuer from Issuing such Letter of Credit or any Requirement of Law applicable to such Issuer or any request or directive (whether or not having the force of law) from any

Governmental Authority with jurisdiction over such Issuer shall prohibit, or request that such Issuer refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuer with respect to such Letter of Credit any restriction or reserve or capital requirement (for which such Issuer is not otherwise compensated) not in effect on the Effective Date or result in any unreimbursed loss, cost or expense that was not applicable, in effect or known to such Issuer as of the Effective Date and that such Issuer in good faith deems material to it;

(ii) such Issuer shall have received any written notice of the type described in *clause (d)* below;

(iii) after giving effect to the Issuance of such Letter of Credit, the aggregate Revolving Credit Outstandings would exceed the Maximum Credit at such time;

(iv) such Letter of Credit is requested to be denominated in any currency other than Dollars, except as may be approved by the Administrative Agent and such Issuer, each in their sole discretion; or

(v) (A) any fees due in connection with a requested Issuance have not been paid, (B) such Letter of Credit is requested to be Issued in a form that is not acceptable to such Issuer or (C) the Issuer for such Letter of Credit shall not have received, in form and substance reasonably acceptable to it and, if applicable, duly executed by such Borrower, applications, agreements and other documentation (collectively, a “*Letter of Credit Reimbursement Agreement*”) such Issuer generally employs in the ordinary course of its business for the Issuance of letters of credit of the type of such Letter of Credit.

None of the Lenders (other than the Issuers in their capacity as such) shall have any obligation to Issue any Letter of Credit. Any Letter of Credit which has been or deemed Issued hereunder may be amended at any time to reduce the amount outstanding thereunder.

(b) In no event shall the expiration date of any Letter of Credit be more than one year after the date of issuance thereof; *provided, however*, that any Letter of Credit with a term less than or equal to one year may provide for the renewal thereof for additional periods less than or equal to one year, as long as, on or before the expiration of each such term and each such period, the Borrowers and the Issuer of such Letter of Credit shall have the option to prevent such renewal; and *provided, further*, that, for any Letter of Credit having an expiration date after the Scheduled Termination Date, the Borrowers agree to deliver to the Administrative Agent on or prior to the Scheduled Termination Date a letter of credit or letters of credit in form and substance acceptable to the Administrative Agent and issued by a bank acceptable to the Administrative Agent, in each case in its sole discretion, and/or cash collateral in an amount equal to 101% of the maximum drawable amount of any such Letter of Credit.

(c) In connection with the Issuance of each Letter of Credit, the Borrower Agent shall give the relevant Issuer and the Administrative Agent at least two Business Days’ prior written notice, in substantially the form of *Exhibit E (Form of Letter of Credit Request)* (or in such other written or electronic form as is acceptable to such Issuer), of the requested Issuance of such Letter of Credit (a “*Letter of Credit Request*”). Such notice shall specify the Issuer of such Letter of Credit, the face amount of the Letter of Credit requested, the date on which such

Letter of Credit is to expire (which date shall be a Business Day) and, in the case of an issuance, the Person for whose benefit the requested Letter of Credit is to be issued. Such notice, to be effective, must be received by the relevant Issuer and the Administrative Agent not later than 11:00 a.m. (New York time) on the last Business Day on which such notice can be given under the first sentence of this *clause (c)*.

(d) Subject to the satisfaction of the conditions set forth in this *Section 2.4*, the relevant Issuer shall, on the requested date, Issue a Letter of Credit on behalf of the Borrowers in accordance with such Issuer's usual and customary business practices. No Issuer shall Issue any Letter of Credit in the period commencing on the first Business Day after it receives written notice from any Lender that one or more of the conditions precedent contained in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* or *clause (a)* above (other than those conditions set forth in *clauses (a)(i), (a)(v)(B) and (C)* above and, to the extent such clause relates to fees owing to the Issuer of such Letter of Credit and its Affiliates, *clause (a)(v) (A)* above) are not on such date satisfied or duly waived and ending when such conditions are satisfied or duly waived. No Issuer shall otherwise be required to determine that, or take notice whether, the conditions precedent set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* have been satisfied in connection with the Issuance of any Letter of Credit.

(e) The Borrowers agree that, if requested by the Issuer of any Letter of Credit prior to the issuance of a Letter of Credit, it shall execute a Letter of Credit Reimbursement Agreement in respect to any Letter of Credit Issued hereunder. In the event of any conflict between the terms of any Letter of Credit Reimbursement Agreement and this Agreement, the terms of this Agreement shall govern.

(f) Each Issuer shall comply with the following:

(i) give the Administrative Agent written notice (or telephonic notice confirmed promptly thereafter in writing), which writing may be a telecopy or electronic mail, of the Issuance of any Letter of Credit Issued by it, of all drawings under any Letter of Credit Issued by it and of the payment (or the failure to pay when due) by the Borrowers of any Reimbursement Obligation when due (which notice the Administrative Agent shall promptly transmit by telecopy, electronic mail or similar transmission to each Lender);

(ii) upon the request of any Lender, furnish to such Lender copies of any Letter of Credit Reimbursement Agreement to which such Issuer is a party and such other documentation as may reasonably be requested by such Lender; and

(iii) no later than 10 Business Days following the last day of each calendar month, provide to the Administrative Agent (and the Administrative Agent shall provide a copy to each Lender requesting the same) and the Borrowers separate schedules for Documentary Letters of Credit and Standby Letters of Credit issued by it, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the aggregate Letter of Credit Obligations, in each case outstanding at the end of each month, and any information requested by the Borrowers or the Administrative Agent relating thereto.

(g) Immediately upon the issuance by an Issuer of a Letter of Credit in accordance with the terms and conditions of this Agreement, such Issuer shall be deemed to have sold and transferred to each Lender, and each Lender shall be deemed irrevocably and

unconditionally to have purchased and received from such Issuer, without recourse or warranty, an undivided interest and participation, to the extent of such Lender's Ratable Portion, in such Letter of Credit and the obligations of the Borrowers with respect thereto (including all Letter of Credit Obligations with respect thereto) and any security therefor and guaranty pertaining thereto.

(h) The Borrowers agree to pay to the Issuer of any Letter of Credit the amount of all Reimbursement Obligations owing to such Issuer under any Letter of Credit issued for its account no later than the date that is the next succeeding Business Day after the Borrower Agent receives written notice from such Issuer that payment has been made under such Letter of Credit in accordance with its terms (the "*Reimbursement Date*"), irrespective of any claim, set-off, defense or other right that the Borrowers may have at any time against such Issuer or any other Person. In the event that any Issuer makes any payment under any Letter of Credit in accordance with its terms and the Borrowers shall not have repaid such amount to such Issuer pursuant to this *clause (h)* (directly or by application of the deemed Loans described below in this *clause (h)*) or any such payment by the Borrowers is rescinded or set aside for any reason, such Reimbursement Obligation shall be payable on demand with interest thereon computed (i) from the date on which such Reimbursement Obligation arose to the Reimbursement Date, at the rate of interest applicable during such period to Loans that are Base Rate Loans and (ii) from the Reimbursement Date until the date of repayment in full, at the rate of interest applicable during such period to past due Loans that are Base Rate Loans, and such Issuer shall promptly notify the Administrative Agent, which shall promptly notify each Lender of such failure, and each Lender shall promptly and unconditionally pay to the Administrative Agent for the account of such Issuer the amount of such Lender's Ratable Portion of such payment (or the Dollar Equivalent thereof if such payment was made in any currency other than Dollars) in immediately available Dollars. If the Administrative Agent so notifies such Lender prior to 11:00 a.m. (New York time) on any Business Day, such Lender shall make available to the Administrative Agent for the account of such Issuer its Ratable Portion of the amount of such payment on such Business Day in immediately available funds. Upon such payment by a Lender, such Lender shall, except during the continuance of a Default or Event of Default under *Section 9.1(f) (Events of Default)* and notwithstanding whether or not the conditions precedent set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* shall have been satisfied (which conditions precedent the Lenders hereby irrevocably waive), be deemed to have made a Revolving Loan to the Borrowers in the principal amount of such payment. Whenever any Issuer receives from the Borrowers a payment of a Reimbursement Obligation as to which the Administrative Agent has received for the account of such Issuer any payment from a Lender pursuant to this *clause (h)*, such Issuer shall pay over to the Administrative Agent any amount received in excess of such Reimbursement Obligation and, upon receipt of such amount, the Administrative Agent shall promptly pay over to each Lender, in immediately available funds, an amount equal to such Lender's Ratable Portion of the amount of such payment adjusted, if necessary, to reflect the respective amounts the Lenders have paid in respect of such Reimbursement Obligation.

(i) If and to the extent such Lender shall not have so made its Ratable Portion of the amount of the payment required by *clause (h)* above available to the Administrative Agent for the account of such Issuer, such Lender shall be deemed to be a Non-Funding Lender and such Lender agrees to pay to the Administrative Agent for the account of such Issuer forthwith on demand any such unpaid amount together with interest thereon, for the first Business Day after payment was first due at the Federal Funds Rate and, thereafter, until such amount is repaid to the Administrative Agent for the account of such Issuer, at a rate per annum equal to the rate applicable to Base Rate Loans under the Facility.

(j) The Borrowers' obligations to pay each Reimbursement Obligation and the obligations of the Lenders to make payments to the Administrative Agent for the account of the Issuers with respect to Letters of Credit shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances whatsoever, including the occurrence of any Default or Event of Default, and irrespective of any of the following:

- (i) any lack of validity or enforceability of any Letter of Credit or any Financing Agreement, or any term or provision therein;
- (ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or any Financing Agreement;
- (iii) the existence of any claim, set off, defense or other right that the Borrower, any other party guaranteeing, or otherwise obligated with, the Borrower, any Subsidiary or other Affiliate thereof or any other Person may at any time have against the beneficiary under any Letter of Credit, any Issuer, the Administrative Agent or any Lender or any other Person, whether in connection with this Agreement, any other Financing Agreement or any other related or unrelated agreement or transaction;
- (iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
- (v) payment by the Issuer under a Letter of Credit against presentation of a draft or other document that does not strictly comply, but that does substantially comply, with the terms of such Letter of Credit; and
- (vi) any other act or omission to act or delay of any kind of the Issuer, the Lenders, the Administrative Agent or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this *Section 2.4*, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Any action taken or omitted to be taken by the relevant Issuer under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not result in any liability of such Issuer to the Borrowers or any Lender. In determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof, the Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and, in making any payment under any Letter of Credit, the Issuer may rely exclusively on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereunder equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever, and any noncompliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, be deemed not to constitute willful misconduct or gross negligence of the Issuer.

Section 2.5 Reduction and Termination of the Revolving Credit Commitments

The Borrowers may, upon at least three Business Days' prior notice to the Administrative Agent, terminate in whole or reduce in part ratably the unused portions of the respective Revolving Credit Commitments of the Lenders without premium or penalty other than any amount required to be paid by the Borrowers pursuant to *Section 2.14(e) (Breakage Costs)*; provided, however, that each partial reduction shall be in an aggregate amount of not less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof.

Section 2.6 Repayment of Loans

The Borrowers promise to repay the entire unpaid principal amount of the Loans and the Swing Loans on the Scheduled Termination Date or earlier, if otherwise required by the terms hereof.

Section 2.7 Evidence of Debt

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing Indebtedness of the Borrowers to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. In addition, each Lender having sold a participation in any of its Obligations or having identified a Special Purpose Vehicle as such to the Administrative Agent, acting as agent of the Borrowers solely for this purpose and for tax purposes, shall establish and maintain at its address referred to in *Section 11.8 (Notices, Etc.)* a record of ownership in which such Lender shall register by book entry (i) the name and address of each such Participant and Special Purpose Vehicle (and each change thereto, whether by assignment or otherwise) and (ii) the rights, interest or obligation of each such Participant and Special Purpose Vehicle in any Obligation, in any Revolving Credit Commitment and in any right to receive payment hereunder.

(b) (i) The Administrative Agent, acting as agent of the Borrowers solely for this purpose and for tax purposes, shall establish and maintain at its address referred to in *Section 11.8 (Notices, Etc.)* a record of ownership (the "Register") in which the Administrative Agent agrees to register by book entry the Administrative Agent's, each Lender's and each Issuer's interest in each Loan, each Letter of Credit and each Reimbursement Obligation, and in the right to receive any payments hereunder and any assignment of any such interest or rights. In addition, the Administrative Agent, acting as agent of the Borrowers solely for this purpose and for tax purposes, shall establish and maintain accounts in the Register in accordance with its usual practice in which it shall record (1) the names and addresses of the Lenders and the Issuers, (2) the Revolving Credit Commitments of each Lender from time to time, (3) the amount of each Loan made and, if a Eurodollar Rate Loan, the Interest Period applicable thereto, (4) the amount of any drawn Letters of Credit, (5) the amount of any principal or interest due and payable, and paid, by the Borrowers to, or for the account of, each Lender hereunder, (6) the amount that is due and payable, and paid, by the Borrowers to, or for the account of, each Issuer, including the amount of Letter Credit Obligations (specifying the amount of any Reimbursement Obligations) due and payable to an Issuer, and (7) the amount of any sum received by the Administrative

Agent hereunder from the Borrowers, whether such sum constitutes principal or interest (and the type of Loan to which it applies), fees, expenses or other amounts due under the Financing Agreements and each Lender's and Issuer's, as the case may be, share thereof, if applicable.

(ii) Notwithstanding anything to the contrary contained in this Agreement, the Loans (including the Revolving Credit Notes evidencing such Loans) and the drawn Letters of Credit are registered obligations and the right, title, and interest of the Lenders and the Issuers and their assignees in and to such Loans or drawn Letters of Credit, as the case may be, shall be transferable only upon notation of such transfer in the Register. A Revolving Credit Note shall only evidence the Lender's or a registered assignee's right, title and interest in and to the related Loan, and in no event is any such Revolving Credit Note to be considered a bearer instrument or obligation. This *Section 2.7(b)* and *Section 11.2 (Assignments and Participations)* shall be construed so that the Loans and drawn Letters of Credit are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (or any successor provisions of the Code or such regulations).

(c) The entries made in the Register and in the accounts therein maintained pursuant to *clauses (a) and (b)* above shall, to the extent permitted by applicable law, be *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms. In addition, the Loan Parties, the Administrative Agent, the Lenders and the Issuers shall treat each Person whose name is recorded in the Register as a Lender or as an Issuer, as applicable, for all purposes of this Agreement. Information contained in the Register with respect to any Lender or Issuer shall be available for inspection by the Borrowers, the Administrative Agent, such Lender or such Issuer at any reasonable time and from time to time upon reasonable prior notice.

(d) Notwithstanding any other provision of the Agreement, in the event that any Lender requests that the Borrowers execute and deliver a promissory note or notes payable to such Lender in order to evidence the Indebtedness owing to such Lender by the Borrowers hereunder, the Borrowers shall promptly execute and deliver a Revolving Credit Note or Revolving Credit Notes to such Lender evidencing the Loans of such Lender, substantially in the form of *Exhibit B (Form of Revolving Credit Note)*.

Section 2.8 Optional Prepayments

The Borrowers may prepay the outstanding principal amount of the Loans and Swing Loans in whole or in part at any time; *provided, however*, that if any prepayment of any Eurodollar Rate Loan is made by the Borrowers other than on the last day of an Interest Period for such Loan, the Borrowers shall also pay any amount owing pursuant to *Section 2.14(e) (Breakage Costs)*.

Section 2.9 Mandatory Prepayments

(a) If at any time, the aggregate principal amount of Revolving Credit Outstandings exceeds the aggregate Maximum Credit at such time, the Borrowers shall forthwith, upon notification by the Administrative Agent, prepay the Swing Loans *first* and then the other Loans then outstanding in an amount equal to such excess. If any such excess remains after

repayment in full of the aggregate outstanding Swing Loans and the other Loans, the Borrowers shall provide cash collateral for the Letter of Credit Obligations in the manner set forth in *Section 9.3 (Actions in Respect of Letters of Credit)* in an amount equal to 101% of such excess.

(b) Upon receipt by any Loan Party or any of its Subsidiaries of Net Cash Proceeds arising from an Asset Sale referred to in *Section 8.4(b)* or Property Loss Event, subject to the Intercreditor Agreement, the Borrower shall promptly (but in any event within 5 Business Days of such receipt) prepay the Loans (or if at such time Excess Availability is less than \$20,000,000, provide cash collateral in respect of Letters of Credit) in an amount equal to 100% of such Net Cash Proceeds; *provided, however*, this *clause (b)* shall not apply to the extent the applicable Loan Party (directly or indirectly through one of its Subsidiaries) uses the Net Cash Proceeds of such Asset Sale or Property Loss Event to reinvest in long-term productive assets of the general type used in the business of the Loan Parties or, in the case of a Property Loss Event, to effect repairs, in each case not later than the date occurring 360 days after such Asset Sale or Property Loss Event; *provided further* that the applicable Loan Party or Subsidiary shall have an additional 180 days to complete such reinvestment if (w) the intended reinvestment cannot be completed within such 360-day period after its receipt of such Net Asset Sale Proceeds, (x) the applicable Loan Party or Subsidiary shall have entered into binding commitments with third parties to complete such reinvestment, (y) the applicable Loan Party or Subsidiary diligently pursues the consummation of such reinvestment as soon as is reasonably practicable and (z) the Borrower Agent, during such 360-day period, delivers a certificate of a Responsible Officer to the Administrative Agent certifying as to compliance with clauses (w) through (z) hereof.

(c) Subject to *Section 2.14(e) (Breakage Costs)* hereof, all such payments in respect of the Loans pursuant to this *Section 2.9* shall be without premium or penalty. All interest accrued on the principal amount of the Loans paid pursuant to this *Section 2.9* shall be paid, or may be charged by the Administrative Agent to any loan account(s) of Borrowers, at the Administrative Agent's option, on the date of such payment. Interest shall accrue and be due, until the next Business Day, if the amount so paid by Borrowers to the bank account designated by the Administrative Agent for such purpose is received in such bank account after 3:00 p.m., New York City time.

Section 2.10 Interest

(a) *Rate of Interest.* All Loans and the outstanding amount of all other Obligations owing under the Financing Agreements shall bear interest, in the case of Loans, on the unpaid principal amount thereof from the date such Loans are made and, in the case of such other Obligations, from the date such other Obligations are due and payable until, in all cases, paid in full, except as otherwise provided in *clause (c)* below, as follows:

(i) if a Base Rate Loan or such other Obligation, at a rate per annum equal to the sum of (A) the Base Rate as in effect from time to time and (B) the Applicable Margin for Loans that are Base Rate Loans; and

(ii) if a Eurodollar Rate Loan, at a rate per annum equal to the sum of (A) the Eurodollar Rate determined for the applicable Interest Period and (B) the Applicable Margin in effect from time to time during such Interest Period.

(b) *Interest Payments.* (i) Interest accrued on each Base Rate Loan (other than Swing Loans) shall be payable in arrears (A) on the first Business Day of each calendar

quarter, commencing on the first such day following the making of such Base Rate Loan and (B) if not previously paid in full, at maturity (whether by acceleration or otherwise) of such Base Rate Loan, (ii) interest accrued on Swing Loans shall be payable in arrears on the first Business Day of the immediately succeeding calendar month, (iii) interest accrued on each Eurodollar Rate Loan shall be payable in arrears (A) on the last day of each Interest Period applicable to such Loan and, if such Interest Period has a duration of more than three months, on each date during such Interest Period occurring every three months from the first day of such Interest Period, (B) upon the payment or prepayment thereof in full or in part and (C) if not previously paid in full, at maturity (whether by acceleration or otherwise) of such Eurodollar Rate Loan and (iv) interest accrued on the amount of all other Obligations shall be payable on demand from and after the time such Obligation becomes due and payable (whether by acceleration or otherwise).

(c) *Default Interest.* Notwithstanding the rates of interest specified in *clause (a)* above or elsewhere herein, effective immediately upon the occurrence of an Event of Default and for as long thereafter as such Event of Default shall be continuing, the principal balance of all Loans and the amount of all other Obligations then due and payable shall bear interest at a rate that is two percent per annum in excess of the rate of interest applicable to such Loans or other Obligations from time to time. Such interest shall be payable on the date that would otherwise be applicable to such interest pursuant to *clause (b)* above or otherwise on demand.

Section 2.11 Conversion/Continuation Option

(a) The Borrowers may elect (i) at any time on any Business Day, to convert Base Rate Loans (other than Swing Loans) or any portion thereof to Eurodollar Rate Loans and (ii) at the end of any applicable Interest Period, to convert Eurodollar Rate Loans or any portion thereof into Base Rate Loans or to continue such Eurodollar Rate Loans or any portion thereof for an additional Interest Period; *provided, however*, that the aggregate amount of the Eurodollar Rate Loans for each Interest Period must be in the amount of at least \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof. Each conversion or continuation shall be allocated among the Loans of each Lender in accordance with such Lender's Ratable Portion. Each such election shall be in substantially the form of *Exhibit F (Form of Notice of Conversion or Continuation)* (a "*Notice of Conversion or Continuation*") and shall be made by giving the Administrative Agent at least two Business Days' prior written notice specifying (A) the amount and type of Loan being converted or continued, (B) in the case of a conversion to or a continuation of Eurodollar Rate Loans, the applicable Interest Period and (C) in the case of a conversion, the date of such conversion.

(b) The Administrative Agent shall promptly notify each Lender of its receipt of a Notice of Conversion or Continuation and of the options selected therein. Notwithstanding the foregoing, no conversion in whole or in part of Base Rate Loans to Eurodollar Rate Loans and no continuation in whole or in part of Eurodollar Rate Loans upon the expiration of any applicable Interest Period shall be permitted at any time at which (A) an Event of Default shall have occurred and be continuing or (B) the continuation of, or conversion into, a Eurodollar Rate Loan would violate any provision of *Section 2.14 (Special Provisions Governing Eurodollar Rate Loans)*. If, within the time period required under the terms of this Section 2.11, the Administrative Agent does not receive a Notice of Conversion or Continuation from the Borrower Agent containing a permitted election to continue any Eurodollar Rate Loans for an additional Interest Period or to convert any such Loans, then, upon the expiration of the applicable Interest Period, such Loans shall be automatically converted to Base Rate Loans. Each Notice of Conversion or Continuation shall be irrevocable.

Section 2.12 Fees

(a) *Unused Commitment Fee.* The Borrowers agree to pay in immediately available Dollars to the Administrative Agent for the account of each Lender a commitment fee on the average daily amount by which the Revolving Credit Commitment of such Lender exceeds such Lender's Ratable Portion of the sum of (i) the aggregate outstanding principal amount of Loans and (ii) the outstanding amount of the aggregate Letter of Credit Undrawn Amounts from the Effective Date through the Revolving Credit Termination Date at the Applicable Unused Commitment Fee Rate, payable in arrears (x) on the first Business Day of each calendar month, commencing on the first such Business Day following the Effective Date and (y) on the Revolving Credit Termination Date. For the avoidance of doubt, any Swing Loans outstanding shall reduce the Revolving Credit Commitment of the Swing Loan Lender in its capacity as a Lender.

(b) *Letter of Credit Fees.* The Borrowers agree to pay the following amounts with respect to Letters of Credit issued by any Issuer:

(i) to the Administrative Agent for the account of each Issuer of a Letter of Credit, with respect to each Letter of Credit issued by such Issuer, an issuance fee equal to 0.10% per annum of the Dollar Equivalent of the average daily maximum undrawn face amount of such Letter of Credit for the immediately preceding calendar quarter (or portion thereof), payable in arrears (A) on the first Business Day of each calendar quarter, commencing on the first such Business Day following the issuance of such Letter of Credit and (B) on the Revolving Credit Termination Date;

(ii) to the Administrative Agent for the ratable benefit of the Lenders, with respect to each Letter of Credit, a fee accruing in Dollars at a rate per annum equal to 0.40% per annum multiplied by the Dollar Equivalent average daily maximum undrawn face amount of such Letter of Credit for the immediately preceding calendar quarter (or portion thereof), payable in arrears (A) on the first Business Day of each calendar quarter, commencing on the first such Business Day following the issuance of such Letter of Credit and (B) on the Revolving Credit Termination Date; *provided, however*, that during the continuance of an Event of Default, such fee shall be increased by two percent per annum (instead of, and not in addition to, any increase pursuant to *Section 2.10(c) (Interest)*) and shall be payable on demand; and

(iii) to the Issuer of any Letter of Credit, with respect to the issuance, amendment or transfer of each Letter of Credit and each drawing made thereunder, customary documentary and processing charges in accordance with such Issuer's standard schedule for such charges in effect at the time of issuance, amendment, transfer or drawing, as the case may be.

(c) *Additional Fees.* The Borrowers have agreed to pay to the Administrative Agent and the Arrangers additional fees, the amount and dates of payment of which are embodied in the Fee Letter.

Section 2.13 Payments and Computations

(a) The Borrowers shall make each payment hereunder (including fees and expenses) not later than 11:00 a.m. (New York time) on the day when due, in the currency specified herein (or, if no such currency is specified, in Dollars) to the Administrative Agent at its address referred to in *Section 11.8 (Notices, Etc.)* in immediately available funds without set-off or counterclaim. The Administrative Agent shall promptly thereafter cause to be distributed immediately available funds relating to the payment of principal, interest or fees to the Lenders, in accordance with the application of payments set forth in *clause (f) or (g)* below, as applicable, for the account of their respective Applicable Lending Offices; *provided, however*, that amounts payable pursuant to *Section 2.14(c) or (d) (Special Provisions Governing Eurodollar Rate Loans), Section 2.15 (Capital Adequacy) or Section 2.16 (Taxes)* shall be paid only to the affected Lender or Lenders and amounts payable with respect to Swing Loans shall be paid only to the Swing Loan Lender. Payments received by the Administrative Agent after 11:00 a.m. (New York time) shall be deemed to be received on the next Business Day.

(b) All computations of interest and of fees shall be made by the Administrative Agent on the basis of a year of 360 days with respect to Eurodollar Rate Loans and 365/366 days with respect to all other computations, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest and fees are payable. Each determination by the Administrative Agent of a rate of interest hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Each payment by the Borrowers of any Loan, Reimbursement Obligation (including interest or fees in respect thereof) and each reimbursement of various costs, expenses or other Obligation owing under any Financing Agreement shall be made in Dollars; *provided, however*, that (i) the Letter of Credit Reimbursement Agreement for a Letter of Credit may specify another currency for the Reimbursement Obligation in respect of such Letter of Credit and (ii) other than for payments in respect of a Loan or Reimbursement Obligation, Financing Agreements duly executed by the Administrative Agent may specify other currencies of payment for Obligations created by or directly related to such Financing Agreement.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; *provided, however*, that if such extension would cause payment of interest on or principal of any Eurodollar Rate Loan to be made in the next calendar month, such payment shall be made on the immediately preceding Business Day. All repayments of any Loans shall be applied as follows: *first*, to repay any such Loans outstanding as Base Rate Loans and *then*, to repay any such Loans outstanding as Eurodollar Rate Loans, with those Eurodollar Rate Loans having earlier expiring Interest Periods being repaid prior to those having later expiring Interest Periods.

(e) Unless the Administrative Agent shall have received notice from the Borrowers to the Lenders prior to the date on which any payment is due hereunder that the Borrowers will not make such payment in full, the Administrative Agent may assume that the Borrowers have made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrowers shall not have made such payment in full to the Administrative Agent,

each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon (at the Federal Funds Rate for the first Business Day and thereafter at the rate applicable to Base Rate Loans) for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent.

(f) Except for payments and other amounts received by the Administrative Agent and applied in accordance with the provisions of *clause (g)* below (or required to be applied in accordance with *Section 2.9 (Mandatory Prepayments)*), all payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrowers shall be applied as follows: *first*, to pay principal of, and interest on, any portion of the Loans the Administrative Agent may have advanced pursuant to the express provisions of this Agreement on behalf of any Lender, for which the Administrative Agent has not then been reimbursed by such Lender or the Borrowers, *second*, to pay all other Obligations then due and payable and *third*, as the Borrower Agent so designates. Payments in respect of Swing Loans received by the Administrative Agent shall be distributed to the Swing Loan Lender; payments in respect of Loans received by the Administrative Agent shall be distributed to each Lender in accordance with such Lender's Ratable Portion; and all payments of fees and all other payments in respect of any other Obligation shall be allocated among such of the Lenders and Issuers as are entitled thereto and, for such payments allocated to the Lenders, in proportion to their respective Ratable Portions.

(g) The Borrowers hereby irrevocably waive the right to direct the application of any and all payments in respect of the Obligations and any proceeds of Collateral after the occurrence and during the continuance of an Event of Default and agree that during the continuance of an Event of Default, and notwithstanding *clause (f)* above, the Administrative Agent may in its sole discretion, and, upon either (A) the written direction of the Requisite Lenders or (B) the acceleration of the Obligations pursuant to *Section 9.2 (Remedies)*, shall deliver a notice to each Deposit Account Bank and Control Account for each Approved Deposit Account and Approved Securities Intermediary (instructing them to cease complying with any instructions from any Loan Party and to transfer all funds therein to the Administrative Agent) and the Administrative Agent shall apply all payments in respect of any Obligations and all funds on deposit in any Cash Collateral Account and all other proceeds of Collateral in the following order:

- (i) *first*, to pay interest on and then principal of any portion of the Loans that the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by such Lender or the Borrowers;
- (ii) *second*, to pay Secured Obligations in respect of any expense reimbursements or indemnities then due to the Administrative Agent;
- (iii) *third*, to pay Secured Obligations in respect of any expense reimbursements or indemnities then due to the Lenders and the Issuers;
- (iv) *fourth*, to pay Secured Obligations in respect of any fees then due to the Administrative Agent, the Lenders and the Issuers;

(v) *fifth*, to pay interest then due and payable in respect of the Loans and Reimbursement Obligations;

(vi) *sixth*, to pay or prepay principal amounts on the Loans and Reimbursement Obligations, to provide cash collateral for outstanding Letter of Credit Undrawn Amounts in the manner described in *Section 9.3 (Actions in Respect of Letters of Credit)*, and to pay Cash Management Obligations and amounts owing with respect to Hedging Contracts, ratably to the aggregate principal amount of such Loans, Reimbursement Obligations and Letter of Credit Undrawn Amounts, Cash Management Obligations and Obligations owing with respect to Hedging Contracts; and

(vii) *seventh*, to the ratable payment of all other Secured Obligations;

provided, however, that if sufficient funds are not available to fund all payments to be made in respect of any Secured Obligation described in any of *clauses (i), (ii), (iii), (iv), (v), (vi) and (vii)* above, the available funds being applied with respect to any such Secured Obligation (unless otherwise specified in such clause) shall be allocated to the payment of such Secured Obligation ratably, based on the proportion of the Administrative Agent's and each Lender's or Issuer's interest in the aggregate outstanding Secured Obligations described in such clauses; *provided, however*, that payments that would otherwise be allocated to the Lenders shall be allocated *first* to repay Protective Advances and Swing Loans *pro rata* until such Protective Advances and Swing Loans are paid in full and *then* to repay the Loans. The order of priority set forth in *clauses (i), (ii), (iii), (iv), (v), (vi) and (vii)* above may at any time and from time to time be changed by the agreement of all Lenders without necessity of notice to or consent of or approval by the Borrowers, any Secured Party that is not a Lender or Issuer or by any other Person that is not a Lender or Issuer. The order of priority set forth in *clauses (i), (ii), (iii) and (iv)* above may be changed only with the prior written consent of the Administrative Agent in addition to that of all Lenders.

(h) At the option of the Administrative Agent, principal on the Swing Loans, Reimbursement Obligations, interest, fees, expenses and other sums due and payable in respect of the Loans and Protective Advances may be paid from the proceeds of Swing Loans or the Revolving Loans unless the Borrowers make such payments on the next succeeding Business Day after the Borrower Agent receives written notice from the Administrative Agent requesting such payments. The Borrower hereby authorizes the Swing Loan Lender to make such Swing Loans pursuant to *Section 2.3(a) (Swing Loans)* and the Lenders to make such Loans pursuant to *Section 2.2(a) (Borrowing Procedures)* from time to time in the amounts of any and all principal payable with respect to the Swing Loans, Reimbursement Obligations, interest, fees, expenses and other sums payable in respect of the Loans and Protective Advances, and further authorizes the Administrative Agent to give the Lenders notice of any Borrowing with respect to such Swing Loans and the Revolving Loans and to distribute the proceeds of such Swing Loans and the Revolving Loans to pay such amounts. The Borrowers agree that all such Swing Loans and the Revolving Loans so made shall be deemed to have been requested by it (irrespective of the satisfaction of the conditions in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)*, which conditions the Lenders irrevocably waive) and directs that all proceeds thereof shall be used to pay such amounts.

Section 2.14 Special Provisions Governing Eurodollar Rate Loans

(a) Determination of Interest Rate

The Eurodollar Rate for each Interest Period for Eurodollar Rate Loans shall be determined by the Administrative Agent pursuant to the procedures set forth in the definition of “*Eurodollar Rate*.” The Administrative Agent’s determination shall be presumed to be correct and binding on the Loan Parties, absent manifest error.

(b) Interest Rate Unascertainable, Inadequate or Unfair

In the event that (i) the Administrative Agent reasonably determines that adequate and fair means do not exist for ascertaining the applicable interest rates by reference to which the Eurodollar Rate then being determined is to be fixed or (ii) the Requisite Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period will not adequately reflect the cost to the Lenders of making or maintaining such Loans for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower Agent and the Lenders, whereupon each Eurodollar Rate Loan shall automatically, on the last day of the current Interest Period for such Loan, convert into a Base Rate Loan and the obligations of the Lenders to make Eurodollar Rate Loans or to convert Base Rate Loans into Eurodollar Rate Loans shall be suspended until the Administrative Agent shall notify the Borrower Agent that the Requisite Lenders have determined that the circumstances causing such suspension no longer exist.

(c) Increased Costs

If at any time any Lender reasonably determines that the introduction of, or any change in or in the interpretation of, any law, treaty or governmental rule, regulation or order (other than any change by way of imposition or increase of reserve requirements included in determining the Eurodollar Rate) or the compliance by such Lender with any guideline, request or directive from any central bank or other Governmental Authority (whether or not having the force of law), shall have the effect of increasing the cost to such Lender of agreeing to make or making, funding or maintaining any Eurodollar Rate Loans, then the Borrowers shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts reasonably determined by such Lender to be sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower Agent and the Administrative Agent by such Lender, shall be *prima facie* evidence of the amount of such increased costs.

(d) Illegality

Notwithstanding any other provision of this Agreement, if any Lender reasonably determines that the introduction of, or any change in or in the interpretation of, any law, treaty or governmental rule, regulation or order after the Effective Date shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender or its Eurodollar Lending Office to make Eurodollar Rate Loans or to continue to fund or maintain Eurodollar Rate Loans, then, on notice thereof and demand therefor by such Lender to the Borrowers through the Administrative Agent, (i) the obligation of such Lender to make or to continue Eurodollar Rate Loans and to convert Base Rate Loans into Eurodollar Rate Loans shall be suspended, and each such Lender shall make a Base Rate Loan as part of any requested Borrowing of Eurodollar Rate Loans and (ii) if the affected Eurodollar Rate Loans are then outstanding, the Borrowers shall immediately convert each such Loan into a Base Rate Loan. If, at any time after a Lender gives notice under this *clause (d)*, such Lender determines that it may lawfully make Eurodollar Rate Loans, such Lender shall promptly give notice of that

determination to the Borrower Agent and the Administrative Agent, and the Administrative Agent shall promptly transmit the notice to each other Lender. The Borrowers' right to request, and such Lender's obligation, if any, to make Eurodollar Rate Loans shall thereupon be restored.

(e) Breakage Costs

In addition to all amounts required to be paid by the Borrowers pursuant to *Section 2.10 (Interest)*, the Borrowers shall compensate each Lender, upon demand, for all losses, expenses and liabilities (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Lender's Eurodollar Rate Loans to the Borrowers) that such Lender shall reasonably determine it has sustained (i) if for any reason (other than solely by reason of such Lender being a Non-Funding Lender) a proposed Borrowing, conversion into or continuation of Eurodollar Rate Loans does not occur on a date specified therefor in a Notice of Borrowing or a Notice of Conversion or Continuation given by the Borrower Agent or in a telephonic request by it for borrowing or conversion or continuation or a successive Interest Period does not commence after notice therefor is given pursuant to *Section 2.11 (Conversion/Continuation Option)*, (ii) if for any reason any Eurodollar Rate Loan is prepaid (including mandatorily pursuant to *Section 2.9 (Mandatory Prepayments)*) on a date that is not the last day of the applicable Interest Period, (iii) as a consequence of a required conversion of a Eurodollar Rate Loan to a Base Rate Loan as a result of any of the events indicated in *clause (d) above* or (iv) as a consequence of any failure by the Borrowers to repay Eurodollar Rate Loans when required by the terms hereof. The Lender making demand for such compensation shall deliver to the Borrowers concurrently with such demand a written statement as to such losses, expenses and liabilities, and this statement shall be *prima facie* evidence as to the amount of compensation due to such Lender, absent manifest error.

Section 2.15 Capital Adequacy

If at any time any Lender reasonably determines that (a) the adoption of, or any change in or in the interpretation of, any law, treaty or governmental rule, regulation or order after the Effective Date regarding capital adequacy, (b) compliance with any such law, treaty, rule, regulation or order adopted or modified, or as to which interpretation has changed, after the Effective Date or (c) compliance with any guideline or request or directive from any central bank or other Governmental Authority (whether or not having the force of law) given after the Effective Date shall have the effect of reducing the rate of return on such Lender's (or any corporation controlling such Lender's) capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change, compliance or interpretation, then, upon demand from time to time by such Lender (with a copy of such demand to the Administrative Agent), the Borrowers shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts reasonably determined by such Lender to be sufficient to compensate such Lender for such reduction. A certificate as to such amounts submitted to the Borrowers and the Administrative Agent by such Lender shall be *prima facie* evidence of such amounts.

Section 2.16 Taxes

(a) Except as otherwise provided in this *Section 2.16 (Taxes)*, any and all payments by any Loan Party under each Financing Agreement to, or for the account of, any Lender, Issuer or the Administrative Agent shall be made free and clear of and without deduction

for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) in the case of each Lender, each Issuer and the Administrative Agent (A) taxes measured by its net income or net profits, and franchise taxes imposed on it, and similar taxes imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender, such Issuer or the Administrative Agent (as the case may be) is organized and (B) any U.S. withholding taxes payable with respect to payments under the Financing Agreements under laws (including any statute, treaty or regulation) in effect on the Effective Date (or, in the case of (x) an Eligible Assignee, the date of the Assignment and Acceptance, (y) a successor Administrative Agent, the date of the appointment of such Administrative Agent and (z) a successor Issuer, the date on which such Issuer becomes an Issuer) applicable to such Lender, such Issuer or the Administrative Agent, as the case may be, but not excluding any U.S. withholding taxes payable as a result of any change in such laws occurring after the Effective Date (or the date of such Assignment and Acceptance or the date of such appointment of such Administrative Agent or the date on which such Issuer becomes an Issuer), (ii) in the case of each Lender or each Issuer, taxes measured by its net income or net profits and franchise taxes imposed on it as a result of a present or former connection (other than a connection arising solely from this Agreement) between such Lender or such Issuer (as the case may be) and the jurisdiction of the Governmental Authority imposing such tax or any taxing authority thereof or therein, and (iii) any taxes, levies, imposts, deductions, charges or withholdings, or any liabilities with respect thereto, to the extent imposed as a result of the unreasonable failure of the Administrative Agent or a Lender, as applicable, to provide upon a timely written demand by the Borrower Agent to the Administrative Agent any certificates, documents or other evidence required to qualify for an exemption from, or reduced rate of, any such taxes, levies, imposts, deductions, charges or withholdings as required by the immediately following subsection (f) or (g) as the case may be to be furnished by the Administrative Agent or such Lender, as applicable (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If any Taxes shall be required by law to be deducted from or in respect of any sum payable under any Financing Agreement to any Lender, any Issuer or the Administrative Agent (w) the sum payable shall be increased as may be necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this *Section 2.16 (Taxes)*), such Lender, such Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (x) the relevant Loan Party shall make such deductions, (y) the relevant Loan Party shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable Requirements of Law and (z) the relevant Loan Party shall deliver to the Administrative Agent evidence of such payment in accordance with *Section 2.16(d)*.

(b) In addition, each Loan Party agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of the United States or any political subdivision thereof or any applicable foreign jurisdiction, and all liabilities with respect thereto, in each case arising from any payment made under any Financing Agreement or from the execution, delivery or registration of, or otherwise with respect to, any Financing Agreement (collectively, "*Other Taxes*"). Each Loan Party authorizes the Administrative Agent to pay such Other Taxes in the name of such Loan Party and, for such purpose, to submit a Notice of Borrowing for Loans in the currency such Other Taxes are owed (or, if not available, in Dollars) (i) after the occurrence and during the continuance of any Event of Default and in respect of any event occurring on the Effective Date and (ii) otherwise, with the consent of such Loan Party, in the name of the Loan Party owing such Other Taxes and in an

aggregate principal amount not to exceed all amounts owing in respect of such Other Taxes. If such a Notice of Borrowing is prepared by the Administrative Agent, the Borrowing corresponding thereto shall be made without regard to the conditions precedent set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* and the proceeds thereof shall be disbursed to the Administrative Agent in the name of the Borrowers and shall be used by the Administrative Agent solely to pay such Other Taxes (any excess thereof to be used to repay such Borrowing). The Administrative Agent may also make Swing Loans and Protective Advances to pay such Other Taxes in the name of such Loan Party and may pay such Other Taxes and seek separate reimbursement of such Other Taxes hereunder as a Secured Obligation, unless the Borrowers agree to pay such Other Taxes on the next succeeding Business Day after the Borrower Agent receives written notice from the Administrative Agent requesting such payments and evidence of such payments have been provided to the Administrative Agent.

(c) If any Loan Party shall fail to pay any Tax or Other Tax when due, then each Loan Party shall, jointly and severally, indemnify each Lender, each Issuer and the Administrative Agent for the full amount of such Taxes and Other Taxes (including any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this *Section 2.16 (Taxes)*) paid by such Lender, such Issuer or the Administrative Agent (as the case may be) and any liability (including for penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 10 days from the date such Lender, such Issuer or the Administrative Agent (as the case may be) makes written demand therefor.

(d) As soon as practical after the date of any payment of Taxes or Other Taxes by any Loan Party pursuant to this *Section 2.16 (Taxes)*, the Borrower Agent or relevant Loan Party shall furnish to the Administrative Agent, at its address referred to in *Section 11.8 (Notices, Etc.)*, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Without prejudice to the survival of any other agreement of any Loan Party hereunder or under the Guaranty, the agreements and obligations of such Loan Party contained in this *Section 2.16* shall survive the payment in full of the Obligations.

(f) Each Non-U.S. Lender that is entitled to an exemption from U.S. withholding tax, or that is subject to such tax at a reduced rate under an applicable tax treaty, shall, (w) on or prior to the date on which such Non-U.S. Lender becomes a Lender, (x) on or prior to the date on which any such form or certification expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it to the Borrower Agent and the Administrative Agent, and (z) from time to time thereafter if requested by the Borrower Agent or the Administrative Agent, provide the Administrative Agent and the Borrower Agent with two completed originals of each of the following, as applicable: (A) Form W-8ECI (claiming exemption from U.S. withholding tax because the income is effectively connected with a U.S. trade or business) or any successor form, (B) Form W-8BEN (claiming exemption from, or a reduction of, U.S. withholding tax under an income tax treaty) or any successor form, (C) in the case of a Non-U.S. Lender claiming exemption under Sections 871(h) or 881(c) of the Code, a Form W-8BEN (claiming exemption from U.S. withholding tax under the portfolio interest exemption) or any successor form or (D) any other applicable form, certificate or document prescribed by the IRS certifying as to such Non-U.S. Lender's entitlement to such exemption from U.S. withholding tax or reduced rate with respect to all payments to be made to such Non-U.S. Lender under the Financing Agreements.

Unless the Borrower Agent and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments under any Financing Agreement to or for a Non-U.S. Lender are not subject to U.S. withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Loan Parties and the Administrative Agent shall withhold amounts required to be withheld by applicable Requirements of Law from such payments at the applicable statutory rate.

(g) Each U.S. Lender shall, (w) on or prior to the date on which such U.S. Lender becomes a Lender, (x) on or prior to the date on which any such form or certification expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it to the Borrower Agent and the Administrative Agent and (z) from time to time if requested by the Borrower Agent or the Administrative Agent, provide the Administrative Agent and the Borrower Agent with two completed originals of Form W-9 (certifying that such U.S. Lender is entitled to an exemption from U.S. backup withholding tax) or any successor form. Solely for purposes of this Section 2.16(f), a U.S. Lender shall not include a Lender, an Issuer or an Administrative Agent that may be treated as an exempt recipient based on the indicators described in Treasury Regulations section 1.6049-4(c)(1)(ii).

(h) Any Lender claiming any additional amounts payable pursuant to this *Section 2.16* shall use its reasonable efforts (consistent with its internal policies and Requirements of Law) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that would be payable or may thereafter accrue and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

Section 2.17 Substitution of Lenders; Mitigation

(a) In the event that (i)(A) any Lender makes a claim under *Section 2.14(c) (Increased Costs)* or *2.15 (Capital Adequacy)*, (B) it becomes illegal for any Lender to continue to fund or make any Eurodollar Rate Loan and such Lender notifies the Borrower Agent of such illegality pursuant to *Section 2.14(d) (Illegality)*, (C) any Loan Party is required to make any payment pursuant to *Section 2.16 (Taxes)* that is attributable to a particular Lender or (D) any Lender becomes a Non-Funding Lender, and (ii) in the case of *clause (i)(A)*, and (B) above, Requisite Lenders are not subject to such increased costs or illegality, payment or proceedings (any such Lender, an “*Affected Lender*”), the Borrowers may substitute any Lender or Lenders and, if reasonably acceptable to the Administrative Agent, one or more Eligible Assignees (a “*Substitute Institution*”) for such Affected Lender hereunder, after delivery of a written notice (a “*Substitution Notice*”) by the Borrowers to the Administrative Agent and the Affected Lender that the Borrowers intend to make such substitution.

(b) If the Substitution Notice was properly issued under this *Section 2.17*, the Affected Lender shall sell, and the Substitute Institution(s) shall purchase, all rights and claims of such Affected Lender under the Financing Agreements, and the Substitute Institution(s) shall assume, and the Affected Lender shall be relieved of, the Affected Lender’s Revolving Credit Commitments and all other prior unperformed obligations of the Affected Lender under the Financing Agreements (other than in respect of any damages which, pursuant to *Section 11.5 Limitation of Liability*, do not include exemplary or punitive damages, to the extent permitted by applicable Requirements of Law in respect of any such unperformed obligations). Such purchase and sale (and the corresponding assignment of all rights and claims hereunder) shall be recorded

in the Register maintained by the Administrative Agent and shall be effective on (and not earlier than) the later of (i) the receipt by the Affected Lender of its Ratable Portion of the Revolving Credit Outstandings, together with any other Obligations owing to it, (ii) the receipt by the Administrative Agent of an agreement in form and substance reasonably satisfactory to it and the Borrower Agent whereby the Substitute Institution shall agree to be bound by the terms hereof, (iii) the payment in full to the Affected Lender in cash of all fees, unreimbursed costs and expenses and indemnities payable under the Financing Agreements which are accrued and unpaid through such effective date and (iv) the recording of such sale and purchase (and corresponding assignment) in the Register maintained by the Administrative Agent. Upon the effectiveness of such sale, purchase and assumption, the Substitute Institution shall become a "Lender" hereunder for all purposes of this Agreement having a Revolving Credit Commitment in the amount of such Affected Lender's Revolving Credit Commitment assumed by it and such Revolving Credit Commitment of the Affected Lender shall be terminated; *provided, however*, that all indemnities under the Financing Agreements shall continue in favor of such Affected Lender.

(c) Each Lender agrees that, if it becomes an Affected Lender and its rights and claims are assigned hereunder to a Substitute Institution pursuant to this *Section 2.17*, it shall execute and deliver to the Administrative Agent an Assignment and Acceptance to evidence such assignment, together with any Revolving Credit Note (if such Loans are evidenced by a Revolving Credit Note) evidencing the Loans subject to such Assignment and Acceptance; *provided, however*, that the failure of any Affected Lender to execute an Assignment and Acceptance shall not render such assignment invalid.

Section 2.18 Facility Increase

(a) *General*. The Borrower Agent may request, in writing, at any time prior to the Revolving Credit Termination Date one or more increases of the Revolving Credit Commitments in a principal amount of up to \$50,000,000 in the aggregate (the "*Facility Increase*"); *provided, however*, that such increase must be in a minimum principal amount of at least \$25,000,000 and integral multiples of \$1,000,000 in excess thereof and will only become effective if (i) the Borrower Agent shall have given the Administrative Agent at least 10 Business Days' notice of its intention to effect a Facility Increase and the desired amount of such Facility Increase, (ii) no Default or Event of Default has occurred and is continuing, (iii) one or more Lenders agree to participate in such Facility Increase (or a financial institution or other entity that meets the definition of "Eligible Assignee" reasonably acceptable to the Administrative Agent and the Borrowers agree to accept an offer to commit to such increase as provided below) and (iv) the conditions precedent to a Borrowing set forth in *Section 3.2 (Conditions Precedent to Each Loan and Letter of Credit)* are satisfied as of such date.

(b) *Procedures*. The Borrowers shall offer such increase to (x) the existing Lenders (although no existing Lender shall be obligated to commit to such increase) or (y) other Eligible Assignees reasonably acceptable to the Administrative Agent, *provided, however*, that the minimum Revolving Credit Commitment of each such new Eligible Assignee accepting a Revolving Credit Commitment as part of such Facility Increase equals or exceeds \$5,000,000, and such Lender or Eligible Assignee executes a Lender Joinder Agreement pursuant to which such Lender agrees to commit to all or a portion of such Facility Increase and, in the case of an Eligible Assignee, to be bound by the terms of this Agreement as a Lender. On the effective date provided for in such Lender Joinder Agreement providing for a Facility Increase (each a "*Facility Increase Effective Date*"), the Revolving Credit Commitments will be increased by the amount committed to by each Lender or Eligible Assignee on the Facility Increase Effective Date. In the

event there are Lenders and Eligible Assignees that have committed to a Facility Increase in excess of the maximum amount requested (or permitted), then the Administrative Agent shall have the right to allocate such commitments on whatever basis the Administrative Agent determines is appropriate in consultation with the Borrower Agent.

(c) *Funding of Facility Increase.* On each Facility Increase Effective Date, each Lender and Eligible Assignee providing a portion of the Facility Increase shall transfer immediately available funds to the Administrative Agent in an amount equal to its Ratable Portion (after giving effect to such Facility Increase) of outstanding Loans. The Administrative Agent shall distribute such amount ratably among the Lenders.

Section 2.19 Appointment of Borrower Agent as Agent.

(a) Each Borrower hereby irrevocably appoints and constitutes Borrower Agent as its agent to request and receive Loans and Letters of Credit pursuant to this Agreement and the other Financing Agreements from the Administrative Agent or any Lender in the name or on behalf of such Borrower. The Administrative Agent and Lenders may disburse the Loans to such bank account of Borrower Agent or a Borrower or otherwise make such Loans to a Borrower and issue a Letter of Credit for the account of a Borrower as Borrower Agent may designate or direct, without notice to any other Borrower or Loan Party. Notwithstanding anything to the contrary contained herein, the Administrative Agent may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) Borrower Agent hereby accepts the appointment by Borrowers to act as the agent of Borrowers pursuant to this *Section 2.19*.

(c) Borrower Agent shall ensure that the disbursement of any Loans to each Borrower requested by or paid to or for the account of the Borrowers, or the issuance of any Letters of Credit for a Borrower hereunder, shall be paid to or for the account of such Borrower.

(d) Each Borrower and other Guarantor hereby irrevocably appoints and constitutes Borrower Agent as its agent to receive statements on account and all other notices from the Administrative Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Financing Agreements.

(e) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower or any Guarantor by Borrower Agent shall be deemed for all purposes to have been made by such Borrower or Guarantor, as the case may be, and shall be binding upon and enforceable against such Borrower or Guarantor to the same extent as if made directly by such Borrower or Guarantor.

(f) No purported termination of the appointment of Borrower Agent as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to the Administrative Agent.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Effective Date

The effectiveness of this Agreement shall be subject to the satisfaction or due waiver in accordance with *Section 11.1 (Amendments, Waivers, Etc.)* of each of the following conditions precedent (the date on which such conditions are satisfied or waived being herein called the “*Effective Date*”):

(a) *Certain Documents*. The Administrative Agent shall have received on or prior to the Effective Date (and, to the extent any Borrowing of any Eurodollar Rate Loans is requested to be made on the Effective Date, in respect of the Notice of Borrowing for such Eurodollar Rate Loans, at least three Business Days prior to the Effective Date) each of the following, each dated the Effective Date unless otherwise indicated or agreed to by the Administrative Agent, in form and substance satisfactory to the Administrative Agent and in sufficient copies for each Lender:

(i) this Agreement, duly executed and delivered by the Borrowers and, for the account of each Lender requesting the same, a Revolving Credit Note of the Borrowers conforming to the requirements set forth herein;

(ii) the Guaranty, duly executed and delivered by Holdings and each Domestic Subsidiary (other than an Inactive Subsidiary) that has guaranteed the Term Loan Facility;

(iii) the Pledge and Security Agreement, duly executed and delivered by Holdings and each of its Domestic Subsidiaries;

(iv) the Master Assignment and Resignation Agreement, in substantially the form attached hereto as *Exhibit O*, duly executed by the Borrowers, the Guarantors, the Existing Agent under the Existing Credit Agreement Administrative Agent;

(v) Assignments of the mortgages delivered under the Existing Credit Agreement in favor of the Existing Agent for all of the owned Real Properties of the Loan Parties identified on *Schedule 4.19 (Real Property)* (except as may be agreed to by the Administrative Agent), together with down-date endorsements of existing title policies for each of the owned Real Properties in favor of the Administrative Agent insuring the mortgages as assigned by the assignments and copies of all other Mortgage Supporting Documents relating thereto available to the Borrowers;

(vi) a favorable opinion of (A) Alston & Bird LLP, counsel to the Loan Parties, in substantially the form of Exhibit G (Form of Opinion of Counsel for the Loan Parties) and (B) counsel to the Loan Parties in North Carolina and Virginia, in each case addressed to the Administrative Agent and the Lenders and addressing such other matters as any Lender through the Administrative Agent may reasonably request.

(vii) a copy of the articles or certificate of incorporation (or equivalent Constituent Document) of each Loan Party, certified as of a recent date by the Secretary of State of the state of organization or formation of such Loan Party, in each case together with certificates of such official attesting to the good standing of each such Loan Party in such state, and certificates regarding the good standing of such Loan Parties issued by the Secretaries of State of the jurisdictions set forth on *Schedule 3.1 (a)(vii) (Foreign Qualifications)*;

(viii) a certificate of the Secretary or an Assistant Secretary of each Loan Party certifying (A) the names and true signatures of each officer of such Loan Party that has been authorized to execute and deliver any Financing Agreement or other document required hereunder to be executed and delivered by or on behalf of such Loan Party on or before the Effective Date, (B) the by-laws (or equivalent Constituent Document) of such Loan Party as in effect on the date of such certification, (C) the resolutions of such Loan Party's Board of Directors (or equivalent governing body) approving and authorizing the execution, delivery and performance of this Agreement and the other Financing Agreements to which it is a party and (D) that there have been no changes in the certificate of incorporation (or equivalent Constituent Document) of such Loan Party from the certificate of incorporation (or equivalent Constituent Document) delivered pursuant to *clause (vii)* above;

(ix) certificates of insurance evidencing that the insurance policies required by *Section 7.5 (Maintenance of Insurance)* are in full force and effect, together with, unless otherwise agreed by the Administrative Agent, endorsements naming the Administrative Agent, on behalf of the Secured Parties, as an additional insured or loss payee under all liability and property insurance policies to be maintained with respect to the properties of the Borrowers and their Subsidiaries that constitute Collateral, subject to the Intercreditor Agreement; and

(x) a certificate of a Responsible Officer to the effect that (A) the representations and warranties set forth in *Article IV (Representations and Warranties)* and in the other Financing Agreements shall be true and correct in all material respects on and as of the Closing Date and shall be true and correct in all material respects on and as of any such date after the Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date; and (B) no Default or Event of Default shall have occurred and be continuing.

(xi) such other certificates, documents, agreements and information respecting any Loan Party as any Lender through the Administrative Agent may reasonably request.

(b) *Fee and Expenses Paid*. There shall have been paid to the Administrative Agent, for the account of the Administrative Agent and the Lenders, as applicable, all fees and expenses (including reasonable and documented fees and expenses of counsel to the Administrative Agent) due and payable on or before the Effective Date (including all such fees described in the Fee Letter) under or in connection with this Agreement.

(c) *Consents, Etc.* The Loan Parties shall have received all consents and authorizations required pursuant to any material Contractual Obligation with any other Person and shall have obtained all Permits of, and effected all notices to and filings with, any Governmental Authority, in each case, as may be necessary to allow each Loan Party lawfully (i) to execute, deliver and perform, in all material respects, their respective obligations hereunder and under the Financing Agreements to which each of them, respectively, is, or shall on the Effective Date be, a party and each other agreement or instrument to be executed and delivered by each of them, respectively, pursuant thereto or in connection therewith, and (ii) to create and perfect the Liens on the Collateral to be owned by each of them.

(d) *Minimum Excess Availability.* On the Effective Date, Excess Availability shall not be less than \$20,000,000 (after giving effect to Loans made hereunder).

(e) *Material Adverse Effect.* Since February 3, 2007, there shall not have occurred a Material Adverse Effect.

(f) *Additional Matters.* The Administrative Agent shall have received such additional documents, information and materials as any Lender, through the Administrative Agent, may reasonably request.

Section 3.2 Conditions Precedent to Each Loan and Letter of Credit

The obligation of each Lender on any date (including the Effective Date) to make any Loan and of each Issuer on any date (including the Effective Date) to Issue any Letter of Credit is subject to the satisfaction of each of the following conditions precedent:

(a) *Request for Borrowing or Issuance of Letter of Credit.* With respect to any Loan (other than Loans outstanding under the Existing Credit Agreement and being continued under this Agreement), the Administrative Agent shall have received a duly executed Notice of Borrowing (or, in the case of Swing Loans, a duly executed Swing Loan Request), and, with respect to any Letter of Credit, the Administrative Agent and the Issuer shall have received a duly executed Letter of Credit Request.

(b) *Representations and Warranties; No Defaults.* The following statements shall be true on the date of such Loan or Issuance, both immediately before and immediately after giving effect thereto and, in the case of any Loan, giving effect to the application of the proceeds thereof:

(i) the representations and warranties set forth in *Article IV (Representations and Warranties)* and in the other Financing Agreements shall be true and correct in all material respects on and as of the Effective Date and shall be true and correct in all material respects on and as of any such date after the Effective Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date; and

(ii) no Default or Event of Default shall have occurred and be continuing.

(c) *Borrowing Base*. After giving effect to the Loans or Letters of Credit requested to be made or Issued on any such date and the use of proceeds thereof, the Revolving Credit Outstandings shall not exceed the Maximum Credit at such time.

(d) *No Legal Impediments*. The making of the Loans or the Issuance of such Letter of Credit on such date does not violate any Requirement of Law on the date of or immediately following such Loan or Issuance of such Letter of Credit and is not enjoined, temporarily, preliminarily or permanently.

Each submission by the Borrower Agent to the Administrative Agent of a Notice of Borrowing or a Swing Loan Request and the acceptance by the Borrowers of the proceeds of each Loan requested therein, and each submission by the Borrowers to an Issuer of a Letter of Credit Request, and the Issuance of each Letter of Credit requested therein, shall be deemed to constitute a representation and warranty by the Borrowers as to the matters specified in *clause (b)* above on the date of the making of such Loan or the Issuance of such Letter of Credit.

Section 3.3 Determinations of Effective Date Borrowing Conditions

For purposes of determining compliance with the conditions specified in *Section 3.1 (Conditions Precedent to Effective Date)*, each Lender shall be deemed to have consented to, approved, accepted or be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Financing Agreements shall have received notice from such Lender prior to the Borrowing on the Effective Date, borrowing of Swing Loans or Issuance or deemed Issuance hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's Ratable Portion of such Borrowing or Swing Loans.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders, the Issuers and the Administrative Agent to enter into this Agreement, each of Holdings and each Borrower represents and warrants each of the following to the Lenders, the Issuers and the Administrative Agent, on and as of the Effective Date and after giving effect to the making of the Loans and the other financial accommodations on the Effective Date and on and as of each date as required by *Section 3.2(b)(i) (Conditions Precedent to Each Loan and Letter of Credit)*:

Section 4.1 Corporate Existence; Compliance with Law

Each Loan Party and its Subsidiaries (a) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, except where the failure to be so duly organized, validly existing and in good standing could not reasonably be expected to have a Material Adverse Effect, (b) is duly qualified to do business as a foreign entity and is in good standing under the laws of each jurisdiction where such qualification is necessary, except where the failure to be so qualified or in good standing could not reasonably be expected to, in the aggregate, have a Material Adverse Effect, (c) has all requisite power and authority and the legal right to own, pledge, mortgage and operate its properties, to lease the

property it operates under lease and to conduct its business as now or currently proposed to be conducted, except where the failure to have such power and authority could not reasonably be expected to have a Material Adverse Effect, (d) is in compliance with all material provisions of its Constituent Documents and (e) is in compliance with all applicable Requirements of Law (including the Anti-Terrorism Order and the Patriot Act) except where the failure to be in compliance could not reasonably be expected to, in the aggregate, have a Material Adverse Effect.

Section 4.2 Corporate Power; Authorization; Enforceable Obligations

(a) The execution, delivery and performance by each Loan Party of the Financing Agreements to which it is a party and the consummation of the transactions contemplated thereby:

(i) are within such Loan Party's powers as a corporation, limited liability company, partnership or other form of business entity;

(ii) have been or, at the time of delivery thereof, will have been duly authorized by all necessary corporate, limited liability company, partnership or similar action, including the consent of shareholders, partners and members where required;

(iii) do not and will not (A) contravene or violate such Loan Party's Constituent Documents, except where such contravention or violation could not reasonably be expected to have a Material Adverse Effect, (B) violate any other Requirement of Law applicable to such Loan Party (including Regulations T, U and X of the Federal Reserve Board), or any order or decree of any Governmental Authority or arbitrator applicable to such Loan Party, except where such violation could not reasonably be expected to have a Material Adverse Effect, (C) conflict with or result in the breach of, or constitute a default under, or result in or permit the termination or acceleration of any material Contractual Obligation of such Loan Party, except where such conflict, breach, default, termination or acceleration could not reasonably be expected to have a Material Adverse Effect or (D) result in the creation or imposition of any Lien upon any property of such Loan Party, other than (x) those in favor of the Secured Parties pursuant to the Collateral Documents and (y) Liens permitted by *Section 8.2(Liens, Etc.)*; and

(iv) do not require the consent of, authorization by, approval of, notice to, or filing or registration with, any Governmental Authority, other than those that have been or will be, prior to the Effective Date or on or prior to the date such Person becomes a Loan Party, obtained or made, and each of which is or will be, at the appropriate time, in full force and effect, except where failure to be in full force and effect could not reasonably be expected to have a Material Adverse Effect and, with respect to the Collateral, filings required to perfect the Liens created by the Collateral Documents.

(b) This Agreement has been, and each of the other Financing Agreements will have been upon delivery thereof pursuant to the terms of this Agreement, duly executed and delivered by each Loan Party party thereto. This Agreement is, and the other Financing Agreements will be, when delivered hereunder, the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies and general principles of equity.

Section 4.3 Ownership of Subsidiaries; Borrower Information

(a) Set forth on *Schedule 4.3 (Ownership of Subsidiaries; Borrower Information)* is a complete and accurate list showing, as of the date hereof, all Subsidiaries of the Loan Parties and, as to each such Subsidiary, the aggregate percentage of the outstanding Stock owned (directly or indirectly) by the Loan Parties. Except as set forth on such Schedule, no Stock of any Subsidiary of any Loan Party is as of the date hereof, subject to any outstanding option, warrant, right of conversion or purchase of any similar right. All of the outstanding Stock of each Subsidiary of the Loan Parties owned (directly or indirectly) by each Loan Party has been validly issued, is fully paid and non-assessable (to the extent applicable) and is owned by such Loan Party or a Subsidiary of such Loan Party, free and clear of all Liens (other than the Lien in favor of the Secured Parties created pursuant to the Pledge and Security Agreement and Liens permitted under *Section 8.2*).

(b) Each of C&W Outlet Inc., a New York corporation, ERL, Inc., a New Jersey corporation, and J. Crew Virginia, Inc., is an Inactive Subsidiary and does not and will not engage in any business or commercial activities and each does not and will not own or hold any assets or properties, except that J. Crew Virginia, Inc., a Virginia corporation, may engage in activities in connection with the issuance of gift cards and store credits for and on behalf of Borrowers. J. Crew Virginia, Inc. does not and will not engage in any other business or activity and does not and will not hold any assets or properties.

Section 4.4 Financial Statements

The Consolidated balance sheet of Holdings and its Subsidiaries as at February 3, 2007, and the related Consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for the Fiscal Year then ended, certified by the Borrowers' Accountants, fairly present in all material respects, the Consolidated financial condition of Holdings and its Subsidiaries as at such dates and the Consolidated results of the operations of Holdings and its Subsidiaries for the period ended on such dates, all in conformity with GAAP.

Section 4.5 Material Adverse Effect

Since February 3, 2007, there have been no events or developments that, in the aggregate, have had a Material Adverse Effect.

Section 4.6 Solvency

Each Loan Party is and, upon the incurrence of any Obligation by such Loan Party on any date on which this representation and warranty is made, will be, Solvent.

Section 4.7 Litigation

Except as set forth on *Schedule 4.7 (Litigation)*, there are no pending, or to the knowledge of Holdings or any of its Subsidiaries, threatened, actions, investigations or proceedings affecting any Loan Party or any of its Subsidiaries before any court, Governmental Authority or arbitrator other than those that, in the aggregate, could not reasonably be expected to

have a Material Adverse Effect. The performance of any action by any Loan Party required or contemplated by any Financing Agreement is not restrained or enjoined (either temporarily, preliminarily or permanently).

Section 4.8 Taxes

Each Loan Party has timely filed all federal, state, local and foreign income and franchise and other material tax returns, reports and statements required to be filed and paid and discharged before the same have become delinquent, all lawful governmental claims, taxes, assessments, charges and levies, except (x) where contested in good faith by proper proceedings and adequate reserves thereof have been established on the books of such Loan Party in conformity with GAAP or (y) where the failure to pay and discharge such delinquent claims, taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 4.9 Full Disclosure

The written information prepared or furnished by or on behalf of any Loan Party in connection with this Agreement or the consummation of the transactions contemplated hereunder taken as a whole, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading in any material respect in light of the circumstances in which the same were made.

Section 4.10 Margin Regulations

No Loan Party is engaged principally in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Federal Reserve Board), and no proceeds of any Loan will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock in contravention of Regulation T, U or X of the Federal Reserve Board.

Section 4.11 No Defaults

No Default or Event of Default has occurred and is continuing.

Section 4.12 Investment Company Act

Neither Holdings nor any of its Subsidiaries is an “*investment company*” or an “*affiliated person*” of, or “*promoter*” or “*principal underwriter*” for, an “*investment company*,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 4.13 Use of Proceeds

The proceeds of the Loans and the Letters of Credit are being used by the Borrowers (and, to the extent distributed to them by the Borrowers, each other Loan Party) solely for working capital and general corporate purposes.

Section 4.14 [Intentionally Omitted]

Section 4.15 Labor Matters

Neither Holdings nor any of its Subsidiaries is engaged in any unfair labor practice that would reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Holdings or any of its Subsidiaries, before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Holdings or any of its Subsidiaries and (b) no strike or work stoppage in existence involving Holdings or any of its Subsidiaries, except (with respect to any matter specified in clause (a) or (b) above) such as is not reasonably likely to have a Material Adverse Effect.

Section 4.16 ERISA

(a) As of the date hereof, there are no Title IV Plans or Multiemployer Plans.

(b) Each Benefit Plan, and each related trust thereunder, intended to qualify for tax-qualified status under Section 401 or 501 of the Code so qualifies, except where such failures, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(c) Except for those that could not reasonably be expected to, in the aggregate, have a Material Adverse Effect, (i) each Benefit Plan is in compliance in all material respects with applicable provisions of ERISA, the Code and other Requirements of Law, (ii) there are no existing or pending (or, to the knowledge of any Loan Party, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigation involving any Benefit Plan to which any Loan Party incurs or otherwise has or could have an obligation or any liability and (iii) no ERISA Event is reasonably expected to occur.

(d) On the Effective Date no ERISA Event has occurred in connection with which obligations and liabilities (contingent or otherwise) remain outstanding.

Section 4.17 Environmental Matters

(a) No Loan Party or any Real Property is subject to any pending claim, order, proceeding or governmental investigation, nor to the knowledge of any Loan Party has any of the foregoing been threatened in writing, under or pursuant to Environmental Laws other than those that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) No Real Property owned, operated or leased by any Loan Party is a treatment, storage or disposal facility requiring a Permit under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, the regulations thereunder or any state analog.

Section 4.18 [Intentionally Omitted]

Section 4.19 Title; Real Property

(a) Each Loan Party has good and marketable title to, or valid leasehold interests in, all Real Property and good title or valid leasehold interests in, all personal property, in each case that is purported to be owned or leased by it, except where the failure to have such good and marketable title, or valid leasehold interests, could not reasonably be expected to have a Material Adverse Effect, and none of the Loan Parties' properties and assets is subject to any Lien, except Liens permitted under *Section 8.2 (Liens, Etc.)*.

(b) Set forth on *Schedule 4.19 (Real Property)* is, as of the date hereof, a complete and accurate list of all Real Property, including without limitation, all Leases of each Loan Party and its Subsidiaries and showing, as of the date hereof, the current street address (including, where applicable, county, state and other relevant jurisdictions), record owner or landlord (if leased) and, where applicable, lessee thereof.

(c) All Permits required to have been issued or appropriate to enable all Real Property of any Loan Party to be lawfully occupied and used for all of the purposes for which they are currently occupied and used have been lawfully issued and are in full force and effect, other than those that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 4.20 Credit Card Agreements.

Set forth in *Schedule 4.20 (Credit Card Agreements)* hereto is, as of the date hereof, a correct and complete list of all of the Credit Card Agreements between or among any Borrower or any of its Affiliates, on the one hand, the Credit Card Issuers, the Credit Card Processors and any of their Affiliates, on the other hand.

Section 4.21 Intercreditor Agreement

Exhibit N attaches the true, correct and complete copy of the Intercreditor Agreement which, as of the date hereof, has not been amended, modified or supplemented in any form since such May 15, 2006.

ARTICLE V

FINANCIAL COVENANTS

Each Loan Party agrees with the Lenders, the Issuers and the Administrative Agent to the following as long as any Obligation or any Revolving Credit Commitment remains outstanding, unless the Requisite Lenders otherwise consent in writing:

Section 5.1 Minimum Fixed Charge Coverage Ratio

At any time Excess Availability is less than \$20,000,000, the Fixed Charge Coverage Ratio of Holdings and its Subsidiaries (on a Consolidated basis) for the immediately preceding four consecutive Fiscal Quarters (treated as a single account period) ending on the last

day of the most recent Fiscal Quarter for which financial statements of Holdings and its Subsidiaries have been provided pursuant to *Section 6.1(a)* shall be not less than 1.10 to 1.00 with respect to such period.

ARTICLE VI

REPORTING COVENANTS

Each Loan Party agree with the Lenders, the Issuers and the Administrative Agent to each of the following, as long as any Obligation or any Revolving Credit Commitment remains outstanding and, in each case, unless the Requisite Lenders otherwise consent in writing:

Section 6.1 Financial Statements

Subject to *Section 6.16 (Electronic Delivery of Information)*, the Borrower Agent shall furnish to the Administrative Agent each of the following:

(a) *Quarterly Reports*. Within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, an unaudited Consolidated balance sheet of Holdings and its Subsidiaries as of the close of such Fiscal Quarter and the related unaudited Consolidated statements of income and cash flow for such Fiscal Quarter and that portion of the Fiscal Year ending as of the close of such Fiscal Quarter, setting forth in comparative form, in the case of the statement of income, the figures for the corresponding period in the prior year, in each case certified by a Responsible Officer of Holdings as fairly presenting, in all material respects, the Consolidated financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations for the periods indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments).

(b) *Annual Reports*. Within 90 days after the end of each Fiscal Year, a Consolidated balance sheet of Holdings and its Subsidiaries as of the end of such Fiscal Year and related Consolidated statements of income and cash flows of Holdings and its Subsidiaries for such Fiscal Year, all prepared in conformity with GAAP and certified, in the case of such Consolidated Financial Statements, without qualification as to the scope of the audit or as to the Borrowers being a going concern by the Borrowers' Accountants, together with the report of such accounting firm stating that (i) such Financial Statements fairly present, in all material respects, the Consolidated financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which the Borrowers' Accountants shall concur and that shall have been disclosed in the notes to the Financial Statements) and (ii) the examination by the Borrowers' Accountants in connection with such Consolidated Financial Statements has been made in accordance with generally accepted auditing standards, and accompanied by a certificate stating, and subject to Statement on Auditing Standards 62, that in the course of the regular audit of the business of the Holdings and its Subsidiaries such accounting firm has obtained no knowledge that a Default or Event of Default in respect of the financial covenants contained in *Article V (Financial Covenants)* has occurred and is continuing, or, if in the opinion of such accounting firm, a Default or Event of Default has occurred and is continuing in respect of such financial covenants, a statement as to the nature thereof.

(c) *Compliance Certificate*. Together with each delivery of any Financial Statement pursuant to *clause (a) or (b)* above, a certificate of a Responsible Officer of the Borrowers (each, a “*Compliance Certificate*”) (i) showing in reasonable detail the calculations used in determining the Quarterly Excess Availability (for purposes of determining the Applicable Margin) and demonstrating compliance with the financial covenant contained in *Article V (Financial Covenants)* but only if and to the extent compliance with such financial covenant was required during the applicable period and (ii) stating that no Default or Event of Default has occurred and is continuing or, if a Default or an Event of Default has occurred and is continuing, stating the nature thereof and the action that the Borrowers propose to take with respect thereto.

(d) *Business Plan*. Within 60 days after the end of each Fiscal Year, the annual business plan of Holdings and its Subsidiaries for the next succeeding Fiscal Year prepared on a Consolidated basis for each Fiscal Quarter in such Fiscal Year which shall include a Consolidated balance sheet and income statement and statement of cash flows for Holdings and its Subsidiaries for each such Fiscal Quarter.

Section 6.2 Default Notices

As soon as practicable, and in any event within five Business Days after a Responsible Officer of any Loan Party has actual knowledge of the existence of any (A) Default, Event of Default or other event having had, or having any reasonable likelihood of causing, or resulting in, a Material Adverse Effect or (B) any “Default”, “Event of Default (as such terms are defined under the Term Loan Facility) or other event having had, or having any reasonable likelihood of causing, or resulting in, a “Material Adverse Effect” (as such term is defined under the Term Loan Facility), in each case in *clauses (A) and (B)* above, the Borrowers shall give the Administrative Agent notice specifying the nature of such Default or Event of Default or other event, including the anticipated effect thereof, which notice, if given by telephone, shall be promptly confirmed in writing on the next Business Day.

Section 6.3 Litigation

Subject to *Section 6.16 (Electronic Delivery of Information)*, promptly after the commencement thereof, the Borrower Agent shall give the Administrative Agent written notice of the commencement of all actions, suits and proceedings before any domestic or foreign Governmental Authority or arbitrator affecting any Loan Party that (i) seeks injunctive or similar relief or (ii) exposes such Loan Party to liability that, in the case of either *clause (i) or (ii)*, could reasonably be expected to have a Material Adverse Effect.

Section 6.4 [Intentionally Omitted]

Section 6.5 SEC Filings

Subject to *Section 6.16 (Electronic Delivery of Information)*, promptly after the sending or filing thereof, the Borrower Agent shall send the Administrative Agent copies of (a) all reports that Holdings sends to its security holders generally, and (b) all reports and registration statements that any Loan Party files with the Securities and Exchange Commission or any national or foreign securities exchange or the National Association of Securities Dealers, Inc.

Section 6.6 Labor Relations

Subject to *Section 6.16 (Electronic Delivery of Information)*, promptly after becoming aware of the same, the Borrower Agent shall give the Administrative Agent written notice of (a) any material labor dispute to which any Loan Party is or may become a party, including any strikes, lockouts or other disputes relating to any of such Person's plants and other facilities, and (b) any Worker Adjustment and Retraining Notification Act or related liability incurred with respect to the closing of any plant or other facility of any such Person, in each case in *clause (a) and (b)* that could reasonably be expected to have a Material Adverse Effect.

Section 6.7 Tax Returns

Upon the request of any Lender, through the Administrative Agent, the Borrower Agent shall provide copies of all federal, state, local and foreign tax returns and reports filed by any Loan Party in respect of taxes measured by income (excluding sales, use, property and like taxes).

Section 6.8 Insurance

As soon as is practicable and in any event by the last day of each Fiscal Year, the Borrower Agent shall furnish the Administrative Agent evidence, reasonably satisfactory to the Administrative Agent of all material insurance coverage maintained by the Loan Parties.

Section 6.9 ERISA Matters

The Borrower Agent shall furnish the Administrative Agent each of the following:

(a) promptly and in any event within 30 days after any Loan Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, written notice describing such event; and

(b) promptly and in any event within 10 days after any ERISA Affiliate knows or has reason to know that a request for a minimum funding waiver under Section 412 of the Code has been filed with respect to any Title IV Plan or Multiemployer Plan, a written statement of a Responsible Officer of the Borrower Agent describing such ERISA Event or waiver request and any action, that any ERISA Affiliate proposes to take with respect thereto, together with a copy of any notice filed with the PBGC or the IRS pertaining thereto.

Section 6.10 Environmental Matters

Subject to *Section 6.16 (Electronic Delivery of Information)*, the Borrower Agent shall provide the Administrative Agent promptly and in any event within 10 days after any Loan Party learning of any of the following, written notice of each of the following:

(a) that any Loan Party is or may be liable to any Person as a result of a Release or threatened Release that could reasonably be expected to subject such Loan Party to Environmental Liabilities and Costs which could reasonably be expected to have a Material Adverse Effect;

(b) the receipt by any Loan Party of notification that any real or personal property of such Loan Party is or is reasonably likely to be subject to any Environmental Lien that could reasonably be expected to have a Material Adverse Effect;

(c) the receipt by any Loan Party of any notice of violation of or potential liability under, or knowledge by such Loan Party that there exists a condition that could reasonably be expected to result in a violation of or liability under, any Environmental Law, except for violations and liabilities the consequence of which, in the aggregate, could not reasonably be expected to subject the Loan Parties collectively to Environmental Liabilities and Costs which could reasonably be expected to have a Material Adverse Effect;

(d) the commencement of any judicial or administrative proceeding or investigation alleging a violation of or liability under any Environmental Law, that, in the aggregate, could reasonably be expected to subject the Loan Parties collectively to Environmental Liabilities and Costs which could reasonably be expected to have a Material Adverse Effect;

(e) upon written request by any Lender through the Administrative Agent, a report providing an update of the status of any environmental, health or safety compliance, hazard or liability issue identified in any notice or report delivered pursuant to this Agreement.

Section 6.11 Borrowing Base Determination

(a) Borrower Agent shall provide Administrative Agent with the following documents in a form reasonably satisfactory to Administrative Agent as soon as possible after the end of each fiscal month (but in any event within fifteen (15) Business Days after the end thereof) so long as no Default or Event of Default exists and Excess Availability shall be greater than \$20,000,000 (and more frequently as Administrative Agent may require at any time a Default or Event of Default exists or Excess Availability is less than \$20,000,000), a Borrowing Base Certificate setting forth the calculation of the Borrowing Base as of the last Business Day of the immediately preceding applicable period as to the Accounts and Eligible Inventory, duly completed and executed by a Responsible Officer of the Borrower Agent, together with all schedules required pursuant to the terms of the Borrowing Base Certificate duly completed;

(b) The Borrowers shall conduct, or shall cause to be conducted, at their reasonable expense and upon request of the Administrative Agent, and present to the Administrative Agent for approval, updates to the Initial Inventory Appraisal that shall be in form and substance and from third-party appraisers reasonably acceptable to the Administrative Agent (the “*Updated Inventory Appraisal*”) for the purpose of determining the amount of the Borrowing Base attributable to Inventory; *provided, however*, that as long as no Default or Event of Default exists and is continuing and as long as Excess Availability is greater than \$20,000,000, the Borrowers shall not be required to conduct Updated Inventory Appraisals more than (x) 0 times in any period of 12 consecutive months if no Obligations are outstanding under this Facility, (y) once in any period of 12 consecutive months if Obligations are outstanding under this Facility, and (z) twice in any period of 12 consecutive months if Excess Availability is less than \$20,000,000;

(c) The Administrative Agent may carry out investigations and reviews of each Loan Parties’ property at the reasonable expense of the Borrowers (including field audits conducted by the Administrative Agent) (“*Field Examination*”); *provided, however*, that as long as no Default or Event of Default exists and is continuing and as long as Excess Availability is

greater than \$20,000,000, the Administrative Agent shall carry out Field Examinations, no more than (x) 0 times in any period of 12 consecutive months if no Obligations are outstanding under this Facility, (y) one time in any period of 12 consecutive months if Obligations are outstanding under this Facility, and (z) twice in any period of 12 consecutive months if Excess Availability is less than \$20,000,000. The Borrowers shall furnish to the Administrative Agent any information that the Administrative Agent may reasonably request regarding the determination and calculation of the Borrowing Base including correct and complete copies of any invoices, underlying agreements, instruments or other documents and the identity of all Account Debtors in respect of Accounts referred to therein.

(d) Concurrent with delivery to the agent under the Term Loan Facility, or at any time as Administrative Agent may request at Borrowers' expense on or after an Event of Default has occurred and is continuing, deliver or cause to be delivered to Administrative Agent written appraisals as to the Intellectual Property.

(e) Nothing contained in any Borrowing Base Certificate shall be deemed to limit, impair or otherwise affect the rights of the Administrative Agent contained herein and in the event of any conflict or inconsistency between the calculation of the Borrowing Base as set forth in any Borrowing Base Certificate and as determined by Administrative Agent in its good faith, the determination of Administrative Agent shall govern and be conclusive and binding upon Borrowers and Guarantors, absent manifest error. Without limiting the foregoing, Borrowers shall furnish to Administrative Agent any information which Administrative Agent may reasonably request regarding the determination and calculation of any of the amounts set forth in any Borrowing Base Certificate. The Borrowing Base may be adjusted based on the information set forth in the reports received by Administrative Agent pursuant to *Section 6.11(a)(i)* above.

Section 6.12 [Intentionally Omitted]

Section 6.13 Tax Reporting

In the event that any of the Borrowers determines that it intends to treat any of the Loans, the Letters of Credit, or the related transactions contemplated hereby as a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4, the Borrower Agent shall give the Administrative Agent written notice thereof and shall deliver to the Administrative Agent all IRS forms required in connection therewith.

Section 6.14 New Collateral Locations

Each Loan Party may only open any new location within the continental United States provided such Loan Party (a) gives Administrative Agent ten (10) days prior written notice of the intended opening of any such new location and (b) executes and delivers, or causes to be executed and delivered, to Administrative Agent such agreements, documents, and instruments as Administrative Agent may deem reasonably necessary or desirable to protect its interests in the Collateral at such location; *provided*, that, without limiting the obligations of Borrowers and Guarantors pursuant to *Section 7.1 (Preservation of Corporate Existence, Etc.)* hereof or otherwise hereunder, the Loan Parties shall not be required to comply with the foregoing conditions with respect to the opening by them of any new retail or factory store locations.

Section 6.15 Other Information

The Borrowers shall provide the Administrative Agent or any Lender with such other information respecting the business, properties, condition, financial or otherwise, or operations of Holdings, the Borrowers or any Subsidiary of the Borrowers as the Administrative Agent or such Lender may from time to time reasonably request.

Section 6.16 Electronic Delivery of Information

(a) The Borrowers may deliver documents, materials and other information required to be delivered pursuant to *Article VI* (collectively, “*Information*”) in an electronic format acceptable to the Administrative Agent by e-mailing any such Information to an e-mail address of the Administrative Agent as specified by the Administrative Agent to the Borrower Agent from time to time. Any Information provided in such manner shall only be deemed to have been delivered to the Administrative Agent and the Lenders on the date on which the Administrative Agent posts such Information on the Borrowers’ behalf (which the Administrative Agent agrees to do promptly upon receipt from the Borrower Agent) on an internet or intranet website to which each Lender and the Administrative Agent has access, whether a commercial, third-party website (such as Intralinks or SyndTrak) or a website sponsored by the Administrative Agent.

(b) In addition, the Borrowers may deliver Information required to be delivered pursuant to this Article VI, by posting any such Information to Holding’s internet website (as of the Agreement Date, www.jcrew.com). Any such Information provided in such manner shall only be deemed to have been delivered to the Administrative Agent or a Lender on the date on which the Administrative Agent or such Lender, as applicable, receives notice from the Borrower that such Information has been posted to the Borrower’s internet website. In addition to any manner permitted by Section 11.8, the Borrower may notify the Administrative Agent or a Lender that Information has been posted to such a website by causing an e-mail notification to be sent to an e-mail address specified from time to time by the Administrative Agent or such Lender, as applicable.

(c) Notwithstanding anything in this Section to the contrary, the obligations of the Borrowers to deliver (i) the financial statements referred to in Sections 6.1(a) and (b) shall be satisfied when Holdings files its Form 10-Q and 10-K, respectively, with the Securities and Exchange Commission, (ii) notices required under Section 6.3, 6.6 or 6.10 shall be satisfied when Holdings files a Form 8-K with the Securities and Exchange Commission regarding the matters referred to in such Section, and (iii) the reports required to be delivered under Section 6.5 shall be satisfied to the extent Holdings files such reports with the Securities and Exchange Commission.

ARTICLE VII

AFFIRMATIVE COVENANTS

Each Loan Party agrees with the Lenders, the Issuers and the Administrative Agent to each of the following, as long as any Obligation or any Revolving Credit Commitment remains outstanding and, in each case, unless the Requisite Lenders otherwise consent in writing:

Section 7.1 Preservation of Corporate Existence, Etc.

Each Loan Party shall preserve and maintain its legal existence, except as permitted by *Section 8.4*.

Section 7.2 Compliance with Laws, Etc.

Each Loan Party shall comply with all applicable Requirements of Law and Permits, except where the failure so to comply could not reasonably be expected to, in the aggregate, have a Material Adverse Effect.

Section 7.3 Conduct of Business

From and after the Effective Date, no Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than the businesses engaged in by the Loan Parties on the Effective Date, and any business reasonably incidental, related, ancillary or complimentary thereto.

Section 7.4 Payment of Taxes, Etc.

Each Loan Party shall pay and discharge before the same shall become delinquent, all lawful governmental claims, taxes, assessments, charges and levies, except (x) where contested in good faith, by proper proceedings and adequate reserves therefor have been established on the books of such Loan Party in conformity with GAAP or (y) where the failure to pay and discharge of such delinquent claims, taxes, assessments, charges and levies could not reasonably be expected to have a Material Adverse Effect.

Section 7.5 Maintenance of Insurance

Each Loan Party shall (a) maintain or cause to be maintained insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Loan Party operates, and, in any event, all insurance required by any Collateral Documents and (b) cause all property and liability insurance relating to Holdings or any other Loan Party to name the Administrative Agent on behalf of the Secured Parties as additional insured or loss payee, as appropriate, and to provide that no cancellation, or material decrease in coverage shall be effective with respect to the Administrative Agent and the Lenders until after 30 days' written notice thereof to the Administrative Agent. Without limiting the generality of the foregoing, Holdings shall maintain or cause to be maintained replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons established reputation engaged in similar businesses.

Section 7.6 Access

Each Loan Party shall from time to time permit the Administrative Agent, or any agents or representatives thereof, upon at least two Business Days prior written notification of the same (except that during the continuance of an Event of Default, no such notice shall be required) to (a) examine and make copies of and abstracts from the records and books of account of each

Loan Party, (b) visit the properties of each Loan Party, (c) discuss the affairs, finances and accounts of each Loan Party with any officer or director of such Loan Party and (d) communicate directly with any certified public accountants (including the Borrowers' Accountants).

Section 7.7 Keeping of Books

Each Loan Party shall keep proper books of record and account in conformity with GAAP of all financial transactions and the assets and business of each Loan Party.

Section 7.8 Maintenance of Properties, Etc.

Each Loan Party shall maintain and preserve (a) in good working order and condition all of its properties necessary in the conduct of its business, (b) all rights, permits, licenses, approvals and privileges (including all Permits) used or useful or necessary in the conduct of its business and (c) all registered patents, trademarks, trade names, copyrights and service marks with respect to its business, except where failure to so maintain and preserve the items set forth in *clauses (a), (b) and (c)* above could not reasonably be expected to, in the aggregate, have a Material Adverse Effect.

Section 7.9 Application of Proceeds

The Borrowers (and, to the extent distributed to them by the Borrowers, each Loan Party) shall use the entire amount of the proceeds of the Loans as provided in *Section 4.13 (Use of Proceeds)*.

Section 7.10 Environmental

Each Loan Party shall comply with all Environmental Laws except where the failure to comply with such Environmental Laws could not reasonably be expected to have a Material Adverse Effect, and, without limiting the foregoing, the Borrowers shall, at their sole cost and expense, upon receipt of any notification or otherwise obtaining knowledge of any Release or other event that has any reasonable likelihood of any Loan Party incurring Environmental Liabilities and Costs which could reasonably be expected to have a Material Adverse Effect, take such Remedial Action and undertake such investigation or other action as required by Environmental Laws or as any Governmental Authority requires or as is appropriate and consistent with good business practice to address the Release or event and otherwise ensure compliance with Environmental Laws as required by this Section.

Section 7.11 Additional Collateral and Guaranties

To the extent not delivered to the Administrative Agent on or before the Effective Date (including in respect of after-acquired property and Persons that become Subsidiaries of any Loan Party after the Effective Date), each Loan Party shall promptly do each of the following, unless otherwise agreed by the Administrative Agent:

(a) deliver to the Administrative Agent such duly-executed supplements and amendments to the Guaranty (or, in the case of any Subsidiary of any Loan Party that is not a Domestic Subsidiary or that holds shares in any Person that is not a Domestic Subsidiary, foreign guarantees and related documents), in each case in form and substance reasonably satisfactory to the Administrative Agent and as the Administrative Agent reasonably determines are necessary in

order to ensure that each Subsidiary of each Loan Party that has entered into Guaranty Obligations in respect of the Indebtedness of any Loan Party owing under the Term Loan Facility or any other Person that has entered into any such Guaranty Obligations guaranties, as primary obligor and not as surety, the full and punctual payment when due of the Obligations or any part thereof; *provided, however*, in no event shall any Excluded Foreign Subsidiary be required to guaranty the payment of the Obligations unless the Borrower Agent and the Administrative Agent otherwise agree and; *provided, further*, the terms of this *clause (a)* shall only apply to Material Domestic Subsidiaries of the Loan Parties solely after the satisfaction in full of all of the obligations outstanding under the Term Loan Facility and the Borrower Agent has provided the Administrative Agent evidence of the termination of such Term Loan Facility;

(b) deliver to the Administrative Agent such duly-executed joinder and amendments to the Pledge and Security Agreement and, if applicable, other Collateral Documents (or, in the case of any such Subsidiary of any Loan Party that is not a Domestic Subsidiary or that holds shares in any Person that is not a Domestic Subsidiary, foreign charges, pledges, security agreements and other Collateral Documents), in each case in form and substance reasonably satisfactory to the Administrative Agent and as the Administrative Agent deems necessary or advisable in order to (i) effectively grant to the Administrative Agent, for the benefit of the Secured Parties, a valid, perfected and enforceable first-priority security interest in the Stock and Stock Equivalents and other debt Securities owned by any Loan Party or any Subsidiary of any Loan Party that has entered into Guaranty Obligations in respect of the Indebtedness of any Loan Party made under the Term Loan Facility or any other Person that has entered into any such Guaranty Obligations and (ii) effectively grant to the Administrative Agent, for the benefit of the Secured Parties, a valid, perfected and enforceable first-priority security interest in all property interests and other assets of any Loan Party or any Subsidiary of any Loan Party that has entered into Guaranty Obligations in respect of the Indebtedness of any Loan Party made under the Term Loan Facility or any other Person that has entered into any such Guaranty Obligations; *provided, however*, in no event shall (x) any Loan Party or any of its Subsidiaries, individually or collectively, be required to pledge in excess of 66% of the outstanding Voting Stock of any Excluded Foreign Subsidiary or (y) any assets of any Excluded Foreign Subsidiary be required to be pledged, unless the Borrower and the Administrative Agent otherwise agree and; *provided, further*, the terms of this *clause (b)* shall only apply to Material Domestic Subsidiaries of the Loan Parties solely after the satisfaction in full of all of the obligations outstanding under the Term Loan Facility and the Borrower Agent has provided the Administrative Agent evidence of the termination of such Term Loan Facility;

(c) deliver to the Administrative Agent all certificates, instruments and other documents representing all Pledged Stock, Pledged Debt Instruments and all other Stock, Stock Equivalents and other debt Securities being pledged pursuant to the joinders, amendments and foreign agreements executed pursuant to *clause (b)* above, together with (i) in the case of certificated Pledged Stock and other certificated Stock and Stock Equivalents, undated stock powers endorsed in blank and (ii) in the case of Pledged Debt Instruments and other certificated debt Securities, endorsed in blank, in each case executed and delivered by a Responsible Officer of such Loan Party or such Subsidiary thereof, as the case may be;

(d) to take such other actions necessary or advisable to ensure the validity or continuing validity of the guaranties required to be given pursuant to *clause (a)* above and to create, maintain or perfect the security interest required to be granted pursuant to *clause (b)* above, including the filing of UCC financing statements in such jurisdictions as may be required by the Collateral Documents or by law or as may be reasonably requested by the Administrative Agent; and

(e) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

Section 7.12 Control Accounts; Approved Deposit Accounts

(a) Each Loan Party may establish or maintain any Deposit Account (including, maintaining or establishing certain Deposit Accounts for the purposes of receiving store receipts from a retail store location of a Borrower, collectively, the “*Store Accounts*” and each individually, a “*Store Account*”); *provided, however*, each Loan Party shall (i) deposit all cash it receives, including, without limitation, all proceeds from sales of Inventory (including, without limitation, all amounts payable to each Borrower from Credit Card Issuers and Credit Card Processors and all other proceeds of Collateral) in every form, cash, checks, credit card sales drafts, credit card sales or charge slips or receipts and other forms of daily store receipts, from each retail store location of such Borrower into an Approved Deposit Account of such Borrower on each Business Day and (ii) not establish or maintain any Securities Account that is not a Control Account; *provided, further*, notwithstanding the foregoing, each Loan Party may maintain credit balances in Store Accounts, or other accounts that are not Approved Deposit Accounts, so long as the aggregate balance in all such accounts does not exceed \$10,000,000.

(b) Each Loan Party shall (i) instruct each Account Debtor or other Person obligated to make a payment to any of them under any Account to make payment, or to continue to make payment, to an Approved Deposit Account and (ii) deposit in an Approved Deposit Account immediately upon receipt all Proceeds of such Accounts received by any Loan Party from any other Person.

(c) In the event (i) any Loan Party or any Deposit Account Bank shall, after the date hereof, terminate an agreement with respect to the maintenance of an Approved Deposit Account for any reason, (ii) the Administrative Agent shall demand such termination as a result of the failure of a Deposit Account Bank to comply with the terms of the applicable Deposit Account Control Agreement or (iii) the Administrative Agent determines in its sole discretion that the financial condition of a Deposit Account Bank has materially deteriorated, each Loan Party notify all of their respective obligors that were making payments to such terminated Approved Deposit Account to make all future payments to another Approved Deposit Account.

(d) In the event (i) any Loan Party or any Approved Securities Intermediary shall, after the date hereof, terminate an agreement with respect to the maintenance of a Control Account for any reason, (ii) the Administrative Agent shall demand such termination as a result of the failure of an Approved Securities Intermediary to comply with the terms of the applicable Securities Account Control Agreement or (iii) the Administrative Agent determines in its sole discretion that the financial condition of an Approved Securities Intermediary has materially deteriorated, each Loan Party shall notify all of its obligors that were making payments to such terminated Control Account to make all future payments to another Control Account.

(e) The Administrative Agent may establish one or more Cash Collateral Accounts with such depositories and Securities Intermediaries as it in its sole discretion shall determine; *provided, however*, that no Cash Collateral Account shall be established (i) with

respect to the assets of any Excluded Foreign Subsidiary and (ii) except as expressly permitted elsewhere in this Agreement, if an Event of Default has not occurred and is continuing or Excess Availability is not less than \$20,000,000. Each Borrower agrees that each such Cash Collateral Account shall meet the requirements of the definition of "Cash Collateral Account". Without limiting the foregoing, funds on deposit in any Cash Collateral Account may be invested (but the Administrative Agent shall be under no obligation to make any such investment) in Cash Equivalents at the direction of the Administrative Agent and, except during the continuance of an Event of Default, the Administrative Agent agrees with the Borrowers to issue Entitlement Orders for such investments in Cash Equivalents as requested by the Borrower; *provided, however*, that the Administrative Agent shall not have any responsibility for, or bear any risk of loss of, any such investment or income thereon. No Loan Party and no Person claiming on behalf of or through any Loan Party shall have any right to demand payment of any funds held in any Cash Collateral Account at any time prior to the termination of all outstanding Letters of Credit and the payment in full of all then outstanding and payable monetary Obligations. The Administrative Agent shall apply all funds on deposit in a Cash Collateral Account as provided in *Section 2.13(g)*.

(f) The requirements of this *Section 7.12* shall not apply to any Excluded Foreign Subsidiary.

Section 7.13 Collateral Access Agreements, Bailee's Letters and Credit Card Acknowledgments

Each Loan Party (other than Holdings) shall, within 30 days after the Effective Date (or such later date as shall be acceptable to the Administrative Agent in its sole discretion), deliver to the Administrative Agent copies of notices sent by the applicable Loan Party to the other parties to the Collateral Access Agreements, Bailee's Letters and Credit Card Acknowledgments in effect on the Effective Date and, set forth on *Schedule 7.13*, notifying such parties of the resignation of the Existing Agent and the amendment and restatement of the Existing Credit Agreement.

Section 7.14 Real Property

(a) Each Loan Party shall (i) comply with all of their respective obligations under all of their respective Leases now or hereafter held respectively by them, including the Leases set forth on *Schedule 4.19 (Real Property)* except where the failure to comply could reasonably be expected to have a Material Adverse Effect, (ii) not assign or sublet any other Lease if such assignment or sublet could reasonably be expected to have a Material Adverse Effect, and (iii) provide the Administrative Agent with a copy of each notice of default under any Lease that could reasonably be expected to have a Material Adverse Effect received by any Loan Party within 2 Business Days receipt thereof and deliver to the Administrative Agent a copy of each notice of default sent by a Loan Party under any Lease simultaneously with its delivery of such notice under such Lease.

(b) Promptly upon any Borrower or any Guarantor acquiring any owned Real Property with a Fair Market Value in excess of \$5,000,000 ("*Material Real Property*"), the Borrower Agent shall provide the Administrative Agent written notice thereof and, upon written request of the Administrative Agent, such Borrower or Guarantor shall provide a Phase I environmental report on such Real Property.

(c) To the extent not previously delivered to the Administrative Agent, upon written request of the Administrative Agent, the Borrowers shall, and shall cause each Subsidiary Guarantor to, execute and deliver to the Administrative Agent, for the benefit of the Secured Parties, promptly and in any event not later than 45 days after receipt of such notice, a Mortgage on any Real Property owned (as opposed to leased by) the Loan Parties together with (i) if requested by the Administrative Agent and such Material Real Property is located in the United States, all Mortgage Supporting Documents relating thereto or (ii) otherwise, documents similar to Mortgage Supporting Documents reasonably deemed by the Administrative Agent to be appropriate in the applicable jurisdiction to obtain the equivalent in such jurisdiction of a first-priority mortgage on such Real Property.

ARTICLE VIII

NEGATIVE COVENANTS

The Borrowers and Holdings agree with the Lenders, the Issuers and the Administrative Agent to each of the following, as long as any Obligation or any Revolving Credit Commitment remains outstanding and, in each case, unless the Requisite Lenders otherwise consent in writing:

Section 8.1 Indebtedness

No Loan Party shall, directly or indirectly create, incur, assume or otherwise become or remain liable with respect to any Indebtedness except for the following:

(a) the Obligations;

(b) Indebtedness of any Subsidiary Guarantor to the Borrowers or to any other Guarantor, or of any Borrower to Holdings or to any other Guarantor, or of Holdings to any Borrower or any other Guarantor; *provided*, (i) if such Indebtedness shall be evidenced by promissory notes, all such notes shall be pledged pursuant to the Pledge and Security Agreement, (ii) all such Indebtedness shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of any applicable promissory notes or an intercompany subordination agreement that in any such case, is reasonably satisfactory to the Administrative Agent, and (iii) the Borrowers and the Subsidiary Guarantors shall not be permitted to make any payments to Holdings in respect of any such Indebtedness owing to Holdings unless such payments would be expressly permitted to be made, if made by way of a dividend or other Restricted Payment pursuant to *Section 8.5*;

(c) Indebtedness incurred by Holdings or any of its Subsidiaries arising from agreements providing for indemnification, earn-outs, adjustment of purchase price or similar obligations, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of Holdings or any such Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or Asset Sale of any business, assets or Subsidiary of Holdings or any of its Subsidiaries permitted hereunder;

(d) Indebtedness which may be deemed to exist pursuant to any worker's compensation claims, self-insurance obligations, guaranties, performance, surety, statutory, appeal, custom bonds or similar obligations incurred in the ordinary course of business;

- (e) Indebtedness in respect of (x) netting services, overdraft protections and otherwise in connection with Deposit Accounts or Securities Accounts and (y) the endorsement of instruments for collection or deposits in the ordinary course of business;
- (f) guaranties in the ordinary course of business of the obligations of suppliers, franchisees and licensees of Holdings and its Subsidiaries;
- (g) guaranties by Holdings and its Subsidiaries of Indebtedness or other obligations of Subsidiaries of Holdings or guaranties by a Subsidiary of Holdings of Indebtedness or other obligations of Holdings and its Subsidiaries with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this *Section 8.1*, or other obligations not prohibited hereunder; *provided, however*, if any guaranty of Indebtedness or other obligations of a Subsidiary that is not a Loan Party gives rise to an Investment in such Subsidiary, such Investment must be permitted under *Section 8.3*;
- (h) Indebtedness existing on the date hereof and described in *Schedule 8.1*, together with any Permitted Refinancing of any Indebtedness permitted under this *clause (h)*;
- (i) purchase money Indebtedness and Indebtedness with respect to Capital Leases, in each case, incurred by the Borrowers or any Subsidiary to finance the acquisition of fixed assets, in an aggregate amount not to exceed \$50,000,000 at any time outstanding (together with any Permitted Refinancing of any Indebtedness permitted under this *clause (i)*); *provided*, that any such Indebtedness (including any Permitted Refinancing thereof) shall be secured only by the assets (and proceeds thereof) acquired in connection with the initial incurrence of such Indebtedness;
- (j) Indebtedness under the Term Loan Facility in an aggregate principal amount not to exceed \$285,000,000 or such other amounts permitted under the Intercreditor Agreement, and any Permitted Refinancing thereof;
- (k) Acquired Indebtedness, in an aggregate principal amount not to exceed \$20,000,000 at any time outstanding together with any Permitted Refinancing of any Indebtedness permitted under this *clause (k)*;
- (l) other unsecured Indebtedness of Holdings and its Subsidiaries in an aggregate principal amount not to exceed at any time \$25,000,000;
- (m) Indebtedness of any Borrower under Permitted Seller Notes issued as consideration in connection with a Permitted Acquisition, in an aggregate principal amount not to exceed at any time \$10,000,000;
- (n) Indebtedness arising under Hedging Contracts permitted under *Section 8.15 (No Speculative Transactions)*;
- (o) Indebtedness incurred in connection with Asset Sales constituting sale leaseback transactions *provided* that the outstanding principal amount of such Indebtedness (other than sale leaseback transactions involving distribution centers) shall not exceed \$20,000,000 in the aggregate; and

(p) Indebtedness in respect of letters of credit issued for the account of any of the Subsidiaries of Holdings to finance the purchase of Inventory so long as (x) such Indebtedness is unsecured and (y) the aggregate principal amount of such Indebtedness does not exceed \$50,000,000 at any time.

Section 8.2 Liens, Etc.

No Loan Party shall create or suffer to exist, any Lien upon or with respect to any of their respective properties or assets, whether now owned or hereafter acquired, except for the following:

(a) Liens in favor of Collateral Agent for the benefit of Secured Parties granted pursuant to any Financing Agreement (including for the purpose of securing any Cash Management Obligations or any Hedging Contract);

(b) Liens securing the payment of taxes, assessments or other governmental charges or levies either not yet overdue or the validity of which is being contested in good faith by appropriate proceedings diligently pursued and with respect to which adequate reserves or other appropriate provisions are being maintained to the extent required by GAAP;

(c) statutory Liens of landlords, banks (and rights of set-off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401 (a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the ordinary course of business (i) for amounts not yet overdue or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of thirty days) are being contested in good faith by appropriate proceedings, with respect to which adequate reserves or other appropriate provisions are being maintained to the extent required by GAAP;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness);

(e) easements, rights-of-way, restrictions, encroachments, and other defects, exceptions or irregularities in title, in each case which do not materially interfere with the ordinary conduct of the business of Holdings or any of its Subsidiaries;

(f) any interest or title of a lessor or sublessor under any lease;

(g) Liens solely on any cash earnest money deposits made by Holdings or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) Liens described in *Schedule 8.2* or, solely with respect to fee-owned Real Property on a title report delivered in connection with any Real Property subject to a Mortgage;

(l) Liens securing Indebtedness permitted pursuant to *Section 8.1(i) or (m)*; *provided*, any such Lien shall encumber only the asset (and proceeds thereof) acquired upon the initial incurrence of such Indebtedness or subject to a sale leaseback transaction, as applicable;

(m) Liens securing Indebtedness permitted pursuant to *Section 8.1(j)*;

(n) Liens securing Acquired Indebtedness permitted under *Section 8.1(k)*; *provided* that such Lien was not created in contemplation of the applicable Acquisition or asset acquisition;

(o) Liens arising in connection with out-bound licenses of patents, copyrights, trademarks and other Intellectual Property rights granted by any Borrower or any or any of its Subsidiaries in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of Holdings or any of its Subsidiaries,

(p) Liens or rights of setoff against credit balances of any Borrower or any of its Subsidiaries with Credit Card Issuers or Credit Card Processors or amounts owing by such Credit Card Issuers or Credit Card Processors to any Borrower or any of its Subsidiaries in the ordinary course of business, but not Liens on or rights of setoff against any other property or assets of any Borrower or any of its Subsidiaries pursuant to the Credit Card Agreements (as in effect on the date hereof) to secure the obligations of any Borrower or any of its Subsidiaries to the Credit Card Issuers or Credit Card Processors as a result of fees and chargebacks;

(q) deposits of cash with the owner or lessor of premises leased and operated by any Borrower or any of its Subsidiaries in the ordinary course of business of such Borrower and such Subsidiary to secure the performance of such Borrower's or such Subsidiary's obligations under the terms of the lease for such premises; and

(r) Liens arising from judgments in circumstances not constituting an Event of Default hereunder.

Section 8.3 Investments

No Loan Party shall make or maintain, directly or indirectly, any Investment except for the following:

(a) Investments in cash and Cash Equivalents;

(b) Investments in (i) any Borrower, any Guarantor or any other Loan Party, (ii) Subsidiaries that are not Loan Parties described on *Schedule 8.3* and (iii) Subsidiaries that are not Loan Parties and not described on *Schedule 8.3* in an aggregate initial amount not to exceed \$10,000,000;

(c) other Investments described on *Schedule 8.3*;

(d) Investments (i) in any Securities received in satisfaction or partial satisfaction thereof from financially troubled obligors, (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of Holdings and its Subsidiaries and (iii) Investments received upon the foreclosure with respect to any secured Investment of any Loan Party or any Subsidiary thereof or other transfer of title with respect to any secured Investment of any Loan Party or any Subsidiary thereof;

(e) intercompany loans to the extent permitted under *Section 8.1(b)*;

(f) loans and advances to employees of Holdings and its Subsidiaries (other than Inactive Subsidiaries) made in the ordinary course of business, in an aggregate principal amount not to exceed \$5,000,000 at any time;

(g) Investments made after the Effective Date by (i) Holdings, the Borrowers or any other Guarantor in connection with Permitted Acquisitions; (ii) any Subsidiary that is not a Subsidiary Guarantor in Holdings (to the extent that such Investment, if it were made as a Restricted Payment to Holdings, would be permitted to be made under *Section 8.5*), the Borrowers or any other Subsidiary Guarantor; (iii) Holdings, the Borrowers or any Subsidiary Guarantor in any joint venture that is not a Subsidiary; *provided*, that the aggregate initial amount of all Investments permitted pursuant to this *clause (iii)* shall not exceed \$5,000,000 at any time; or (iv) the Borrowers or any Subsidiary Guarantor in Holdings, solely to the extent that such Investment, if it were made as a Restricted Payment to Holdings, would be permitted to be made under *Section 8.5*;

(h) Investments permitted pursuant to *Section 8.1(e)(y)*, *8.1(f)*, *8.1(g)* and *8.1(m)*;

(i) extensions of trade credit in the ordinary course of business;

(j) Investments of any Person in existence at the time such Person becomes a Subsidiary; *provided* that such Investment was not created in anticipation of such Person becoming a Subsidiary and the Loan Parties shall have complied with the applicable requirements of *Section 7.11*;

(k) Investments made in Persons that are newly formed Subsidiaries that will become Guarantors in connection with the formation thereof, *provided* that the Loan Parties shall have complied with the applicable requirements of *Section 7.11*;

(l) Permitted Acquisitions, *provided, however*, that the Loan Parties shall have complied with the requirements of *Sections 7.11* and *7.14* upon the consummation of such Permitted Acquisition;

(m) Investments in notes and other debt Securities received in connection with transactions permitted under *Section 8.4(b)*; and

(n) other Investments in an aggregate initial amount not to exceed at any time \$5,000,000.

Section 8.4 Sale of Assets

No Loan Party shall sell, convey, transfer, lease or otherwise dispose of, any of their respective assets or any interest therein (including the sale or factoring at maturity or collection of any accounts) to any Person or merge or consolidate with any Person, except in the case of Holdings, issue or sell any shares of their Stock or any Stock Equivalents (any such disposition being an “*Asset Sale*”), except for the following:

(a) any Subsidiary may be merged with or into any Borrower or any other Subsidiary Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any Borrower, any Subsidiary Guarantor or other any Subsidiary provided such Subsidiary becomes a Guarantor in accordance with *Section 7.11*; *provided*, in the case of such a merger, such Borrower or such Subsidiary Guarantor, as applicable shall be the continuing or surviving Person;

(b) as long as no Default or Event of Default is continuing or would result therefrom and as long as Excess Availability (both before and after giving effect to such Asset Sale) is greater than \$20,000,000, any other Asset Sale; *provided, however*, Net Cash Proceeds from any such Asset Sale in excess of \$25,000,000 in any fiscal year (valued at the principal amount thereof in the case of non-cash proceeds consisting of notes or other debt Securities and valued at Fair Market Value in the case of other non-cash proceeds) are applied to repay the Obligations to the extent required in *Section 2.9(b)*;

(c) disposals of obsolete, worn out or surplus property;

(d) the leasing, occupancy agreements or sub-leasing of property in the ordinary course of business and which do not materially interfere with the business of the Borrowers or their Subsidiaries;

(e) transfers of property subject to condemnation, takings or casualty events;

(f) (i) a true lease or sublease of Real Property not constituting Indebtedness and not constituting a sale and leaseback transaction and (ii) an Asset Sale pursuant to a sale and leaseback transaction;

(g) sales or other dispositions by any Borrower of assets in connection with the closing or sale of a retail store location (including a factory store) of such Borrower in the ordinary course of such Borrower’s business which consist of leasehold interests in the premises of such store, the Equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such store; *provided*, that, as to each and all such sales and closings, (A) no Event of Default shall result therefrom and (B) such sale shall be on commercially reasonable prices and terms in a bona fide arm’s length transaction;

(h) assignments and licenses of intellectual property of the Loan Parties in the ordinary course of business;

(i) the sale, issuance or transfer of the Stock of (x) Operating to Holdings; (y) any Borrower (other than Operating) or any Subsidiary Guarantor to Holdings, any Borrower or any Subsidiary Guarantor and (z) any other Subsidiary to Holdings or any Subsidiary of Holdings; *provided, however*, that the Loan Parties shall have complied with the applicable requirements of *Sections 7.11*;

(j) sales of Inventory in the ordinary course of business;

(k) the issuance and sale by any Borrower, Guarantor or other Subsidiary of Holdings of Stock of such Person (for purposes of this clause (k) only, the “*issuer*”); *provided*, that, (A) the Administrative Agent shall have received not less than 10 Business Days’ prior written notice of such issuance and sale by such Borrower, Guarantor or other Subsidiary, which notice shall specify the parties to whom such Stock is to be sold, the terms of such sale, the total amount which it is anticipated will be realized from the issuance and sale of such Stock and the Net Cash Proceeds which it is anticipated will be received by such Borrower, Guarantor or other Subsidiary from such sale, (B) such Borrower, Guarantor or other Subsidiary shall not be required to pay any cash dividends or repurchase or redeem such Stock or make any other payments in respect thereof, except (x) as otherwise permitted in *Section 8.5 (Restricted Payments)* hereof or (y) after the Scheduled Termination Date and the payment in full in cash or other immediately available funds of all of the Obligations, (C) the terms of such Stock, and the terms and conditions of the purchase and sale thereof, shall not include any terms that include any limitation on the right of any Borrower to request or receive Loans or Letters of Credit or the right of any Loan Party to amend or modify any of the terms and conditions of this Agreement or any of the other Financing Agreements or otherwise in any way relate to or affect the arrangements of the Loan Parties with the Administrative Agent and Lenders or are more restrictive or burdensome to any Borrower or Guarantor than the terms of any Stock in effect on the date hereof, (D) after giving effect thereto, no Default or Event of Default shall exist or have occurred and (E) after giving effect to such issuance and sale, the Borrowers and Guarantors shall own at least eighty (80%) percent of such issuer;

(l) the issuance of Stock of any Borrower or Guarantor pursuant to any equity plan of such Borrower or Guarantor, including, without limitation, stock options, restricted stock or other Stock, or employee stock purchase plan or 401(k) plans of such Borrower or Guarantor for the benefit of its employees, directors and consultants, *provided*, that, in no event shall such Borrower or Guarantor be required to issue, or shall such Borrower or Guarantor issue, Stock pursuant to such equity plans or 401(k) plans which would result in a Change of Control or other Event of Default;

(m) any Subsidiary of a Borrower may merge with another Person (other than Holdings or any of its Subsidiaries) to effect a Permitted Acquisition or Asset Sale permitted by this Agreement; *provided, however*, after giving effect to any such merger to effect a Permitted Acquisition, the survivor of such merger is a Subsidiary of a Borrower and such Borrower complies with *Section 7.11*, if applicable ; and

(n) any Inactive Subsidiary may be liquidated, wound up or dissolved.

Section 8.5 Restricted Payments

No Loan Party shall, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Payment except for the following:

(a) Restricted Payments by any Loan Party to any other Loan Party or by any other Subsidiary of Holdings to Holdings or any of its Subsidiaries;

(b) Restricted Payments in connection with the purchase of fractional shares of its common stock arising out of stock dividends, splits or combinations or business combinations;

(c) Restricted Payments may be made for repurchases of Stock or Stock Equivalents in Holdings deemed to occur upon exercise of stock options or warrants if such Stock or Stock Equivalents represent a portion of the exercise price of such options or warrants held by employees or management of any Borrower or Guarantor pursuant to employee stock ownership plan or management compensation plan, as applicable;

(d) Restricted Payments in respect of Stock or Stock Equivalents to the extent payable in the same Stock or Stock Equivalent;

(e) Borrowers and Guarantors may repurchase Stock held by employees pursuant to any employee stock ownership plan thereof upon the termination, retirement, disability or death of any such employee in accordance with the provisions of such plan, *provided*, that, as to any such repurchase, each of the following conditions is satisfied: (i) no Default or Event of Default will result from the payment for such repurchase, (ii) such repurchase shall be paid with funds legally available therefor, (iii) such repurchase shall not violate any Requirement of Law, and (iv) the aggregate amount of all payments for such repurchases in any Fiscal Year shall not exceed \$500,000; and

(f) Holdings and the other Loan Parties may make other Restricted Payments so long as (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) Excess Availability shall be greater than \$20,000,000 after giving effect to any such Restricted Payment.

Section 8.6 Prepayment and Cancellation of Indebtedness

No Loan Party shall cancel any claim or Indebtedness owed to any of them except (i) in the ordinary course of business consistent with past practice, (ii) in respect of intercompany Indebtedness among the Borrowers and the Subsidiary Guarantors that are Domestic Subsidiaries, (iii) any cancellation resulting in an Investment not prohibited under *Section 8.3* or (iv) either the Board of Directors or the chief financial officer of Holdings determines in good faith that such cancellation is in the best interest of Holdings and its Subsidiaries; *provided, however, clauses (iii) and (iv) of this Section shall only apply during any period Excess Availability is greater than \$20,000,000.*

Section 8.7 [Intentionally Omitted]

Section 8.8 Transactions with Affiliates

No Loan Party shall enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate, except transactions on terms which are no less favorable to such Loan Party than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate, *provided* the provisions of this Section shall not apply to (a) any transaction entirely between or among Loan Parties; (b) reasonable and customary fees paid to members of the Board of Directors (or similar governing body) of Holdings and its Subsidiaries; (c) compensation, benefits and incentive arrangements for directors, officers and other employees of Holdings and its

Subsidiaries as determined in good faith by the Board of Directors (or similar governing body) of Holdings or Operating; (d) loans or advances to employees permitted by *Section 8.3(f)*; (e) any management, financial advisory, financing, underwriting or placement services or any other investment banking services involving Holdings or any of its Subsidiaries (including, without limitation, any payments in cash, Stock or other considerations made by Holdings or any of its Subsidiaries in connection therewith and otherwise in accordance herewith) on the one hand and TPG Partners II, L.P. or any of its Affiliates on the other hand, which services (and payments and other transactions in connection therewith) are approved by a majority of the disinterested members of the Board of Directors (or similar governing body) of Holdings or Operating in good faith; (f) Restricted Payments to Holdings permitted under *Section 8.5(a)*; and (g) transactions described on *Schedule 8.8*.

Section 8.9 Limitations on Restrictions on Subsidiary Distributions

Each Borrower and Guarantor shall not, create or otherwise cause or suffer to exist any encumbrance or restriction which prohibits or limits the ability of any Subsidiary of such Borrower or Guarantor to (a) pay dividends or make other distributions or pay any Indebtedness owed to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor; (b) make loans or advances to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (c) transfer any of its properties or assets to such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor; or (d) create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than encumbrances and restrictions arising under (i) applicable law, (ii) this Agreement, (iii) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (iv) customary restrictions on dispositions of real property interests found in reciprocal easement agreements of such Borrower or Guarantor or any Subsidiary of such Borrower or Guarantor, (v) any agreement relating to permitted Indebtedness incurred by a Subsidiary of such Borrower or Guarantor prior to the date on which such Subsidiary was acquired by such Borrower or such Guarantor and outstanding on such acquisition date, (vi) the extension or continuation of contractual obligations in existence on the date hereof; *provided*, that, any such encumbrances or restrictions contained in such extension or continuation are no less favorable to Administrative Agent and Lenders than those encumbrances and restrictions under or pursuant to the contractual obligations so extended or continued, (vii) agreements relating to the sale of a Subsidiary or assets pending such sale, or relating to Indebtedness secured by a Lien on assets that the Loan Parties may create, incur, assume, or permit or suffer to exist under *Sections 8.1, 8.2 and 8.4*, as applicable, provided that in any such case the encumbrances and restrictions apply only to the Subsidiary or the assets that are the subject of such sale or Lien, as the case may be, (viii) the organizational documents or other agreements binding on or applicable to any Subsidiary that is not a Wholly Owned Subsidiary (but only to the extent such encumbrance or restriction covers any Stock in such Subsidiary or the property or assets of such Subsidiary), (ix) any agreement (a) evidencing Indebtedness which such Loan Party may create, incur, assume, or permit or suffer to exist under *Section 8.1* and which Indebtedness is secured by a Lien permitted to exist under *Section 8.2*, and (b) which prohibits the transfer of, and the creation of any other Lien on, the property securing such Indebtedness (and any replacement property and customary provisions in respect of proceeds, accessions, and other after-acquired property) and (x) the Term Loan Facility.

Section 8.10 Modification of Constituent Documents

No Loan Party shall amend its Constituent Documents, except for amendments that do not materially and adversely affect the interests of the Secured Parties under the Financing Agreements or in the Collateral.

Section 8.11 Modification Term Loan Facility

Neither Holdings nor any Borrower shall, nor shall they permit any Subsidiary of Holdings to, alter, rescind, terminate, amend, supplement, waive or otherwise modify any provision of any Term Loan Document (except in accordance with the Intercreditor Agreement).

Section 8.12 Modification of Debt Agreements

Except as permitted under this Agreement, no Loan Party shall change or amend the terms of any agreement, or any indenture or other material document evidencing any Indebtedness, (other than the Term Loan Documents which shall be subject to the terms of the Intercreditor Agreement), if the effect of such amendment is to (a) increase the interest rate on such Indebtedness, (b) change the dates upon which payments of principal or interest are due on such Indebtedness other than to extend such dates, (c) change any default or event of default other than to delete or make less restrictive any default provision therein, or add any covenant with respect to such debt agreement, (d) change the redemption or prepayment provisions of such agreement other than to extend the dates therefor or to reduce the premiums or other amounts payable in connection therewith or (e) change or amend any other term if such change or amendment would materially increase the obligations of the obligor or confer additional material rights to the holder of such Indebtedness in a manner materially adverse to the Secured Parties.

Section 8.13 Accounting Changes; Fiscal Year

No Loan Party shall change its (a) accounting treatment and reporting practices or tax reporting treatment, except as permitted by GAAP or any Requirement of Law and publicly disclosed or otherwise disclosed to the Lenders and the Administrative Agent or (b) fiscal year.

Section 8.14 Margin Regulations

Neither Holdings nor the Borrowers shall, nor shall they permit any Subsidiary of the Borrowers to, use all or any portion of the proceeds of any credit extended hereunder to purchase or carry margin stock (within the meaning of Regulation U of the Federal Reserve Board) in contravention of Regulation U of the Federal Reserve Board.

Section 8.15 No Speculative Transactions

No Loan Party shall engage in any transaction involving Hedging Contracts except for the sole purpose of hedging risk in the normal course of business and consistent with industry practices.

Section 8.16 Compliance with ERISA

No ERISA Affiliate shall cause or suffer to exist any ERISA Event that could reasonably be expected to, in the aggregate, have a Material Adverse Effect. No ERISA Affiliate shall cause or suffer to exist any event that could result in the imposition of a Lien with respect to any Title IV Plan.

ARTICLE IX
EVENTS OF DEFAULT

Section 9.1 Events of Default

Each of the following events shall be an Event of Default:

- (a) the Borrowers shall fail to pay any principal of any Loan or any Reimbursement Obligation when the same becomes due and payable; or
- (b) the Borrowers shall fail to pay any interest on any Loan, any fee under any of the Financing Agreements or any other Obligation (other than one referred to in *clause (a)* above) and such non-payment continues for a period of three Business Days after the due date therefore; or
- (c) any representation or warranty made or deemed made by any Loan Party in any Financing Agreement shall prove to have been incorrect in any material respect when made or deemed made; or
- (d) any Loan Party shall fail to perform or observe (i) any term, covenant or agreement contained in *Article V (Financial Covenants)*, *6.2 (Default Notices)*, *Section 6.11 (Borrowing Base Determination)*, *7.1 (Preservation of Corporate Existence, Etc.)*, *Section 7.9 (Application of Proceeds)*, or *Article VIII* (excluding *Section 8.8 (Transactions with Affiliates)*) or (ii) any other term, covenant or agreement contained in this Agreement or in any other Financing Agreement if such failure under this *clause (ii)* shall remain unremedied for 30 days after the date on which written notice thereof shall have been given to the Borrowers by the Administrative Agent; or
- (e) (i) Any Loan Party or any of its Subsidiaries (other than Excluded Foreign Subsidiaries) shall fail to make any payment on any Indebtedness of such Loan Party or its Subsidiaries (other than the Obligations) or any Guaranty Obligation in respect of Indebtedness of any other Person, and, in each case, such failure relates to Indebtedness having a principal amount of \$20,000,000 or more, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness, and all applicable grace or cure periods shall have lapsed or (iii) any such Indebtedness shall become or be declared to be due and payable, or be required to be prepaid or repurchased (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof;
- (f) (i) Any Loan Party shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (ii) any proceeding shall be instituted by or against any Loan Party seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up,

reorganization, arrangement, adjustment, protection, relief or composition of it or its debts, under any Requirement of 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 custodian, receiver, trustee or other similar official for it or for any substantial part of its property; *provided, however*, that, in the case of any such proceedings instituted against any Loan Party (but not instituted by any Loan Party), either such proceedings shall remain undismissed or unstayed for a period of 60 days or more or any action or relief sought in such proceedings shall occur or be granted or (iii) any Loan Party shall take any corporate action to authorize any action set forth in *clauses (i) and (ii)* above; or

(g) one or more judgments or orders (or other similar process) involving, in the case of money judgments, an aggregate amount whose Dollar Equivalent exceeds \$20,000,000, to the extent not covered by insurance, shall be rendered against one or more of the Loan Parties or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 20 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) an ERISA Event shall occur and the Dollar Equivalent of the amount of all liabilities and deficiencies resulting therefrom, whether or not assessed, exceeds \$10,000,000 in the aggregate; or

(i) any Financing Agreement after delivery thereof shall for any reason fail or cease to be valid and binding on, or enforceable against, any Loan Party party thereto, or any Loan Party shall so state in writing; or

(j) any Collateral Document shall for any reason fail or cease to create a valid and enforceable Lien on any Collateral purported to be covered thereby except (x) as permitted by the Financing Agreements and (y) for inadvertent failures to create or maintain a valid, enforceable and perfected Lien on any portion of the Collateral where the Fair Market Value of such Collateral does not exceed \$500,000, or such Lien shall fail or cease to be a perfected and (subject to the Intercreditor Agreement and *clause (y)* above) first priority Lien for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control, or any Loan Party shall so state in writing; or

(k) there shall occur any Change of Control; or

(i) the failure of any Borrower or Guarantor to pay when due any principal of or interest on or any other amount payable in respect of the Term Loan Documents beyond the grace period, if any provided therefore or any other default under the Term Loan Documents shall exist beyond the grace period, if any, provided therefor (including, but not limited to, the failure of any party thereto to comply in any material respect with any of the terms thereof) if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness to cause, that Indebtedness to become or be declared due and payable prior to its stated maturity.

Section 9.2 Remedies

During the continuance of any Event of Default, the Administrative Agent (a) may, and, at the request of the Requisite Lenders, shall, by notice to the Borrower declare that all or any portion of the Revolving Credit Commitments be terminated, whereupon the obligation

of each Lender to make any Loan and each Issuer to Issue any Letter of Credit shall immediately terminate, (b) may, and, at the request of the Requisite Lenders, shall, by notice to the Borrower, declare the Loans, all interest thereon and all other amounts and Obligations payable under this Agreement to be forthwith due and payable, whereupon the Loans, all such interest and all such amounts and Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that upon the occurrence of the Events of Default specified in *Section 9.1(f) (Events of Default)*, (x) the Revolving Credit Commitments of each Lender to make Loans and the commitments of each Lender and Issuer to Issue or participate in Letters of Credit shall each automatically be terminated and (y) the Loans, all such interest and all such amounts and Obligations shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower, and (c) take any remedial action provided for in any Financing Agreement. In addition to the remedies set forth above, the Administrative Agent may exercise any remedies provided for by the Collateral Documents in accordance with the terms thereof or any other remedies provided by applicable Requirements of Law.

Section 9.3 Actions in Respect of Letters of Credit

At any time (i) upon the Revolving Credit Termination Date, (ii) after the Revolving Credit Termination Date when the aggregate funds on deposit in Cash Collateral Accounts shall be less than 101% of the Letter of Credit Obligations and (iii) as may be required by *Section 2.9 (Mandatory Prepayments)*, the Borrowers shall pay to the Administrative Agent in immediately available funds at the Administrative Agent's office referred to in *Section 11.8 (Notices, Etc.)*, for deposit in a Cash Collateral Account, (x) in the case of *clauses (i) and (ii)* above, the amount required to that, after such payment, the aggregate funds on deposit in the Cash Collateral Accounts equals or exceeds 101% of the sum of all outstanding Letter of Credit Obligations and (y) in the case of *clause (iii)* above, the amount required by *Section 2.9 (Mandatory Prepayments)*. The Administrative Agent may, from time to time after funds are deposited in any Cash Collateral Account, apply funds then held in such Cash Collateral Account to the payment of any amounts, in accordance with *Section 2.9 (Mandatory Prepayments)* and *Section 2.13(g) (Payments and Computations)*, as shall have become or shall become due and payable by the Borrowers to the Issuers or Lenders in respect of the Letter of Credit Obligations. The Administrative Agent shall promptly give written notice of any such application; *provided, however*, that the failure to give such written notice shall not invalidate any such application.

Section 9.4 Rescission

If at any time after termination of the Revolving Credit Commitments or acceleration of the maturity of the Loans, the Borrower shall pay all arrears of interest and all payments on account of principal of the Loans and Reimbursement Obligations that shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Events of Default and Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to *Section 11.1 (Amendments, Waivers, Etc.)*, then upon the written consent of the Requisite Lenders and written notice to the Borrower, the termination of the Revolving Credit Commitments or the acceleration and their consequences may be rescinded and annulled; *provided, however*, that such action shall not affect any subsequent Event of Default or Default or impair any right or remedy consequent thereon.

ARTICLE X

THE ADMINISTRATIVE AGENT

Section 10.1 Authorization and Action

(a) Each Lender and each Issuer hereby appoints Citicorp as the Administrative Agent hereunder and each Lender and each Issuer authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Financing Agreements as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender and each Issuer hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Financing Agreements to which the Administrative Agent is a party, to exercise all rights, powers and remedies that the Administrative Agent may have under such Financing Agreements and, in the case of the Collateral Documents, to act as agent for the Lenders, Issuers and the other Secured Parties under such Collateral Documents.

(b) As to any matters not expressly provided for by this Agreement and the other Financing Agreements (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders, and such instructions shall be binding upon all Lenders and each Issuer; *provided, however*, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to personal liability unless the Administrative Agent receives an indemnification satisfactory to it from the Lenders and the Issuers with respect to such action or (ii) is contrary to this Agreement or applicable Requirements of Law. The Administrative Agent agrees to give to each Lender and each Issuer prompt notice of each notice given to it by any Loan Party pursuant to the terms of this Agreement or the other Financing Agreements.

(c) In performing its functions and duties hereunder and under the other Financing Agreements, the Administrative Agent is acting solely on behalf of the Lenders and the Issuers except to the limited extent provided in *Section 2.7(c) (Evidence of Debt)*, and its duties are entirely administrative in nature. The Administrative Agent does not assume and shall not be deemed to have assumed any obligation other than as expressly set forth herein and in the other Financing Agreements or any other relationship as the agent, fiduciary or trustee of or for any Lender, Issuer or holder of any other Obligation. The Administrative Agent may perform any of its duties under any Financing Agreement by or through its agents or employees.

(d) In the event that Citicorp or any of its Affiliates shall be or become an indenture trustee under the Trust Indenture Act of 1939 (as amended, the "Trust Indenture Act") in respect of any securities issued or guaranteed by any Loan Party, the parties hereto acknowledge and agree that any payment or property received in satisfaction of or in respect of any Obligation of such Loan Party hereunder or under any other Financing Agreement by or on behalf of Citicorp in its capacity as the Administrative Agent for the benefit of any Loan Party under any Financing Agreement (other than Citicorp or an Affiliate of Citicorp) and which is applied in accordance with the Financing Agreements shall be deemed to be exempt from the requirements of Section 311 of the Trust Indenture Act pursuant to Section 311(b)(3) of the Trust Indenture Act.

Section 10.2 Administrative Agent's Reliance, Etc.

None of the Administrative Agent, any of its Affiliates or any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it, him, her or them under or in connection with this Agreement or the other Financing Agreements, except for its, his, her or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrative Agent (a) may treat the payee of any Revolving Credit Note as its holder until such Revolving Credit Note has been assigned in accordance with *Section 11.2 (Assignments and Participations)*, (b) may rely on the Register to the extent set forth in *Section 11.2(d) (Assignments and Participations)*, (c) may consult with legal counsel (including counsel to the Loan Parties), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (d) makes no warranty or representation to any Lender or Issuer and shall not be responsible to any Lender or Issuer for any statements, warranties or representations made by or on behalf of any Loan Party or any of its Subsidiaries in or in connection with this Agreement or any other Financing Agreement, (e) shall not have any duty to ascertain or to inquire either as to the performance or observance of any term, covenant or condition of this Agreement or any other Financing Agreement, as to the financial condition of any Loan Party or as to the existence or possible existence of any Default or Event of Default, (f) shall not be responsible to any Lender or Issuer for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, this Agreement, any other Financing Agreement or any other instrument or document furnished pursuant hereto or thereto and (g) shall incur no liability under or in respect of this Agreement or any other Financing Agreement by acting upon any notice, consent, certificate or other instrument or writing (which writing may be a telecopy or electronic mail) or any telephone message believed by it to be genuine and signed or sent by the proper party or parties.

Section 10.3 Posting of Approved Electronic Communications

(a) Each of the Lenders, the Issuers and the Loan Parties agree, that the Administrative Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lenders and Issuers by posting such Approved Electronic Communications on IntraLinks™ or a substantially similar electronic platform chosen by the Administrative Agent to be its electronic transmission system (the “*Approved Electronic Platform*”).

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a dual firewall and a User ID/Password Authorization System) and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, the Issuers, the Loan Parties acknowledges and agrees, that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lenders, the Issuers, the Loan Parties hereby approves, distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes, and Holdings shall cause each Subsidiary Guarantor to understand and assume, the risks of such distribution.

(c) THE APPROVED ELECTRONIC COMMUNICATIONS AND THE APPROVED ELECTRONIC PLATFORM ARE PROVIDED “AS IS” AND “AS AVAILABLE”. NONE OF THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (THE “AGENT AFFILIATES”) WARRANT THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS AND THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS AND THE APPROVED ELECTRONIC PLATFORM EXCEPT ERRORS OR OMISSIONS RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY AGENT AFFILIATE. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS) IS MADE BY THE ADMINISTRATIVE AGENT AFFILIATES IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each of the Lenders, the Issuers, the Loan Parties agree, that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Administrative Agent’s generally-applicable document retention procedures and policies.

Section 10.4 The Administrative Agent Individually

With respect to its Ratable Portion, Citicorp shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms “*Lenders*”, “*Lenders*”, “*Requisite Lenders*” and any similar terms shall, unless the context clearly otherwise indicates, include, without limitation, the Administrative Agent in its individual capacity as a Lender, a Lender or as one of the Requisite Lenders. Citicorp and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with, any Loan Party as if Citicorp were not acting as the Administrative Agent.

Section 10.5 Lender Credit Decision

Each Lender and each Issuer acknowledges that it shall, independently and without reliance upon the Administrative Agent or any other Lender conduct its own independent investigation of the financial condition and affairs of the Loan Parties in connection with the making and continuance of the Loans and with the issuance of the Letters of Credit. Each Lender and each Issuer also acknowledges that it shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and other Financing Agreements. Except for the documents expressly required by any Financing Agreement to be transmitted by the Administrative Agent to the Lenders or the Issuers, the Administrative Agent shall not have any duty or responsibility to provide any Lender or any Issuer with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come into the possession of the Administrative Agent or any Affiliate thereof or any employee or agent of any of the foregoing.

Section 10.6 Indemnification

Each Lender agrees to indemnify the Administrative Agent and each of its Affiliates, and each of their respective directors, officers, employees, agents and advisors (to the extent not reimbursed by the Borrowers), from and against such Lender's aggregate Ratable Portion of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements (including fees, expenses and disbursements of financial and legal advisors) of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against, the Administrative Agent or any of its Affiliates, directors, officers, employees, agents and advisors in any way relating to or arising out of this Agreement or the other Financing Agreements or any action taken or omitted by the Administrative Agent under this Agreement or the other Financing Agreements; *provided, however*, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or such Affiliate's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including fees, expenses and disbursements of financial and legal advisors) incurred by the Administrative Agent 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 its rights or responsibilities under, this Agreement or the other Financing Agreements, to the extent that the Administrative Agent is not reimbursed for such expenses by the Loan Parties.

Section 10.7 Successor Administrative Agent

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower Agent. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Requisite Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, selected from among the Lenders. In either case, such appointment shall be subject to the prior written approval of the Borrower Agent (which approval may not be unreasonably withheld and shall not be required upon the occurrence and during the continuance of an Event of Default). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Financing Agreements. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Financing Agreements. After such resignation, the retiring Administrative Agent shall continue to have the benefit of this Article X as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Financing Agreements.

Section 10.8 Concerning the Collateral and the Collateral Documents

(a) Each Lender and each Issuer agrees that any action taken by the Administrative Agent or the Requisite Lenders (or, where required by the express terms of this Agreement, a greater proportion of the Lenders) in accordance with the provisions of this Agreement or of the other Financing Agreements, and the exercise by the Administrative Agent or the Requisite Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders, Issuers and other Secured Parties. Without limiting the generality of the foregoing, the Administrative Agent shall have the sole and exclusive right and authority to (i) act as the disbursing and collecting agent for the Lenders and the Issuers with respect to all payments and collections arising in connection herewith and with the Collateral Documents, (ii) execute and deliver each Collateral Document and accept delivery of each such agreement delivered by Holdings or any of its Subsidiaries, (iii) act as collateral agent for the Lenders, the Issuers and the other Secured Parties for purposes of the perfection of all security interests and Liens created by such agreements and all other purposes stated therein, *provided, however*, that the Administrative Agent hereby appoints, authorizes and directs each Lender and Issuer to act as collateral sub-agent for the Administrative Agent, the Lenders and the Issuers for purposes of the perfection of all security interests and Liens with respect to the Collateral, including any Deposit Accounts and Securities Accounts maintained by a Loan Party with, and cash and Cash Equivalents held by, such Lender or such Issuer, (iv) manage, supervise and otherwise deal with the Collateral, including the making of Protective Advances in an aggregate amount not to exceed 10% of the then effective Revolving Credit Commitments *provided, however*, (x) after giving effect to such Protective Advances, Revolving Credit Outstandings shall not exceed Revolving Credit Commitments, and (y) the Loan Parties shall repay each Protective Advance no later than 45 Business Days after such Protective Advance shall have been made, (v) take such action as is necessary or desirable to maintain the perfection and priority of the security interests and Liens created or purported to be created by the Collateral Documents and (vi) except as may be otherwise specifically restricted by the terms hereof or of any other Financing Agreement, exercise all remedies given to the Administrative Agent, the Lenders, the Issuers and the other Secured Parties with respect to the Collateral under the Financing Agreements relating thereto, applicable Requirements of Law or otherwise.

(b) Each of the Lenders and the Issuers hereby consents to the release and hereby directs, in accordance with the terms hereof, the Administrative Agent to release (or, in the case of *clause (ii)* below, release or subordinate) any Lien held by the Administrative Agent for the benefit of the Lenders and the Issuers against any of the following:

(i) all of the Collateral and all Loan Parties, upon termination of the Revolving Credit Commitments and payment and satisfaction in full of all Loans, all Reimbursement Obligations and all other Obligations that the Administrative Agent has been notified in writing are then due and payable (and, in respect of Letter of Credit Undrawn Amounts, with respect to which cash collateral has been deposited or a back-up letter of credit has been issued, in either case in the appropriate currency and on terms satisfactory to the Administrative Agent and the applicable Issuers);

(ii) any assets that are subject to a Lien permitted by *Section 8.2 (Liens, Etc.)*; and

(iii) any part of the Collateral sold or disposed of by a Loan Party if such sale or disposition is permitted by this Agreement (or permitted pursuant to a waiver or consent to a transaction otherwise prohibited by this Agreement) or, in the case of Term Loan Collateral, the Term Loan Facility to the extent the Collateral is required to be released pursuant to the Intercreditor Agreement.

Each of the Lenders and the Issuers hereby directs the Administrative Agent to execute and deliver or file such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this *Section 10.8* promptly upon the effectiveness of any such release.

Section 10.9 Collateral Matters Relating to Related Obligations

The benefit of the Financing Agreements and of the provisions of this Agreement relating to the Collateral shall extend to and be available in respect of any Secured Obligation arising under any Hedging Contract or Cash Management Documents or that is otherwise owed to Persons other than the Administrative Agent, the Lenders and the Issuers (collectively, “*Related Obligations*”) solely on the condition and understanding, as among the Administrative Agent and all Secured Parties, that (a) the Related Obligations shall be entitled to the benefit of the Financing Agreements and the Collateral to the extent expressly set forth in this Agreement and the other Financing Agreements and to such extent the Administrative Agent shall hold, and have the right and power to act with respect to, the Guaranty and the Collateral on behalf of and as agent for the holders of the Related Obligations, but the Administrative Agent is otherwise acting solely as agent for the Lenders and the Issuers and shall have no fiduciary duty, duty of loyalty, duty of care, duty of disclosure or other obligation whatsoever to any holder of Related Obligations, (b) all matters, acts and omissions relating in any manner to the Guaranty, the Collateral, or the omission, creation, perfection, priority, abandonment or release of any Lien, shall be governed solely by the provisions of this Agreement and the other Financing Agreements and no separate Lien, right, power or remedy shall arise or exist in favor of any Secured Party under any separate instrument or agreement or in respect of any Related Obligation, (c) each Secured Party shall be bound by all actions taken or omitted, in accordance with the provisions of this Agreement and the other Financing Agreements, by the Administrative Agent and the Requisite Lenders, each of whom shall be entitled to act at its sole discretion and exclusively in its own interest given its own Revolving Credit Commitments and its own interest in the Loans, Letter of Credit Obligations and other Obligations to it arising under this Agreement or the other Financing Agreements, without any duty or liability to any other Secured Party or as to any Related Obligation and without regard to whether any Related Obligation remains outstanding or is deprived of the benefit of the Collateral or becomes unsecured or is otherwise affected or put in jeopardy thereby, (d) no holder of Related Obligations and no other Secured Party (except the Administrative Agent, the Lenders and the Issuers, to the extent set forth in this Agreement) shall have any right to be notified of, or to direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under this Agreement or the Financing Agreements and (e) no holder of any Related Obligation shall exercise any right of setoff, banker’s lien or similar right except to the extent provided in *Section 11.6 (Right of Set-off)* and then only to the extent such right is exercised in compliance with *Section 11.7 (Sharing of Payments, Etc.)*.

Section 10.10 Delivery of Certain Financial Information

The Administrative Agent shall, and the Loan Parties agree, that the Administrative Agent may, make available to the Lenders and the Issuers all Approved Electronic

Communications provided to the Administrative Agent pursuant to *clauses (a) through (c) of Section 6.1 (Financial Statements)*. The Loan Parties further agree, that the Administrative Agent may make available to the Lenders and the Issuers such other Approved Electronic Communications provided to the Administrative Agent, upon such Lenders' and Issuers' request.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Amendments, Waivers, Etc.

(a) No amendment or waiver of any provision of this Agreement or any other Financing Agreement (other than the Fee Letter, the Deposit Account Control Agreements, the Securities Account Control Agreements and the Letter of Credit Reimbursement Agreements) nor consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be in writing and (x) in the case of any such waiver or consent signed by the Requisite Lenders (or by the Administrative Agent with the consent of the Requisite Lenders) and (y) in the case of any other amendment, by the Requisite Lenders (or by the Administrative Agent with the consent of the Requisite Lenders) and the Loan Parties, 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 amendment, waiver or consent shall, unless in writing and signed by each Lender directly affected thereby, in addition to the Requisite Lenders (or the Administrative Agent with the consent thereof), do any of the following:

(i) waive any condition specified in Section 3.1 (Conditions Precedent to Effective Date) or 3.2(a) (Conditions Precedent to Each Loan and Letter of Credit), except with respect to a condition based upon another provision hereof, the waiver of which requires only the concurrence of the Requisite Lenders and, in the case of the conditions specified in Section 3.1 (Conditions Precedent to Effective Date), subject to the provisions of Section 3.3 (Determinations of Effective Date Borrowing Conditions);

(ii) increase the Revolving Credit Commitment of such Lender or subject such Lender to any additional obligation;

(iii) extend the scheduled final maturity of any Loan owing to such Lender, or waive, reduce or postpone any scheduled date fixed for the payment or reduction of principal or interest of any such Loan or fees owing to such Lender (it being understood that *Section 2.9 (Mandatory Prepayments)* does not provide for scheduled dates fixed for payment) or for the reduction of such Lender's Revolving Credit Commitment;

(iv) reduce, or release the Borrowers from their obligations to repay, the principal amount of any Loan or Reimbursement Obligation owing to such Lender (other than by the payment or prepayment thereof);

(v) reduce the rate of interest on any Loan or Reimbursement Obligation outstanding and owing to such Lender or any fee payable hereunder to such Lender;

- (vi) expressly subordinate any of the Secured Obligations or any Liens securing the Secured Obligations;
- (vii) postpone any scheduled date fixed for payment of interest or fees owing to such Lender or waive any such payment;
- (viii) change the aggregate Ratable Portions of Lenders required for any or all Lenders to take any action hereunder;
- (ix) release all or substantially all of the Collateral except as provided in Section 10.8(b) (Concerning the Collateral and the Collateral Documents) or release any Guarantor from its obligations under the Guaranty except in connection with the sale or other disposition of a Subsidiary Guarantor (or all or substantially all of the assets thereof) permitted by this Agreement (or permitted pursuant to a waiver or consent of a transaction otherwise prohibited by this Agreement);
- (x)(i) increase any of the percentages set forth in the definition of "Advance Rate" or "Borrowing Base" above the maximum percentages stated in such definitions on the date hereof; or (ii) change the definitions of "Eligible Credit Card Receivables", "Eligible Inventory" "Eligible Real Property" or "Qualified Cash" in a manner that would result in any increase in the Borrowing Base;
- (xi) amend Section 10.8(b) (Concerning the Collateral and the Collateral Documents), Section 11.7 (Sharing of Payments, Etc.), this Section 11.1 or either definition of the terms "Requisite Lenders" or "Ratable Portion";

and *provided, however*, that (x) no amendment, waiver or consent shall, unless in writing and signed by any Special Purpose Vehicle that has been granted an option pursuant to *Section 11.2(f) (Assignments and Participations)*, affect the grant or nature of such option or the right or duties of such Special Purpose Vehicle hereunder, (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or the other Financing Agreements and (z) no amendment, waiver or consent shall, unless in writing and signed by the Swing Loan Lender in addition to the Lenders required above to take such action, affect the rights or duties of the Swing Loan Lender under this Agreement or the other Financing Agreements; and *provided, further*, that the Administrative Agent may, with the consent of the Borrowers, amend, modify or supplement this Agreement to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or any Issuer; and *provided, further*, that no consent of any Lender shall be required to effectuate any amendment, waiver or modification under this Agreement or under any other Financing Agreement that is necessary to implement a Facility Increase pursuant to *Section 2.18 (Facility Increase)*.

(b) The Administrative Agent may, but shall have no obligation to, with the written concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Borrowers in any case shall entitle the Borrowers to any other or further notice or demand in similar or other circumstances.

(c) If, in connection with any proposed amendment, modification, waiver or termination requiring the consent of all affected Lenders, the consent of Requisite Lenders is obtained but the consent of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this *Section 11.1* being referred to as a “*Non-Consenting Lender*”), then, as long as the Lender acting as the Administrative Agent is not a Non-Consenting Lender, at the Borrower Agent’s request, any Eligible Assignee acceptable to the Administrative Agent shall have the right with the Administrative Agent’s consent and in the Administrative Agent’s sole discretion (but shall have no obligation) to purchase from such Non-Consenting Lender, and such Non-Consenting Lender agrees that it shall, upon the Administrative Agent’s request, sell and assign to the Lender acting as the Administrative Agent or such Eligible Assignee, all of the Revolving Credit Commitments, and Revolving Credit Outstandings of such Non-Consenting Lender for an amount equal to the principal balance of all Loans held by the Non-Consenting Lender and all accrued and unpaid interest and fees with respect thereto through the date of sale; *provided, however*, that such purchase and sale shall be recorded in the Register maintained by the Administrative Agent and shall not be effective until (x) the Administrative Agent shall have received from such Eligible Assignee an agreement in form and substance satisfactory to the Administrative Agent and the Borrower Agent whereby such Eligible Assignee shall agree to be bound by the terms hereof and (y) such Non-Consenting Lender shall have received payments of all Loans held by it and all accrued and unpaid interest and fees with respect thereto through the date of the sale. Each Lender agrees that, if it becomes a Non-Consenting Lender, it shall execute and deliver to the Administrative Agent an Assignment and Acceptance to evidence such sale and purchase and shall deliver to the Administrative Agent any Revolving Credit Note (if the assigning Lender’s Loans are evidenced by a Revolving Credit Note) subject to such Assignment and Acceptance; *provided, however*, that the failure of any Non-Consenting Lender to execute an Assignment and Acceptance shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register.

Section 11.2 Assignments and Participations

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Loan Parties may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender or Issuer may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of *clauses (b) and (h)* below, (ii) by way of participation in accordance with the provisions of *clause (g)* below or (iii) by way of a grant to a Special Purpose Vehicle or a pledge or assignment of a security interest subject to the restrictions of *clause (f)* below (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, express or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and permitted assigns, Participants to the extent provided in *clause (g)* below, Special Purpose Vehicles to the extent provided in *(f)* below and, to the extent expressly contemplated hereby, each of the Administrative Agent, the Lenders and the Issuers, their respective Affiliates and each of their respective partners, directors, officers, employees, agents, trustee, representatives, attorneys, consultants and advisors) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Each Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations hereunder (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it and all of its rights and obligations with respect to the Swing Loans and Letters of Credit); *provided, however*, that any such assignment shall be subject to the following conditions:

(i) (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitment and the Loans and Swing Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned and (B) in any case not described in *clause (b)(i)(A)* above, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes the Revolving Credit Outstandings thereunder) or, if the applicable Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Revolving Credit Outstandings of the assigning Lender subject to each such assignment (determined as of the effective date of the Assignment and Acceptance with respect to such assignment) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default shall have occurred and be continuing, the Borrower Agent otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Revolving Credit Outstandings and the Revolving Credit Commitment assigned.

(iii) No consent shall be required for any assignment except to the extent required by *clause (b)(i)(B)* above and, in addition:

(A) the consent of the Borrower Agent (such consent not to be unreasonably withheld or delayed) shall be required unless an Event of Default shall have occurred and be continuing at the time of such assignment or;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the consent of the Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Loan Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Swing Loans.

(iv) The parties to each assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with (A) other than in respect of assignments made pursuant to *Sections 2.17 (Substitution of Lenders)* and *11.1(a) (Amendments, Waivers Etc.)*, a processing and recordation fee of \$3,500 and (B) any Revolving Credit Note (if the

assigning Lender's Loans are evidenced by a Revolving Credit Note), subject to such assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(c) Subject to acceptance and recording thereof by the Administrative Agent in the Register pursuant to *Section 2.7 (Evidence of Debt)* and the receipt of the assignment fee referenced in clause (b)(iv) above, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and, if such Lender was an Issuer, of such Issuer hereunder, (B) the Revolving Credit Notes (if any) corresponding to the Loans assigned thereby shall be transferred to such assignee by notation in the Register and (C) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under the Financing Agreements (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under the Financing Agreements, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of *Sections 2.14(c) (Increased Costs)*, *2.15 (Capital Adequacy)*, *2.16 (Taxes)*, *11.3 (Costs and Expenses)*, *11.4 (Indemnities)* and *Section 11.5 (Limitation of Liability)* with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with *clause (g)* of this *Section 11.2*.

(d) The Administrative Agent shall maintain at its address referred to in *Section 11.8 (Notices, Etc.)* a copy of each Assignment and Acceptance delivered to and accepted by it and shall record in the Register the names and addresses of the Lenders and Issuers and the principal amount of the Loans and Reimbursement Obligations owing to each Lender from time to time and the Revolving Credit Commitments of each Lender. Any assignment pursuant to this *Section 11.2* shall not be effective until such assignment is recorded in the Register.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed, (i) accept such Assignment and Acceptance, (ii) record or cause to be recorded the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower Agent. Within five Business Days after its receipt of such notice, the Borrowers, at its own expense, shall, if requested by such assignee, execute and deliver to the Administrative Agent, new Revolving Credit Notes to the order of such assignee in an amount equal to the Revolving Credit Commitments assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has surrendered any Revolving Credit Note for exchange in connection with the assignment and has retained Revolving Credit Commitments hereunder, new Revolving Credit Notes to the order of the assigning Lender in an amount equal to the Revolving Credit Commitments retained by it hereunder. Such new Revolving Credit Notes shall be dated the same date as the surrendered Revolving Credit Notes and be in substantially the form of *Exhibit B (Form of Revolving Credit Note)*.

(f) In addition to the other assignment rights provided in this *Section 11.2*, each Lender may do each of the following:

(i) grant to a Special Purpose Vehicle the option (but not the obligation) to make all or any part of any Loan that such Lender would otherwise be

required to make hereunder and the exercise of such option by any such Special Purpose Vehicle and the making of Loans pursuant thereto shall satisfy (once and to the extent that such Loans are made) the obligation of such Lender to make such Loans thereunder, *provided, however*, that (x) nothing herein shall constitute a commitment or an offer to commit by such a Special Purpose Vehicle to make Loans hereunder and no such Special Purpose Vehicle shall be liable for any indemnity or other Obligation (other than the making of Loans for which such Special Purpose Vehicle shall have exercised an option, and then only in accordance with the relevant option agreement) and (y) such Lender's obligations under the Financing Agreements shall remain unchanged, such Lender shall remain responsible to the other parties for the performance of its obligations under the terms of this Agreement and shall remain the holder of the Obligations for all purposes hereunder; and

(ii) assign, as collateral or otherwise, any of its rights under this Agreement, whether now owned or hereafter acquired (including rights to payments of principal or interest on the Loans), to (A) without notice to or consent of the Administrative Agent or the Borrowers, any Federal Reserve Bank (pursuant to Regulation A of the Federal Reserve Board) and (B) without consent of the Administrative Agent or the Borrowers, (1) any holder of, or trustee for the benefit of, the holders of such Lender's Securities and (2) any Special Purpose Vehicle to which such Lender has granted an option pursuant to *clause (i)* above;

provided, however, that no such assignment or grant shall release such Lender from any of its obligations hereunder except as expressly provided in *clause (i)* above and except, in the case of a subsequent foreclosure pursuant to an assignment as collateral, if such foreclosure is made in compliance with the other provisions of this *Section 11.2* other than this *clause (f)* or *clause (g)* below. Each party hereto acknowledges and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any such Special Purpose Vehicle, such party shall not institute against, or join any other Person in instituting against, any Special Purpose Vehicle that has been granted an option pursuant to this *clause (f)* any bankruptcy, reorganization, insolvency or liquidation proceeding (such agreement shall survive the payment in full of the Obligations). The terms of the designation of, or assignment to, such Special Purpose Vehicle shall not restrict such Lender's ability to, or grant such Special Purpose Vehicle the right to, consent to any amendment or waiver to this Agreement or any other Financing Agreement or to the departure by the Loan Parties from any provision of this Agreement or any other Financing Agreement and the Administrative Agent and the Lenders, Issuers and other Secured Parties shall continue to, and shall be entitled to continue to, deal solely and directly with such Lender in connection with such Lender's obligations under this Agreement; *provided, however*, any amendment or departure from any of the Financing Agreements that has the effect of reducing the principal amount of, or the rate of interest on, any Obligations, amends this *clause (f)* or postpones any scheduled date of payment of such principal or interest may be subject to the consent of such Special Purpose Vehicle (such consent not to be unreasonably withheld or delayed). Each Special Purpose Vehicle shall be entitled to the benefits of *Sections 2.15 (Capital Adequacy)* and *2.16 (Taxes)* and of *Section 2.14(d) (Illegality)* as if it were such Lender; *provided, however*, that anything herein to the contrary notwithstanding, no Borrower shall, at any time, be obligated to make under *Section 2.15 (Capital Adequacy)*, *2.16 (Taxes)* or *Section 2.14(d) (Illegality)* to any such Special Purpose Vehicle and any such Lender any payment in excess of the amount the Borrowers would have been obligated to pay to such Lender in respect of such interest if such Special Purpose Vehicle had not been assigned the

rights of such Lender hereunder; and *provided, further*, that such Special Purpose Vehicle shall have no direct right to enforce any of the terms of this Agreement against the Borrowers, the Administrative Agent or the other Lenders.

(g) (i) Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and/or the Loans and Swing Loans owing to it and its rights and obligations with respect to the Letters of Credit); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Lenders, the Issuers and the Swing Loan Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that would (A) reduce the amount, or postpone any date fixed for, any amount (whether of principal, interest or fees) payable to such Participant under the Financing Agreements, to which such Participant would otherwise be entitled under such participation or (B) result in the release of all or substantially all of the Collateral other than in accordance with *Section 10.8(b) (Concerning the Collateral and the Collateral Documents)*. Subject to *clause (i)* below, the Borrowers agree that each Participant shall be entitled to the benefits of *Section 2.14(c) (Increased Costs)*, *2.15 (Capital Adequacy)* or *2.16 (Taxes)* to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to *clause (b)* above. To the extent permitted by law, each Participant also shall be entitled to the benefits of *Section 11.6 (Right of Set-off)* as though it were a Lender, provided such Participant agrees to be subject to *Section 11.7 (Sharing of Payments, Etc.)* as though it were a Lender.

(h) Any Issuer may at any time assign its rights and obligations hereunder to any other Lender by an instrument in form and substance satisfactory to the Borrowers, the Administrative Agent, such Issuer and such Lender, subject to the provisions of *Section 2.7(c) (Evidence of Debt)* relating to notations of transfer in the Register. If any Issuer ceases to be a Lender hereunder by virtue of any assignment made pursuant to this *Section 11.2*, then, as of the effective date of such cessation, such Issuer's obligations to Issue Letters of Credit pursuant to *Section 2.4 (Letters of Credit)* shall terminate and such Issuer shall be an Issuer hereunder only with respect to outstanding Letters of Credit issued prior to such date.

(i) A Participant shall not be entitled to receive any greater payment under *Section 2.14(c) (Increased Costs)*, *2.15 (Capital Adequacy)* or *2.16 (Taxes)* than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of *Section 2.16 (Taxes)* unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with *Section 2.16(f) (Taxes)* as though it were a Lender.

(j) The words “*execution*” “*signed*” “*signature*” and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 11.3 Costs and Expenses

(a) The Loan Parties agree upon demand to, jointly and severally, pay, or reimburse the Administrative Agent for, all of the Administrative Agent’s reasonable internal and external audit, legal, appraisal, valuation, filing, document duplication and reproduction and investigation expenses and for all other reasonable out-of-pocket costs and expenses of every type and nature (including the reasonable fees, expenses and disbursements of the Administrative Agent’s counsel, Weil, Gotshal & Manges LLP, local legal counsel, auditors, accountants, appraisers, printers, insurance and environmental advisors, and other consultants and agents) actually incurred by the Administrative Agent in connection with any of the following: (i) the Administrative Agent’s audit and investigation of Holdings and its Subsidiaries in connection with the preparation, negotiation or execution of any Financing Agreement or the Administrative Agent’s periodic audits of Holdings or any of its Subsidiaries, as the case may be, (ii) the preparation, negotiation, execution or interpretation of this Agreement (including, without limitation, the satisfaction or attempted satisfaction of any condition set forth in *Article III (Conditions Precedent)*), any Financing Agreement or any proposal letter or commitment letter issued in connection therewith, or the making of the Loans hereunder, (iii) the creation, perfection or protection of the Liens under any Financing Agreement (including any reasonable fees, disbursements and expenses for local counsel in various jurisdictions), (iv) the ongoing administration of this Agreement and the Loans (other than the ordinary administrative services provided by the Administrative Agent), including consultation with attorneys in connection therewith and with respect to the Administrative Agent’s rights and responsibilities hereunder and under the other Financing Agreements, (v) the protection, collection or enforcement of any Obligation or the enforcement of any Financing Agreement, (vi) the commencement, defense or intervention in any court proceeding relating in any way to the Obligations, any Loan Party, any of the Borrowers’ Subsidiaries, this Agreement or any other Financing Agreement, (vii) the response to, and preparation for, any subpoena or request for document production with which the Administrative Agent is served or deposition or other proceeding in which the Administrative Agent is called to testify, in each case, relating in any way to the Obligations, any Loan Party, any of the Borrowers’ Subsidiaries, this Agreement or any other Financing Agreement or (viii) any amendment, consent, waiver, assignment, restatement, or supplement to any Financing Agreement or the preparation, negotiation and execution of the same.

(b) The Loan Parties further agree to, jointly and severally, pay or reimburse, without duplication of any expense or reimbursement pursuant to *Section 11.3*, the Administrative Agent and each of the Lenders and Issuers upon demand for all reasonable out-of-pocket costs and expenses, including the reasonable fees, charges and disbursements of counsel (which shall be limited to one primary counsel and, if necessary, one local counsel per jurisdiction for the

Administrative Agent, the Collateral Agent, the Lenders and the Issuers unless, in the reasonable opinion of the Administrative Agent, representation of all such Indemnitees would be inappropriate due to an actual or potential conflict of interest, in which case there shall be permitted one additional counsel for such affected Indemnitee), and other reasonable costs and expenses actually incurred by the Administrative Agent, such Lenders or such Issuers in connection with any of the following: (i) in enforcing any Financing Agreement or Obligation or any security therefor or exercising or enforcing any other right or remedy available by reason of an Event of Default, (ii) in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a “work-out” or in any insolvency or bankruptcy proceeding, (iii) in commencing, defending or intervening in any litigation or in filing a petition, complaint, answer, motion or other pleadings in any legal proceeding relating to the Obligations, any Loan Party, any of the Borrowers’ Subsidiaries and related to or arising out of the transactions contemplated hereby or by any other Financing Agreement or (iv) in taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) described in *clause (i), (ii) or (iii)* above.

Section 11.4 Indemnities

(a) The Loan Parties agree to indemnify and hold harmless the Administrative Agent, each Lender and each Issuer and each of their respective Affiliates, and each of the directors, officers, employees, agents, trustees, representatives, attorneys, consultants and advisors of or to any of the foregoing (including those retained in connection with the satisfaction or attempted satisfaction of any condition set forth in *Article III (Conditions Precedent)* (each such Person being an “Indemnitee”) from and against any and all claims, damages, liabilities, obligations, losses, penalties, actions, judgments, suits, costs, disbursements and expenses, joint or several, of any kind or nature (including fees, disbursements and expenses of financial advisors and of one primary counsel and, if necessary, one local counsel per jurisdiction for the Indemnitees) that may be imposed on or incurred by against any such Indemnitee in connection with or arising out of any investigation, litigation or proceeding, whether or not such investigation, litigation or proceeding is brought by any such Indemnitee or any of its directors, security holders or creditors or any such Indemnitee, director, security holder or creditor is a party thereto, whether direct, indirect, or consequential and whether based on any federal, state or local law or other statutory regulation, securities or commercial law or regulation, or under common law or in equity, or on contract, tort or otherwise, in any manner relating to or arising out of this Agreement, any other Financing Agreement, any Obligation owing under any Financing Agreement, any Letter of Credit, or any act, event or transaction related or attendant to any thereof, or the use or intended use of the proceeds of the Loans or Letters of Credit or in connection with any investigation of any potential matter covered hereby (collectively, the “Indemnified Matters”); *provided, however*, that the Borrowers shall not have any liability under this Section 11.4 to an Indemnitee with respect to any Indemnified Matter that has resulted from the gross negligence or willful misconduct of that Indemnitee or bad faith breach by such Indemnitee of its material obligations under this Agreement, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. Without limiting the foregoing, “Indemnified Matters” include (i) all Environmental Liabilities and Costs arising from or connected with the past, present or future operations of any Loan Party involving any property subject to a Collateral Document, or damage to real or personal property or natural resources or harm or injury alleged to have resulted from any Release of Contaminants on, upon or into such property or any contiguous real estate, (ii) any costs or liabilities incurred in connection with any Remedial Action concerning any Loan Party, (iii) any costs or liabilities incurred in connection

with any Environmental Lien and (iv) any costs or liabilities incurred in connection with any other matter under any Environmental Law, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (49 U.S.C. § 9601 *et seq.*) and applicable state property transfer laws, whether, with respect to any such matter, such Indemnitee is a mortgagee pursuant to any leasehold mortgage, a mortgagee in possession, the successor in interest to any Loan Party, or the owner, lessee or operator of any property of any Loan Party by virtue of foreclosure, except, with respect to those matters referred to in *clauses (i), (ii), (iii) and (iv)* above, to the extent (x) incurred following foreclosure by the Administrative Agent, any Lender or any Issuer, or the Administrative Agent, any Lender or any Issuer having become the successor in interest to the any Loan Party and (y) attributable solely to acts of the Administrative Agent, such Lender or such Issuer or any agent on behalf of the Administrative Agent, such Lender or such Issuer.

(b) The Loan Parties shall indemnify the Administrative Agent, the Lenders and each Issuer for, and hold the Administrative Agent, the Lenders and each Issuer harmless from and against, any and all claims for brokerage commissions, fees and other compensation made against the Administrative Agent, the Lenders and the Issuers for any broker, finder or consultant with respect to any agreement, arrangement or understanding made by or on behalf of any Loan Party or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

(c) The Loan Parties, at the request of any Indemnitee, shall have the obligation to defend against any investigation, litigation or proceeding or requested Remedial Action, in each case contemplated in *clause (a)* above, and the Loan Parties, in any event, may participate in the defense thereof with legal counsel of the Loan Parties' choice. In the event that such Indemnitee requests the Loan Parties to defend against such investigation, litigation or proceeding or requested Remedial Action, the Loan Parties shall promptly do so and such Indemnitee shall have the right to have legal counsel of its choice participate in such defense. No action taken by legal counsel chosen by such Indemnitee in defending against any such investigation, litigation or proceeding or requested Remedial Action, shall vitiate or in any way impair the Loan Parties' obligation and duty hereunder to indemnify and hold harmless such Indemnitee.

(d) The Loan Parties agree that any indemnification or other protection provided to any Indemnitee pursuant to this Agreement (including pursuant to this *Section 11.4*) or any other Financing Agreement shall (i) survive payment in full of the Obligations and (ii) inure to the benefit of any Person that was at any time an Indemnitee under this Agreement or any other Financing Agreement.

Section 11.5 Limitation of Liability

(a) The Loan Parties agree that no Indemnitee shall have any liability (whether in contract, tort or otherwise) to any Loan Party or any of their respective Subsidiaries or any of their respective equity holders or creditors for or in connection with the transactions contemplated hereby and in the other Financing Agreements, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnitee's gross negligence or willful misconduct or bad faith breach by such Indemnitee of its material obligations under this Agreement. In no event, shall any party hereto or any Indemnitee be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or

anticipated savings). Each party hereto hereby waives, releases and agrees (each for itself and on behalf of its Subsidiaries) not to sue upon any such claim for any special, indirect, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(b) IN NO EVENT SHALL ANY ADMINISTRATIVE AGENT AFFILIATE HAVE ANY LIABILITY TO ANY LOAN PARTY, LENDER, ISSUER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT OR CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY OR ANY ADMINISTRATIVE AGENT AFFILIATE'S TRANSMISSION OF APPROVED ELECTRONIC COMMUNICATIONS THROUGH THE INTERNET OR ANY USE OF THE APPROVED ELECTRONIC PLATFORM, EXCEPT TO THE EXTENT SUCH LIABILITY OF ANY ADMINISTRATIVE AGENT AFFILIATE RESULTED PRIMARILY FROM SUCH ADMINISTRATIVE AGENT AFFILIATE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Section 11.6 Right of Set-off

Upon the occurrence and during the continuance of any Event of Default, each Lender and each Affiliate of a Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Requirements of 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 such Lender to or for the credit or the account of the Loan Parties against any and all of the Obligations now or hereafter existing whether or not such Lender shall have made any demand under this Agreement or any other Financing Agreement and even though such Obligations may be unmaturing. Each Lender agrees promptly to notify the Borrower Agent after any such set-off and application made by such Lender or its Affiliates; *provided, however*, that the failure to give such notice shall not affect the validity of such set-off and application. Each Lender agrees that it shall not, without the express consent of the Requisite Lenders (and that, it shall, to the extent lawfully entitled to do so, upon the request of the Requisite Lenders) exercise its set-off rights under this *Section 11.6* against any deposit accounts of the Loan Parties and their Subsidiaries maintained with such Lender or any Affiliate thereof. The rights of each Lender under this *Section 11.6* are in addition to the other rights and remedies (including other rights of set-off) that such Lender may have.

Section 11.7 Sharing of Payments, Etc.

(a) If any Lender (directly or through an Affiliate thereof) obtains any payment (whether voluntary, involuntary, through the exercise of any right of set-off (including pursuant to *Section 11.6 (Right of Set-off)* or otherwise) of the Loans owing to it, any interest thereon, fees in respect thereof or amounts due pursuant to *Section 11.3 (Costs and Expenses)* or *11.4 (Indemnities)* (other than payments pursuant to *Sections 2.14 (Special Provisions Governing Eurodollar Rate Loans)*, *2.15 (Capital Adequacy)* or *2.16 (Taxes)*) or otherwise receives any Collateral or any "Proceeds" (as defined in the Pledge and Security Agreement) of Collateral (other than payments pursuant to *Sections 2.14 (Special Provisions Governing Eurodollar Rate Loans)*, *2.15 (Capital Adequacy)* or *2.16 (Taxes)*) (in each case, whether voluntary, involuntary, through the exercise of any right of set-off or otherwise (including pursuant to *Section 11.6 (Right of Set-off)*) in excess of its Ratable Portion of all payments of such Obligations obtained by all the Lenders, such Lender (a "*Purchasing Lender*") shall forthwith purchase from the other Lenders (each, a "*Selling Lender*") such participations in their Loans or other Obligations as shall be necessary to cause such Purchasing Lender to share the excess payment ratably with each of them.

(b) If all or any portion of any payment received by a Purchasing Lender is thereafter recovered from such Purchasing Lender, such purchase from each Selling Lender shall be rescinded and such Selling Lender shall repay to the Purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Selling Lender's ratable share (according to the proportion of (i) the amount of such Selling Lender's required repayment in relation to (ii) the total amount so recovered from the Purchasing Lender) of any interest or other amount paid or payable by the Purchasing Lender in respect of the total amount so recovered.

(c) Each Loan Party agrees that any Purchasing Lender so purchasing a participation from a Selling Lender pursuant to this *Section 11.7* may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of such Loan Parties in the amount of such participation.

Section 11.8 Notices, Etc.

(a) *Addresses for Notices.* All notices, demands, requests, consents and other communications provided for in this Agreement shall be given in writing, and addressed to the party to be notified as follows:

(i) if to the Borrowers or any Loan Party:

J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Chief Financial Officer
Telephone No.: 212-209-8040

with a copy to:

J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: General Counsel
Telephone No.: 212-209-8254

(ii) if to any Lender, at its Domestic Lending Office specified opposite its name on *Schedule II (Applicable Lending Offices and Addresses for Notices)* or on the signature page of any applicable Assignment and Acceptance;

(iii) if to any Issuer, at the address set forth under its name on *Schedule II (Applicable Lending Offices and Addresses for Notices)*; and

(iv) if to the Administrative Agent or the Swing Loan Lender:

CITICORP USA, INC.
388 Greenwich Street, 20th Floor
New York, New York 10013
Attention: Thomas Halsch
Telecopy no: (212) 816-2613

or at such other address as shall be notified in writing (x) in the case of the Borrowers, the Administrative Agent and the Swing Loan Lender, to the other parties and (y) in the case of all other parties, to the Borrower Agent and the Administrative Agent.

(b) *Effectiveness of Notices*. All notices, demands, requests, consents and other communications described in *clause (a)* above shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when received, (iii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by *Section 10.3 (Posting of Approved Electronic Communications)* to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified that such communication has been posted to the Approved Electronic Platform and (iv) if delivered by electronic mail or any other telecommunications device, when transmitted to an electronic mail address (or by another means of electronic delivery) as provided in *clause (a)* above; *provided, however*, that notices and communications to the Administrative Agent pursuant to *Article II (The Facility)* or *Article X (The Administrative Agent)* shall not be effective until received by the Administrative Agent.

(c) *Use of Electronic Platform*. Notwithstanding *clauses (a)* and *(b)* above (unless the Administrative Agent requests that the provisions of *clause (a)* and *(b)* above be followed) and any other provision in this Agreement or any other Financing Agreement providing for the delivery of, any Approved Electronic Communication by any other means, the Loan Parties shall deliver all Approved Electronic Communications to the Administrative Agent by properly transmitting such Approved Electronic Communications in an electronic soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citigroup.com or such other electronic mail address (or similar means of electronic delivery) as the Administrative Agent may notify the Borrower Agent. Nothing in this *clause (b)* shall prejudice the right of the Administrative Agent or any Lender or Issuer to deliver any Approved Electronic Communication to any Loan Party in any manner authorized in this Agreement or to request that the Borrowers effect delivery in such manner.

Section 11.9 No Waiver; Remedies

No failure on the part of any Lender, Issuer or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 11.10 [Intentionally Omitted]

Section 11.11 Amendment and Restatement; Binding Effect

(a) The terms and conditions of this Agreement and the Administrative Agent's, the Lenders' and the Issuers' rights and remedies under this Agreement and the other Financing Agreements shall apply to all of the Obligations incurred under the Existing Credit Agreement. This Agreement is not in any way intended to constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement or evidence payment of all or any portion of such obligations and liabilities.

(b) On the Effective Date, the Existing Credit Agreement shall be amended and restated in its entirety by this Agreement, and the Existing Credit Agreement shall thereafter be of no further force and effect, except to evidence (i) the incurrence by the Borrowers of the "Obligations" under and as defined in the Existing Credit Agreement (whether or not such "Obligations" are contingent as of the Effective Date), (ii) the representations and warranties made by the Loan Parties prior to the Effective Date and (iii) any action or omission performed or required to be performed pursuant to such Existing Credit Agreement prior to the Effective Date (including any failure, prior to the Effective Date, to comply with the covenants contained in such Existing Credit Agreement).

(c) On and after the Effective Date, (i) all references to the Existing Credit Agreement (or to any amendment or any amendment and restatement thereof) in the Financing Agreements (other than this Agreement) shall be deemed to refer to the Existing Credit Agreement, as amended and restated hereby, (ii) all references to any Article, Section or sub-clause of the Existing Credit Agreement or in any Financing Agreement (but not herein) shall be amended to become, *mutatis mutandis*, references to the corresponding provisions of this Agreement and (iii) except as the context otherwise provides, on or after the Effective Date, all references to this Agreement herein (including for purposes of indemnification and reimbursement of fees) shall be deemed to be references to the Existing Credit Agreement, as amended and restated hereby.

(d) This amendment and restatement is limited as written and is not a consent to any other amendment, restatement or waiver, whether or not similar and, except as expressly provided herein or in any other Financing Agreement, all terms and conditions of the Financing Agreements remain in full force and effect unless otherwise specifically amended or amended and restated hereby or by any other Financing Agreement.

Section 11.12 Governing Law

This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 11.13 Submission to Jurisdiction; Service of Process

(a) Any legal action or proceeding with respect to this Agreement or any other Financing Agreement may be brought in the courts of the State of New York located in the City of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, each of the Loan Parties hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid

courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, that any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

(b) Each Loan Party hereby irrevocably designates, appoints and empowers the Borrower Agent to act as its process agent, in the case of any suit, action or proceeding brought in the United States of America as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of, or in connection with, this Agreement or any other Financing Agreement. The Borrower Agent agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing contained in this *Section 11.13* shall affect the right of the Administrative Agent or any Lender to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against any Loan Party in any other jurisdiction.

(d) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase Dollars with such other currency at the spot rate of exchange quoted by the Administrative Agent at 11:00 a.m. (New York time) on the Business Day preceding that on which final judgment is given, for the purchase of Dollars, for delivery two Business Days thereafter.

Section 11.14 Waiver of Jury Trial

EACH OF THE ADMINISTRATIVE AGENT, THE LENDERS, THE ISSUERS, HOLDINGS AND THE BORROWERS IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER FINANCING AGREEMENT.

Section 11.15 Marshaling; Payments Set Aside

None of the Administrative Agent, any Lender or any Issuer shall be under any obligation to marshal any assets in favor of the Loan Parties or any other party or against or in payment of any or all of the Obligations. To the extent that the Borrowers make a payment or payments to the Administrative Agent, the Lenders or the Issuers or any such Person receives payment from the proceeds of the Collateral or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, right and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section 11.16 Section Titles

The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement

between the parties hereto, except when used to reference a section. Any reference to the number of a clause, sub-clause or subsection hereof immediately followed by a reference in parenthesis to the title of the Section containing such clause, sub-clause or subsection is a reference to such clause, sub-clause or subsection and not to the entire Section; *provided, however*, that, in case of direct conflict between the reference to the title and the reference to the number of such Section, the reference to the title shall govern absent manifest error. If any reference to the number of a Section (but not to any clause, sub-clause or subsection thereof) is followed immediately by a reference in parenthesis to the title of a Section, the title reference shall govern in case of direct conflict absent manifest error.

Section 11.17 Execution in Counterparts

This Agreement shall become effective when it shall have been executed by the Borrowers and the Administrative Agent and when the Administrative Agent shall have been notified by each Lender and Issuer that such Lender or Issuer has executed it. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed signature page of this Agreement by facsimile transmission, by electronic mail or by posting on the Approved Electronic Platform shall be as effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all parties shall be lodged with the Borrowers and the Administrative Agent.

Section 11.18 Entire Agreement

This Agreement, together with all of the other Financing Agreements and all certificates and documents delivered hereunder or thereunder, embodies the entire agreement of the parties and supersedes all prior agreements and understandings relating to the subject matter hereof. In the event of any conflict between the terms of this Agreement and any other Financing Agreement, the terms of this Agreement shall govern.

Section 11.19 Confidentiality

Each Lender and the Administrative Agent agree to use all reasonable efforts to keep information obtained by it pursuant hereto and the other Financing Agreements confidential in accordance with such Lender's or the Administrative Agent's, as the case may be, customary practices and agrees that it shall not disclose any such information other than (a) to such Lender's or the Administrative Agent's, as the case may be, employees, representatives and agents that are or are expected to be involved in the evaluation of such information in connection with the transactions contemplated by this Agreement and are advised of the confidential nature of such information, (b) to Affiliates of such Lender or the Administrative Agent, and the employees, representatives and agents of such Affiliates, in each case, that are or are expected to be involved in the evaluation of such information in connection with the transactions contemplated by this Agreement, in each case and to the extent such Affiliates agree to be bound by the provisions of this *Section 11.19* and such employees, representatives and agents are advised of the confidential nature of such information, (c) to the extent such information presently is or hereafter becomes available to such Lender or the Administrative Agent, as the case may be, on a non-confidential basis from a source other than any Loan Party, (d) to the extent disclosure is required by law,

regulation or judicial order or requested or required by bank regulators or auditors or (e) to current or prospective assignees, Participants and Special Purpose Vehicle grantees of any option described in *Section 11.2(f) (Assignments and Participations)*, contractual counterparties in any Hedging Contract permitted hereunder and to their respective legal or financial advisors, in each case and to the extent such assignees, Participants, grantees or counterparties agree to be bound by, and to cause their advisors to comply with, the provisions of this *Section 11.19*. Notwithstanding any other provision in this Agreement, the Administrative Agent hereby agrees that the Loan Parties (and each of their officers, directors, employees, accountants, attorneys and other advisors) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Facility and the transactions contemplated hereby and all materials of any kind (including opinions and other tax analyses) that are provided to it relating to such U.S. tax treatment and U.S. tax structure.

Section 11.20 Use of Name, Logo, etc.

Each Loan Party consents to the publication in the ordinary course by Administrative Agent or the Arrangers of customary advertising material relating to the financing transactions contemplated by this Agreement using such Loan Party's name, product photographs, logo or trademark. Such consent shall remain effective until revoked by such Loan Party in writing to the Administrative Agent and the Arrangers.

Section 11.21 Patriot Act Notice

Each Lender subject to the Patriot Act hereby notifies the Loan Parties that, pursuant to Section 326 of the Patriot Act, it is required to obtain, verify and record information that identifies the Loan Parties, including the name and address of the Loan Parties and other information that will allow such Lender to identify the Loan Parties in accordance with the Patriot Act.

Section 11.22 Termination.

At such time as (a) all of the Revolving Credit Commitments have been terminated, (b) all Letters of Credit have terminated or expired or been cash collateralized to the reasonable satisfaction of the respective Issuers and (c) all Obligations under the Financing Agreements (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full, this Agreement shall terminate. The indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of *Section 10.6*, *Section 11.3* and *Section 11.4* of this Agreement and any other provision of this Agreement and the other Financing Agreements, shall continue in full force and effect and shall protect the Administrative Agent and the Lenders (i) notwithstanding any termination of this Agreement, or of the other Financing Agreements, against claims arising after such termination as well as before related to matters and events existing on or prior to the date of termination of this Agreement in accordance with its terms and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement. The Administrative Agent agrees to furnish to the Loan Parties, upon the Borrower Agent's request and at the Borrowers' cost and expense, any release, termination, or other agreement or document evidencing the foregoing termination and the release of the Liens created under any of the Collateral Documents as may be reasonably requested by the Borrower Agent.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Credit Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWERS

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Chief Financial Officer

GUARANTORS

J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti

Title: Vice President and Controller

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

CITICORP USA, INC.,
as Administrative Agent

By: /s/ Thomas M. Halsch

Name: Thomas M. Halsch

Title: Director

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

WACHOVIA BANK, NATIONAL ASSOCIATION
as Issuer

By: /s/ Sang Kim

Name: Sang Kim

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

WACHOVIA BANK, NATIONAL ASSOCIATION
as Syndication Agent

By: /s/ Sang Kim

Name: Sang Kim

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

BANK OF AMERICA,
as Syndication Agent

By: /s/ Kathleen Dimock

Name: Kathleen Dimock

Title: Managing Director

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS

BANK OF AMERICA,
as Lender

By: /s/ Kathleen Dimock

Name: Kathleen Dimock
Title: Managing Director

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS

CITICORP USA, INC.,
as Swing Loan Lender and Lender

By: /s/ Thomas M. Halsch

Name: Thomas M. Halsch
Title: Director

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS

WACHOVIA BANK, NATIONAL ASSOCIATION
as Lender

By: /s/ Sang Kim

Name: Sang Kim

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS

HSBC BUSINESS CREDIT (USA) INC.
as Lender

By: /s/ Dan Bueno

Name: Dan Bueno

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS

JPMORGAN CHASE BANK, N.A.
as Lender

By: /s/ Illegible

Name: Illegible

Title: Illegible

[SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT]

SCHEDULE I
REVOLVING CREDIT COMMITMENTS

Bank	Commitment
Bank of America	\$ 50,000,000
Citicorp USA, Inc.	\$ 50,000,000
Wachovia Bank, National Association	\$ 50,000,000
HSBC Business Credit (USA) Inc.	\$ 25,000,000
JP Morgan Chase Bank, N.A.	\$ 25,000,000
Total	\$200,000,000

SCHEDULE II
APPLICABLE LENDING OFFICES AND ADDRESSES FOR NOTICES

<u>Lender</u>	<u>Domestic Lending Office</u>	<u>Eurodollar Lending Office</u>
Bank of America	100 Federal St. 9th Fl. Boston, MA 02110	
Citicorp USA, Inc.	388 Greenwich Street (ABF/Fixed Income – 20th Floor) New York, NY 10013 Attn: Marcus Wunderlich	
HSBC Business Credit (USA) Inc.	452 Fifth Avenue New York, NY 10018	
JP Morgan Chase Bank, N.A.	530 Fifth Avenue 8th Floor New York, NY 10036	
Wachovia Bank, National Association	1133 Avenue of the Americas New York, NY 10036	

Schedule 3.1(a)(vii)
(Foreign Qualifications)

J. Crew Operating Corp.

New York

J. Crew Inc.

New York
Pennsylvania
Virginia

Grace Holmes, Inc.

California
Illinois
New Hampshire
New Jersey
New York
North Carolina
Ohio
Pennsylvania
Virginia

H.F.D. No. 55, Inc.

California
Florida
New Hampshire
New York
Pennsylvania
Virginia

Madewell Inc.

New York

J. Crew Group, Inc.

New York

Schedule 4.3
(Subsidiaries)

<u>Company</u>	<u>Direct Subsidiary</u>	<u>Jurisdiction of Formation</u>	<u>Percentage Owned</u>
J. Crew Group, Inc.	J. Crew Operating Corp.	Delaware	100%
J. Crew Operating Corp.	J. Crew Inc.	New Jersey	100%
	Grace Holmes, Inc. (d/b/a J. Crew Retail)	Delaware	100%
	H.F.D. No. 55, Inc. (d/b/a J. Crew Factory)	Delaware	100%
	J. Crew Virginia, Inc.	Virginia	100%
	Madewell Inc.	Delaware	100%
	C&W Outlet, Inc.	New York	100%
J. Crew Inc.	J. Crew International, Inc.	Delaware	100%
	ERL, Inc.	New Jersey	100%
J. Crew International, Inc.	J. Crew Japan, Inc.	Japan	100%

Schedule 4.7

(Litigation)

1. The Company is a named defendant in a litigation captioned *Internet Media Corp. v. Dell, Inc., et al.* filed in the U.S.D.C., District of Delaware on August 29, 2005. Plaintiff claims that five defendants, including the Company, infringed on its patents by providing catalogs and print advertisements that include product listings along with codes that, when entered into a box on the defendants' websites, generate a product display.
2. The Company is also a named defendant in a litigation captioned *PEI Licensing, Inc. v. J.Crew International, Inc.* filed in the U.S.D.C. for the Southern District of New York on December 21, 2006. The plaintiff claims that the Company's sale of certain merchandise bearing penguin designs infringes upon its trademarks.

As of the Effective Date, the Borrowers believe that the above referenced litigation could not reasonably be expected to have a Material Adverse Effect, but are being scheduled for the sake of complete disclosure.

Schedule 4.19
(Real Property)

<u>Address</u>	<u>Owned/Leased</u>	<u>Landlord (if applicable)</u>
770 Broadway New York, County of New York New York, 10003	Leased by J. Crew Group, Inc.	770 Broadway Company LLC c/o Vornado Management Company LLC 888 Seventh Avenue New York, NY 10106
Two Penn Plaza New York, County of New York New York, 10121	Leased by J. Crew Group, Inc.	Vornado Two Penn Property LLC c/o Vornado Office Management LLC 888 Seventh Avenue New York, NY 10106
25 Mills Race Drive Lynchburg, Virginia 24502	Leased by J. Crew Inc.	Mae Holding Company 5145 Fischer Place Cincinnati, OH
One Clifford Way Asheville, County of Buncombe North Carolina, 28810	Owned by Grace Holmes, Inc.	N/A
One Ivy Crescent Lynchburg, Virginia, 24506	Owned by J. Crew Inc.	N/A

Schedule 4.20
(Credit Card Agreements)

1. Card Services Agreement, dated as of January 1, 1993, by and between American Express Travel Related Services Company, Inc. and J. Crew Group, Inc.¹
2. Merchant Services Agreement, dated as of September 3, 1987, by and between Discover Card Services, Inc. and J. Crew Group, Inc.
3. Private Label Credit Card Program Agreement, dated October 29, 2004, by and between World Financial Network National Bank and J. Crew Operating Corp., as subsequently amended by the Amendment to Private Label Credit Card Program Agreement, dated June 29, 2006, by and between World Financial Network National Bank and J. Crew Operating Corp.
4. Select Merchant Payment Card Processing Agreement, dated on or about October 3, 2001, by and between Paymentech, LLC and J. Crew Inc., as subsequently amended by the Amendment to Select Merchant Payment Card Processing Agreement, dated April 25, 2007, by and between Paymentech, L.P. and Chase Alliance Partners, L.P. and J. Crew Group, Inc., J. Crew Inc., J. Crew Operating Corp. and Madewell, Inc.

¹ Note: Hard copy destroyed in 9.11.

Schedule 7.13
(Collateral Access Agreements, Bailee's Letters and Credit Card Acknowledgments)

Landlord's Subordination Agreement:

770 Broadway Company LLC

Customs Broker/Freight Forwarder Notification and Acknowledgment of Security Interest :

W.M Stone & Co., Inc.

Vandegrift

Rical Group

Worldwide Trade Logistics, Inc.

Credit Card Acknowledgments:

World Financial Network National Bank

Paymentech

Borrowers will endeavor in good faith to obtain the acknowledgments of American Express Travel Related Services Company, Inc. and Discover Financial Services, Inc., each with respect to the credit card acknowledgements, of the resignation of the Existing Agent and the amendment and restatement of the Existing Credit Agreement.

Schedule 8.1
(Existing Indebtedness)

None.

Schedule 8.2
(Liens)

None.

Schedule 8.3
(Investments)

Investments in Subsidiaries:

C&W Outlet Inc.
ERL, Inc.
J. Crew Virginia, Inc.
J. Crew Japan, Inc.

Investment Accounts:

<u>Account Holder</u>	<u>Broker</u>	<u>Account No.</u>	<u>Type of Investment</u>
J. Crew Operating Corp.	Evergreen Service Company, LLC	4941009351661	Securities Account

Schedule 8.8
(Transactions with Affiliates)

1. Stockholders' Agreement, dated as of October 17, 1997, by and among J. Crew Group, Inc., TPG Partners II, L.P. and Emily Woods, as amended by the Amendment to Stockholders' Agreement, dated as of June 11, 1998, between TPG Partners II, L.P. and Emily Woods, and by the Amendment to Stockholders' Agreement, dated as of February 3, 2003, among J. Crew Group, Inc., TPG Partners II, L.P. and Emily Woods.
2. Stockholders' Agreement, dated as of January 24, 2003, among J. Crew, TPG Partners II, L.P. and Millard S. Drexler and Amendment No. 1 thereto.
3. Stockholders' Agreement, dated as of January 24, 2003, among J. Crew, TPG Partners II, L.P. and Jeffrey Pfeifle.
4. Registration Rights Agreement, dated as of July 3, 2006 by and among J. Crew Group, Inc., TPG Partners II, L.P., TPG Parallel II, L.P., TPG Investors II, L.P. and TPG 1999 Equity II, L.P.
5. Trademark License Agreement, dated as of October 20, 2005, by and among the Company, Millard S. Drexler and Millard S. Drexler, Inc.
6. Arrangement pursuant to which the Company charts the use of Millard S. Drexler's private aircraft from time to time for certain costs.

**EXHIBIT A
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

FORM OF ASSIGNMENT AND ACCEPTANCE

ASSIGNMENT AND ACCEPTANCE, dated as of _____, ____ (this "*Assignment and Acceptance*") (between [NAME OF ASSIGNOR] (the "*Assignor*") and [NAME OF ASSIGNEE] (the "*Assignee*").

Reference is made to the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*", and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("*JCI*" and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A, and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Assignor and the Assignee hereby agree as follows:

1. As of the Effective Date (as defined below), the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, all of the Assignor's rights and obligations under the Credit Agreement to the extent related to the amounts and percentages specified in *Section 1 of Schedule I* hereto.
2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (ii) it has full power and authority, and has taken all actions necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby, (b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Financing Agreement or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Financing Agreement, any other instrument or document furnished pursuant thereto or any collateral thereunder, (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Credit Agreement or any other Financing Agreement or any other instrument or document furnished pursuant thereto and (iv) attaches the Revolving Credit Note(s), if any, held by

the Assignor and requests that the Administrative Agent exchange such Revolving Credit Note(s) for a new Revolving Credit Note or Notes in accordance with *Section 11.2(e)(Assignments and Participations)* of the Credit Agreement.

3. The Assignee (a) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Revolving Credit Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, (b) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Financing Agreements as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (c) agrees that it will perform in accordance with their terms all of the obligations that, by the terms of the Credit Agreement, are required to be performed by it as a Lender, (d) represents and warrants that it (i) is an Eligible Assignee, (ii) has full power and authority, and has taken all actions necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iii) is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it or the Person exercising discretion in making the decision to acquire the Assigned Interest is experienced in acquiring assets of such type, (e) confirms it has received or has been given the opportunity to receive such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest independently and without reliance upon the Administrative Agent, the Assignor or any Lender, (f) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof and (g) if applicable, attaches two properly completed Forms W-8BEN, W-8ECI or successor or form prescribed by the Internal Revenue Service of the United States, certifying that such Assignee is entitled to receive all payments under the Credit Agreement and the Revolving Credit Notes payable to it without deduction or withholding of any United States federal income taxes.
4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Administrative Agent (together with an assignment fee in the amount of \$3,500 payable by the Assignee to the Administrative Agent if required pursuant to *Section 11.2(b)(Assignments and Participations)*) for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be the effective date specified in *Section 2 of Schedule I* hereto (the "*Effective Date*").
5. Upon such acceptance and recording by the Administrative Agent, then, as of the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations under the Credit Agreement of a Lender and, if such Lender were an Issuer, of such Issuer and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights (except those surviving the payment in full of the Obligations) and be released from its obligations under the Financing Agreements other than those relating to events or circumstances occurring prior to the Effective Date.
6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Financing Agreements in respect of the interest assigned hereby (a) to the Assignee, in the case of

amounts accrued with respect to any period on or after the Effective Date, and (b) to the Assignor, in the case of amounts accrued with respect to any period prior to the Effective Date.

7. This Assignment and Acceptance shall be governed by, and be construed and interpreted in accordance with, the law of the State of New York.
8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written.

[NAME OF ASSIGNOR],
as Assignor

By: _____
Name:
Title:

[NAME OF ASSIGNEE],
as Assignee

By: _____
Name:
Title:

Domestic Lending Office (and address for notices):

[Insert Address (including contact name, fax number and e-mail address)]

Eurodollar Lending Office:

[Insert Address (including contact name, fax number and e-mail address)]

[SIGNATURE PAGE TO ASSIGNMENT AND ACCEPTANCE]

ACCEPTED AND AGREED

this __ day of _____, _____:

CITICORP USA, INC.,
as Administrative Agent

By: _____

Name:

Title:

J. CREW OPERATING CORP.

By: _____

Name:

Title:

[SIGNATURE PAGE TO ASSIGNMENT AND ACCEPTANCE]

**SCHEDULE I
TO
ASSIGNMENT AND ACCEPTANCE**

SECTION 1.

Ratable Portion assigned to Assignee:

Revolving Credit Facility	_____ %
Term Loan Facility	_____ %

Revolving Credit Commitment assigned to Assignee: \$ _____

Aggregate outstanding principal amount of Revolving Loans assigned to Assignee: \$ _____

Aggregate outstanding principal amount of Term Loans assigned to Assignee: \$ _____

SECTION 2.

Effective Date: _____, _____

EXHIBIT B
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF REVOLVING CREDIT NOTE

Lender: [NAME OF LENDER]
Principal Amount: [\$ _____]

New York, New York
_____, ____

FOR VALUE RECEIVED, the undersigned, Borrowers (as defined below), hereby promise to pay to the order of the Lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of all Revolving Loans (as defined in the Credit Agreement referred to below) of the Lender to the Borrowers, payable at such times, and in such amounts, as are specified in the Credit Agreement.

The Borrowers promise to pay interest on the unpaid principal amount of the Revolving Loans from the date made until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in Dollars to Citicorp USA, Inc., as Administrative Agent, at 388 Greenwich Street, New York, New York 10013, in immediately available funds.

This Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among J. CREW OPERATING CORP., a Delaware corporation ("Operating"), J. CREW INC., a New Jersey corporation ("J. Crew"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("Retail"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("Factory"), Madewell Inc., a Delaware corporation ("Madewell", and together with Factory, J. Crew, Retail, and Operating, each individually a "Borrower" and collectively, the "Borrowers"), J. CREW GROUP, INC., a Delaware corporation ("Holdings") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("JCI" and together with Holdings, each individually a "Guarantor" and collectively, the "Guarantors"), the Lenders, the Issuers and CITICORP USA, INC. ("Citicorp"), as administrative agent for the Lenders and the Issuers (in such capacity, the "Administrative Agent"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "Collateral Agent") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "Syndication Agents"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Credit Agreement, among other things, (a) provides for the making of Revolving Loans by the Lender to the Borrowers in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrowers resulting from such Revolving Loans being evidenced by this Revolving Credit Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

This Revolving Credit Note is entitled to the benefits of the Amended and Restated Guaranty and is secured as provided in the Collateral Documents.

Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrowers.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrowers have caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

J. CREW OPERATING CORP.
GRACE HOLMES, INC. d/b/a J. CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
J. CREW INC.
MADEWELL INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO REVOLVING CREDIT NOTE]

EXHIBIT C
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF NOTICE OF BORROWING

CITICORP USA, INC.,
as Administrative Agent under the
Credit Agreement referred to below
388 Greenwich Street, 20th Floor
New York, New York 10013
Attention: Thomas Halsch

Re: J. CREW

Reference is made to the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("*JCI*") and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrowers hereby gives you notice, irrevocably, pursuant to *Section 2.2 (Borrowing Procedures)* of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement and, in connection therewith, sets forth below the information relating to such Borrowing (the "*Proposed Borrowing*") as required by *Section 2.2 (Borrowing Procedures)* of the Credit Agreement:

(a) The date of the Proposed Borrowing is _____, _____ (the "*Funding Date*").

(b) The aggregate amount of the Borrowing is \$ _____, of which amount [\$ _____ consists of Base Rate Loans] [and \$ _____ consists of Eurodollar Rate Loans having an initial Interest Period of [one] [two] [three] [six] month[s]].

(c) After giving effect to the Proposed Borrowing, the Maximum Credit amount is \$ _____.

The undersigned hereby certifies that the following statements are true on the date hereof and shall be true on the Funding Date both before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom:

(a) the representations and warranties set forth in *Article IV (Representations and Warranties)* of the Credit Agreement and the other Financing Agreements are true and correct in all material respects on and as of the Funding Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct as of such date; and

(b) no Default or Event of Default has occurred and is continuing on the Funding Date.

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a J. CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
MADEWELL INC.

By: _____

Name:

Title:

[SIGNATURE PAGE TO NOTICE OF BORROWING]

EXHIBIT D
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF SWING LOAN REQUEST

CITICORP USA, INC.,
as Administrative Agent under the
Credit Agreement referred to below
388 Greenwich Street, 20th Floor
New York, New York 10013
Attention: Thomas Halsch

Re: J. CREW

Reference is made to the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("*JCI*") and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrowers hereby give you notice, irrevocably, pursuant to *Section 2.3 (Swing Loans)* of the Credit Agreement that the undersigned hereby requests that the Swing Loan Lender make Swing Loans available to the Borrowers under the Credit Agreement and, in that connection therewith, sets forth below the information relating to such Swing Loans (the "*Proposed Advance*") as required by *Section 2.3 (Swing Loans)* of the Credit Agreement:

- (a) The date of the Proposed Advance is _____, _____ (the "*Funding Date*").
- (b) The aggregate amount of the Proposed Advance is \$ _____.

The undersigned hereby certifies that the following statements are true on the date hereof and shall be true on the Funding Date both before and after giving effect to the Proposed Advance and to the application of the proceeds therefrom:

(a) the representations and warranties set forth in *Article IV (Representations and Warranties)* of the Credit Agreement and the other Financing Agreements are true and correct in all material respects on and as of the Funding Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct as of such date; and

(b) no Default or Event of Default has occurred and is continuing on the Funding Date.

[SIGNATURE PAGE FOLLOWS]

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a J. CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
MADEWELL INC.

By: _____

Name:

Title:

[SIGNATURE PAGE TO SWING LOAN REQUEST]

EXHIBIT E
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF LETTER OF CREDIT REQUEST

[NAME OF ISSUER], as an Issuer
under the Credit Agreement referred
to below

CITICORP USA, INC.,
as Administrative Agent under the
Credit Agreement referred to below
388 Greenwich Street, 20th Floor
New York, New York 10013
Attention: Thomas Halsch

Re: J. CREW

Reference is made to the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("*JCI*") and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrowers hereby give you notice, irrevocably, pursuant to *Section 2.4(c) (Letters of Credit)* of the Credit Agreement that the undersigned requests the issuance of a Letter of Credit by [Name of Issuer] in the form of a [standby] [documentary] letter of credit for the benefit of [Name of Beneficiary], in the amount of [\$ _____] to be issued on _____ (the "*Issue Date*") and having an expiration date of _____.

The form of the requested Letter of Credit is attached hereto.

The undersigned hereby certify that the following statements are true on the date hereof and shall be true on the Issue Date both before and after giving effect thereto:

(a) the representations and warranties set forth in *Article IV (Representations and Warranties)* of the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Issue Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct as of such date; and

(b) no Default or Event of Default has occurred and is continuing on the Issue Date.

[Signature Page Follows]

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a J.CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
MADEWELL INC.

By: _____
Name:
Title:

[Signature Page to Letter of Credit Request]

EXHIBIT F
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF NOTICE OF CONVERSION OR CONTINUATION

CITICORP USA, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
388 Greenwich Street, 20th Floor
New York, New York 10013
Attention: Thomas Halsch

Re: J. CREW

Reference is made to the Second Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL INC., a Delaware corporation ("*JCT*" and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"). Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrowers hereby give you notice, irrevocably, pursuant to *Section 2.11 (Conversion/Continuation Option)* of the Credit Agreement that the undersigned hereby request a [conversion] [continuation] on _____, ____ of \$_____ in principal amount of presently outstanding Revolving Loans that are [Base Rate Loans] [Eurodollar Rate Loans] having an Interest Period ending on _____, ____ [to] [as] [Base Rate][Eurodollar Rate] Loans. The Interest Period for such amount requested to be converted to or continued as Eurodollar Rate Loans is [one] [two] [three] [six] month[s].

[SIGNATURE PAGE FOLLOWS]

In connection herewith, the undersigned hereby certify that no Event of Default has occurred and is continuing on the date hereof.

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. d/b/a
J.CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
MADEWELL INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF CONVERSION OR/CONTINUATION]

EXHIBIT G
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF OPINION OF COUNSEL FOR THE LOAN PARTIES

ALSTON & BIRD LLP

One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

404-881-7000
Fax: 404-881-7777
www.alston.com

May 4, 2006

Citicorp USA, Inc., as Administrative Agent
and as Collateral Agent
388 Greenwich Street, 20th Floor
New York, New York 10013

Each of the Lenders party to the Credit
Agreement referred to below

Ladies and Gentlemen:

We have acted as special counsel to J. Crew Operating Corp., a Delaware corporation (“Operating”), J. Crew Inc., a New Jersey corporation (“J. Crew”), Grace Holmes, Inc., a Delaware corporation doing business as J. Crew Retail (“Retail”), H.F.D. No. 55, Inc., a Delaware corporation doing business as J. Crew Factory (“Factory”), Madewell Inc., a Delaware corporation (“Madewell”, and together with Operating, J. Crew, Retail and Factory, each individually a “Borrower” and collectively, the “Borrowers”), J. Crew Group, Inc., a Delaware corporation (“Holdings”) and J. Crew International, Inc., a Delaware corporation (“JCI” and together with Holdings, each individually a “Guarantor” and collectively, the “Guarantors”; the Guarantors and the Borrowers, each individually a “Credit Party” and collectively, the “Credit Parties”) in connection with that certain Second Amended and Restated Credit Agreement dated as of May 4, 2007 (the “Credit Agreement”) by and among the Credit Parties, the Lenders party thereto, Citicorp USA, Inc., as administrative agent (in such capacity, the “Administrative Agent”), Citicorp USA, Inc., as collateral agent (in such capacity, the “Collateral Agent”) and the other parties thereto.

This opinion is being delivered at the request of the Borrowers pursuant to Section 3.1(a) of the Credit Agreement. Capitalized terms used herein but not otherwise defined herein have the respective meanings given to such terms in the Credit Agreement.

In rendering this opinion, we have reviewed executed copies of the following documents each dated, or dated as of, the date hereof (unless otherwise noted):

(a) the Credit Agreement;

Bank of America Plaza
101 South Tryon Street, Suite 4000
Charlotte, NC 28280-4000
704-444-1000
Fax: 704-444-1111

90 Park Avenue
New York, NY 10016
212-210-9400
Fax: 212-210-9444

3201 Beechleaf Court, Suite 600
Raleigh, NC 27604-1062
919-862-2200
Fax: 919-862-2260

601 Pennsylvania Avenue, N.W.
North Building, 10th Floor
Washington, DC 20004-2601
202-756-3300
Fax: 202-756-3333

(b) each of the Revolving Credit Notes executed by the Borrowers in connection with the execution and delivery of the Credit Agreement;

(c) the Amended and Restated Guaranty by and among the Guarantors and the Administrative Agent (the "Guaranty");

(d) the Amended and Restated Pledge and Security Agreement by and among the Credit Parties and the Collateral Agent (the "Pledge and Security Agreement");

(e) the UCC Financing Statements naming a Credit Party as debtor and the [Existing Collateral Agent, Congress Financial Corporation], as secured party, described on Schedule 1 attached hereto (the "Existing Financing Statements"), and, as indicated thereon, filed in the offices (the "Filing Offices") of the Secretaries of State of Delaware and New Jersey, as identified on Schedule 1 hereto, as the case may be (the "Filing Jurisdictions");

(f) unfiled UCC Financing Statement Amendments, naming the Collateral Agent as the secured party of record to be filed in the applicable Filing Offices with respect to the applicable Existing Financing Statements, copies of which are attached hereto as Schedule 2 (each an "Existing Financing Statement Amendment");

(g) the Assignment of Trademark Collateral Assignment and Security Agreement by and between Wachovia Bank, National Association, as administrative agent and collateral agent, and the Administrative Agent, and accepted by JCI; and

(h) Intercreditor Agreement dated as of May 15, 2006 (the "Intercreditor Agreement") by and among Holdings, the Borrowers, Goldman Sachs Credit Partners L.P., as Administrative Agent and Collateral Agent, the lenders party thereto, and Wachovia Bank, National Association, as Administrative Agent.

The documents referred to in (a) through (d) above are referred to herein as the "Credit Documents".

In addition to the foregoing, we have reviewed the certificates of incorporation and bylaws of each Credit Party and certain resolutions of the boards of directors of each Credit Party (collectively, the "Organizational Documents") and have also examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, and other instruments, and made such further legal and factual examinations, as we have deemed necessary for the purposes of expressing the opinions set forth herein.

As to certain factual matters relevant to this opinion, we have conclusively relied on the representations and warranties made in the Credit Documents by the parties thereto and certificates or comparable documents of officers of the Credit Parties, and of public officials, as we have deemed appropriate as a basis for the opinions hereinafter set forth.

Whenever an opinion with respect to existence or absence of a fact or an opinion which is based in whole or in part on the existence or absence of the fact is qualified by the phrase "to our knowledge," or words to that effect, it is intended to indicate that we have no actual knowledge that any such fact is inaccurate, and further that any such statement is limited to the current actual knowledge of Paul M. Cushing, Stephanie Denkowicz, Richard W. Grice and Scott P. Brown, the primary lawyer group involved in our representation of the Credit Parties in connection with the matters described herein. No inference as to our knowledge shall be drawn from the fact of our representation of the Loan Parties in connection with this or any other matter. We have not undertaken any review or search of dockets or records of any court or other governmental agency.

In making the examinations described above and in rendering the opinions expressed below, we have assumed the following:

- (a) the genuineness of all signatures (other than any Credit Party's on any of the Credit Documents);
- (b) the legal capacity of natural persons;
- (c) the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed, telefacsimilie, electronic or photostatic copies and the authenticity of the originals of such documents;
- (d) the due authorization, execution and delivery of the Credit Documents by all of the parties thereto (other than the Credit Parties);
- (e) that such Credit Documents are enforceable against all parties thereto (other than the Credit Parties);
- (f) that the Administrative Agent, the Collateral Agent, the Issuers, the Swing Loan Lender and the Lenders (collectively, the "Lender Parties") have the full power, authority and legal right to perform their respective obligations under such Credit Documents;
- (g) to the extent applicable law requires that the Lender Parties, act in accordance with duties of good faith and fair dealing, in a commercially reasonable manner, or otherwise in compliance with applicable legal requirements (including, without limitation, federal and state securities laws) in exercising their respective rights and remedies under the Credit Documents and other Financing Agreement, that the Lender Parties will fully comply with such legal requirements, notwithstanding any provisions of the Credit Documents and other Financing Agreements that purport to grant any of the Lender Parties the right to act or fail to act in a manner contrary to such legal requirements, or based on its sole judgment or in its sole discretion or provisions of similar import;
- (h) the execution and delivery of the Credit Documents, and performance of the Credit Documents, by each Credit Party will not (i) require any consent, approval or

authorization of, or filing with, any governmental authority or agency of any jurisdiction (other than the United States of America and the States of Delaware, New Jersey and New York) required to be obtained or made by or on behalf of each Credit Party on or prior to the date hereof in connection with the execution and delivery of the Credit Documents, and the performance of the Credit Documents, except for such consents, approvals, authorizations or other actions as have been obtained or made or (ii) violate or otherwise contravene any statute, rule or regulation of any jurisdiction (other than the United States of America and the States of Delaware, New Jersey and New York);

(i) the Existing Financing Statements have not been amended or terminated since they were filed; and

(j) the Existing Financing Statement Amendments set forth the correct name of the Collateral Agent.

Based upon the foregoing and subject to the other qualifications, exceptions and limitations stated herein, we are of the opinion that:

1. Each Credit Party is validly existing as a corporation and in good standing under the laws of its state of incorporation and has the corporate power to own its assets and to conduct its business as presently conducted.

2. Each Credit Party has the corporate power to execute and deliver the Credit Documents to which it is a party, and to perform its obligations under each Credit Document to which it is a party. Each Credit Party has taken all necessary corporate action to authorize the execution and delivery of the Credit Documents to which it is a party, and the performance by it of each Credit Document to which it is a party.

3. Each Credit Party has duly executed and delivered each Credit Document to which it is a party.

4. Each of the Credit Documents to which a Credit Party is a party constitutes a legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms.

5. The execution and delivery by each Credit Party of the Credit Documents to which it is a party do not, and if such Credit Party were now to perform its obligations under each Credit Document to which it is a party, such performance would not,

(a) violate the Organizational Documents of such Credit Party;

(b) violate any existing constitutional provision, statute or regulation of the United States of America, of the State of New York, of the State of Delaware (solely with respect to the Credit Parties other than J. Crew), of the State of New Jersey (solely with respect to J. Crew) or, to our knowledge, any rule or order to which such Credit Party or any of its properties is subject;

(c) breach or cause a default under the terms of any material written agreement to which such Credit Party is a party or to which any of the properties of such Credit Party is subject;

(d) create or impose any security interest in any asset of such Credit Party under any material written agreement to which such Credit Party is a party or to which any of the properties of such Credit Party is subject; or

(e) to our knowledge, violate any judicial or administrative decree, writ, judgment or order to which such Credit Party or any of the properties of such Credit Party is subject.

As used herein, the term "material written agreement" means those agreements identified by Holdings which, if breached by a Credit Party, could reasonably be expected to have a Material Adverse Effect, which agreements are set forth on Schedule 3 attached hereto.

6. No consent, approval, authorization, or other action by, or filing with, any governmental authority of the United States of America, of the State of New York, of the State of Delaware (solely with respect to the Credit Parties other than J. Crew), or of the State of New Jersey (solely with respect to J. Crew) is required in connection with (a) the execution and delivery by any Credit Party of any of the Credit Documents to which it is a party, (b) the consummation of the transactions contemplated thereby and (c) the performance by any Credit Party of its obligations thereunder, except for (i) filings and other actions as may be necessary to perfect the Collateral Agent's Liens in any of the Collateral and (ii) consents, approvals, authorizations, actions by and filings with governmental authorities as may be required under laws relating to securities in connection with the exercise by the Collateral Agent of remedies with respect to any securities that constitute Collateral.

7. The consummation of the transactions contemplated by the Credit Agreement, including without limitation the use of the proceeds of any Loan made to a Borrower, will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

8. The Pledge and Security Agreement creates a valid security interest in favor of the Collateral Agent as security for the Obligations in all of the Collateral (as defined in the Pledge and Security Agreement) in which a security interest may be created under Article 9 the Uniform Commercial Code (the "Article 9 Collateral") as currently in effect in the State of New York (the "New York UCC").

9. Assuming the filing of each Existing Financing Statement Amendment naming a Credit Party as debtor with the Filing Office in which the applicable Existing Financing Statement was filed and the payment of all applicable filing fees, such Existing Financing Statement, as amended by each such Existing Financing Statement Amendment, will be

sufficient to perfect the security interest granted by such Credit Party under the Pledge and Security Agreement in the Article 9 Collateral to the extent a security interest may be perfected by the filing of a financing statement in the Filing Jurisdiction where such Filing Office is located.

10. The Credit Agreement constitutes the "Revolving Credit Agreement" as defined in the Intercreditor Agreement.

11. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Our opinions herein are subject to the following further exceptions, qualifications and limitations:

(a) The enforceability of the Credit Documents and the obligations of the respective Credit Parties thereunder, and the availability of certain rights and remedial provisions provided for in the Credit Documents, are subject to the effects of (i) bankruptcy, fraudulent conveyance or fraudulent transfer, insolvency, reorganization, moratorium, liquidation, conservatorship, and similar laws, and limitations imposed under judicial decisions, related to or effecting creditors' rights and remedies generally, (ii) general equitable principles, regardless of whether the issue of enforceability is considered in a proceeding in equity or at law and principles limiting the availability of the remedy of specific performance, (iii) concepts of good faith, fair dealing, materiality and reasonableness and (iv) the possible unenforceability under certain circumstances of provisions providing for indemnification or contribution that is contrary to public policy.

(b) We express no opinion herein as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party.

(c) Notwithstanding certain language of the Credit Documents, the Lender Parties may be limited in recovery of fees, costs and expenses, to recovering only reasonable attorneys' fees and legal expenses and only reasonable costs.

(d) Requirements in the Credit Documents specifying that provisions thereof may only be waived in writing may not be valid, binding or enforceable to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any provision of such documents.

(e) Certain rights, remedies, waivers, releases or disclaimers contained in the Credit Documents may be rendered ineffective, or limited by, applicable laws, rules, regulations, constitutional requirements or judicial decisions governing such provisions, but such laws, rules, regulations, constitutional requirements and judicial decisions would not, in our opinion, make the Credit Documents invalid as a whole or inadequate for the practical realization of the benefits provided or intended to be provided by such Credit Documents, although they may result in a delay thereof (and we express no opinion herein with respect to the economic consequences of any such delay).

(f) We express no opinion herein in respect of any statutes, administrative decisions, rules or regulations of any county, municipality or other political subdivision of any state, or relating to antitrust, bulk transfer, tax, securities (except as expressly set forth in paragraph 7 above) or “blue sky” laws, ERISA, copyright, trademark and other intellectual property, racketeering, or criminal statutes of general application, e.g. mail fraud and wire fraud, health and safety law, labor law or law concerning national or local emergency.

(g) We express no opinion herein in respect of any provisions of the Credit Documents relating to any power of attorney or purporting to appoint any Lender Party as attorney-in-fact or agent for any party thereto.

(h) We express no opinion herein as to the severability of any provision of the Credit Documents.

(i) Any rights of the Administrative Agent or Collateral Agent to foreclose its Liens in, or enforce its remedies against, any Collateral must be enforced pursuant to the applicable provisions of the New York UCC, Other State UCC (as defined below) and other applicable federal, state or local laws.

(j) We have assumed that each Credit Party has received legally sufficient consideration and “value” (as defined in Section 1-201 of the New York UCC and as required by Section 9-203 of the New York UCC) for its execution of the Credit Documents to which it is a party and the granting of security interests in its property pursuant thereto.

(k) We have assumed that each Credit Party has “rights” or the “power to transfer rights” (within the meaning of Section 9-203(b)(2) of the New York UCC) in the Collateral in which its purports to grant a security interest for the security interests to attach.

(l) We express no opinion in paragraph 9 above regarding the perfection of the Collateral Agent’s security interest in any of the Collateral (as defined in the Security Agreement) to the extent any of such property constitutes goods covered by a certificate of title, deposit accounts, letter of credit rights, commercial tort claims, money, timber to be cut, as-extracted collateral, farm products or cooperative interests.

(m) We express no opinion herein in respect of any security interest the perfection of which is not governed by or deemed to be governed by the laws of any one of the Filing Jurisdictions.

(n) Section 552 of the United States Bankruptcy Code limits the extent to which property acquired by a debtor after the commencement of a case thereunder may be subject to a security interest arising from a security agreement entered into by a debtor before the commencement of such case.

(o) Perfection of security interests may be terminated under the circumstances described in Section 9-507 of the New York UCC or an Other State UCC (relating to changes in the name of a debtor to the extent the same renders a financing statement seriously misleading) unless a new, appropriate financing statement is filed as provided in such section, and Section 9-515 of the New York UCC or an Other State UCC (relating to the filing of continuation statements) unless a timely continuation statement is filed as provided in such Section.

(p) In the case of Collateral consisting of proceeds, continuation of perfection of security interests therein is limited to the extent set forth in Section 9-315 of the New York UCC or the Other State UCC.

(q) The exercise of rights and remedies under Article 9 of the New York UCC or an Other State UCC is subject to the limitations set forth in Part 6 thereof, including without limitation the requirement that a creditor proceed in a commercially reasonable manner.

(r) The rights of debtors, guarantors and other secured parties to receive notices under Part 6 of Article 9 of the New York UCC or an Other State UCC may not be waived prior to default and the failure to comply with such notice requirements may bar or limit the recovery of any deficiency remaining after the retention or sale of repossessed collateral and further, we express no opinion as to the right of any Lender Party to enforce any of its rights without notice to the Credit Parties and without judicial hearing or without bond, nor do we express any opinion as to whether the periods of notice set forth in the Credit Documents are reasonable or enforceable.

(s) We do not address in the opinions expressed in paragraphs 8 and 9 above (i) Collateral of a type not subject to the New York UCC or an Other State UCC and (ii) the question of what law applies to the perfection of security interests in collateral.

(t) We have assumed there are no agreements or understandings between or among the Credit Parties, the Lender Parties, or third parties which would expand, modify or otherwise affect the terms of the Credit Documents or the respective rights or obligations of the parties thereunder and that the Credit Documents correctly and completely set forth the intent of all parties thereto.

(u) We express no opinion as to the applicability or effect of compliance or noncompliance by any Lender Party with any state, federal or other laws applicable to such Person or to the transactions contemplated by the Credit Documents because of the nature of such Person's business, including its legal or regulatory status.

(v) Our opinions are limited to those laws that in our experience normally would be applicable to the Credit Parties as a result of their engaging in the transactions contemplated by the Credit Documents.

(w) Except as set forth in the opinions expressed in paragraphs 8 and 9 above, we express no opinion as to the creation, attachment, validity, enforceability or perfection of a security interest in any item of Collateral or the necessity of making any filings or taking any other action in connection therewith. Further, we express no opinion as to the priority of any security interest in any item of Collateral.

(x) We express no opinion as to the enforceability or perfection of any security interest in Collateral consisting of after-acquired property, which is not properly classified in a category specifically referred to in the granting clause of the Pledge and Security Agreement and on the relevant Financing Statements.

(y) In rendering the opinion set forth in paragraph 7 above, we have assumed that the Borrowers will use the proceeds of the Loans and the Letters of Credit in accordance with Section 7.9, and not in contravention of Section 8.14, of the Credit Agreement.

With respect to the opinions expressed in paragraph 1 above regarding the valid existence and good standing of the Credit Parties in their respective states of incorporation, such opinions are based solely upon certificates provided by the respective Secretaries of State of such states, copies of which have been delivered to you in connection with the closing of the Credit Agreement, and such opinions are limited to the meaning ascribed to such certificates by such state agency.

We are members of the Bar of the State of New York and except as noted below, we express no opinion as to any laws other than the laws of the State of New York and the federal laws of the United States of America. Our opinions expressed in paragraphs 1, 2, 3, 5(a), 5(b) and 6 above which involve matters governed by the laws of the States of Delaware and New Jersey are based solely upon the General Corporation Law of the State of Delaware and the New Jersey Business Corporation Act, as applicable, without regard to the decisional law of such jurisdiction. Our opinion expressed in paragraph 9 which involves matters governed by the laws of the State of Delaware is based solely upon the latest available standard compilations of the applicable sections of Article 9 (and related definitional provisions of Article 1) of the Uniform Commercial Code as enacted in the State of Delaware, without regard to the decisional law of such jurisdiction (the "Delaware UCC"). Our opinion expressed in paragraph 9 which involves matters governed by the laws of the State of New Jersey is based solely upon the latest available standard compilations of the applicable sections of Article 9 (and related definitional provisions of Article 1) of the Uniform Commercial Code as enacted in the State of New Jersey, without regard to the decisional law of such jurisdiction (the "NJ UCC" and together with the Delaware UCC, the "Other State UCCs").

This opinion letter is limited to the matters stated herein and no opinion may be implied or inferred beyond those opinions expressly stated. Opinions rendered herein are as of the date hereof, and we make no undertaking and expressly disclaim any duty to supplement such opinions if, after the date hereof, facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

May 4, 2007

Page 10

This opinion is rendered solely for your benefit and for the benefit of any other Lenders (including their permitted assignees) in connection with the transactions described above. This opinion may not be used or relied upon by any other person, and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to without our prior written consent except to your bank examiners, auditors and professional advisers, or as required by law or pursuant to legal process.

Very truly yours,

ALSTON & BIRD LLP

By: /s/ Paul M. Cushing

Paul M. Cushing, Partner

Schedule 1
To Opinion of Alston & Bird LLP

Existing Financing Statements

<u>Debtor</u>	<u>Filing Office</u>	<u>Filing Number</u>	<u>Filing Date</u>
J. Crew Operating Corp.	Delaware Department of State	2324445 0	12/27/2002
Grace Holmes, Inc.	Delaware Department of State	2324447 6	12/27/2002
H.F.D. No. 55, Inc.	Delaware Department of State	2324448 4	12/27/2002
Madewell Inc.	Delaware Department of State	64051736	11/20/2006
J. Crew Group, Inc.	Delaware Department of State	53163186	10/13/2005
J. Crew International, Inc.	Delaware Department of State	2324449 2	12/27/2002
J. Crew Inc.	Department of Treasurer of the State of New Jersey	21360176	12/26/2002

Schedule 2

To Opinion of Alston & Bird LLP

Existing Financing Statement Amendments

[SEE ATTACHED]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153 ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 53163186 10/13/2005	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.
3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.
4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

- CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.
- DELETE name: Give record name to be deleted in item 6a or 6b.
- ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME	Citicorp USA, Inc., as Administrative Agent			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
388 Greenwich Street	New York	NY	10013	USA

7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
		Corporation	New York	<input type="checkbox"/> NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME	Wachovia Bank, National Association			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA	F#192244
Filed with: DE - Secretary of State; Debtor: J. CREW GROUP, INC.	A#294825

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 23244450 12/27/2002	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME Citicorp USA, Inc., as Administrative Agent				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME Congress Financial Corporation, as Agent				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
Filed with: DE - Secretary of State; Debtor: J. CREW OPERATING CORP.

F#192248
A#294831

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 21360176 12/26/2002	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME Citicorp USA, Inc., as Administrative Agent				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME Congress Financial Corporation, as Agent				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
Filed with: NJ - Secretary of State; Debtor: J. CREW INC.

F#192246
A#294828

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 23244476 12/27/2002	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME
Citicorp USA, Inc., as Administrative Agent

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Congress Financial Corporation, as Agent

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

Filed with: DE - Secretary of State; Debtor: Grace Holmes, Inc.

F#192238
A#294815

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 23244484 12/27/2002	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME Citicorp USA, Inc., as Administrative Agent				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME Congress Financial Corporation, as Agent				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
Filed with: DE - Secretary of State; Debtor: H.F.D. NO. 55, INC.

F#192241
A#294820

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 64051736 11/20/2006	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME Citicorp USA, Inc., as Administrative Agent				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME Wachovia Bank, National Association				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
Filed with: DE - Secretary of State; Debtor: MADEWELL INC.

F#192249
A#294832

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Ercy Castro 212-310-8000	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153	
ercy.castro@weil.com	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 23244492 12/27/2002	1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME Citicorp USA, Inc., as Administrative Agent				
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS 388 Greenwich Street	CITY New York	STATE NY	POSTAL CODE 10013	COUNTRY USA
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7d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION Corporation	7f. JURISDICTION OF ORGANIZATION New York	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Described collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME Congress Financial Corporation, as Agent				
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA Filed with: DE - Secretary of State; Debtor: J. CREW INTERNATIONAL, INC.	F#192247 A#294830
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Schedule 3

To Opinion of Alston & Bird LLP

Material Written Agreements

1. Term Loan Facility
2. Intercreditor Agreement

EXHIBIT H
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF GUARANTY

AMENDED AND RESTATED GUARANTY

THIS AMENDED AND RESTATED GUARANTY, dated as of May 4, 2007 (this "*Guaranty*"), by J. CREW GROUP, INC., a Delaware corporation ("*Holdings*"), J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), MADEWELL INC., a Delaware corporation ("*Madewell*"), J. CREW INTERNATIONAL, INC. ("*JCI*") and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 24 (Additional Guarantors)* hereof (collectively the "*Guarantors*" and each individually a "*Guarantor*"), in favor of the Administrative Agent, each Lender, each Issuer and each other holder of an Obligation (as each such term is defined in the Credit Agreement referred to below) (each, a "*Guarantied Party*" and, collectively, the "*Guarantied Parties*"), amends and restates that certain Guaranty, dated as of December 23, 2002 (the "*Existing Guaranty*"), by the Guarantors in favor of Congress Financial Corporation (predecessor in interest to Wachovia Bank, National Association) ("*Existing Agent*").

W I T N E S S E T H:

WHEREAS, pursuant to the Second Amended and Restated Credit Agreement dated as of May 4, 2007 (together with all appendices, exhibits and schedules thereto and as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"; capitalized terms defined therein and used herein having the meanings given to them in the Credit Agreement) among Operating, J. Crew, Retail, Factory and Madewell, as Borrowers, Holdings and JCI as Guarantors, the Lenders, the Issuers and CITICORP USA, INC. ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*"), the Lenders and Issuers have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, Holdings owns 100% of the equity interests of Operating and each Borrower (other than Operating) is a direct Subsidiary of Operating;

WHEREAS, each Guarantor desire to guaranty the Obligations (in the case of each Borrower, other than its own Obligations) under the Credit Agreement;

WHEREAS, each Guarantor will receive substantial direct and indirect benefits from the making of the Loans, the issuance of the Letters of Credit and the granting of the other financial accommodations to the Borrowers under the Credit Agreement;

WHEREAS, the Guarantors hereby reaffirm the guaranties offered pursuant to the Existing Guaranty to the Existing Agent for the benefit of the Secured Parties (as defined in the Existing Credit Agreement), which guaranties shall continue in full force and effect during the term of this Agreement and any renewals thereof and shall continue to guaranty the Obligations; and

WHEREAS, a condition precedent to the obligation of the Lenders and the Issuers to make their respective extensions of credit to the Borrowers under the Credit Agreement is that each Guarantor shall have executed and delivered this Guaranty for the benefit of the Guaranteed Parties; and

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1 Guaranty

(a) To induce the Lenders to make the Loans and the Issuers to issue Letters of Credit, each Guarantor hereby absolutely, unconditionally and irrevocably guarantees, jointly with the other Guarantors and severally, as primary obligor and not merely as surety, the full and punctual payment when due and in the currency due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance herewith or any other Financing Agreement, of all the Obligations (other than, in the case of each Borrower, with respect to its own Obligations under the Financing Agreements), whether or not from time to time reduced or extinguished or hereafter increased or incurred, whether or not recovery may be or hereafter may become barred by any statute of limitations, whether or not enforceable as against the Borrowers, whether now or hereafter existing, and whether due or to become due, including principal, interest (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding under the Bankruptcy Code, or any applicable provisions of comparable state or foreign law, whether or not such interest is an allowed claim in such proceeding), fees and costs of collection. This Guaranty constitutes a guaranty of payment and not of collection.

(b) Each Guarantor further agrees that, if (i) any payment made by any Borrower or any other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or (ii) the proceeds of Collateral are required to be returned by any Guaranteed Party to any Borrower, its estate, trustee, receiver or any other party, including any Guarantor, under any bankruptcy law, equitable cause or any other Requirement of Law, then, to the extent of such payment or repayment, any such Guarantor's liability hereunder (and any Lien or other Collateral securing such liability) shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, this Guaranty shall have been cancelled or surrendered (and if any Lien or other Collateral securing such Guarantor's liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), this Guaranty (and such Lien or other Collateral) shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Guarantor in respect of the amount of such payment (or any Lien or other Collateral securing such obligation).

Section 2 Limitation of Guaranty

Any term or provision of this Guaranty or any other Financing Agreement to the contrary notwithstanding, the maximum aggregate amount of the Obligations for which any Subsidiary Guarantor shall be liable shall not exceed the maximum amount for which such Subsidiary Guarantor can be liable without rendering this Guaranty or any other Financing Agreement, as it relates to such Subsidiary Guarantor, subject to avoidance under applicable law

relating to fraudulent conveyance or fraudulent transfer (including Section 548 of the Bankruptcy Code or any applicable provisions of comparable state law) (collectively, "*Fraudulent Transfer Laws*"), in each case after giving effect (a) to all other liabilities of such Subsidiary Guarantor, contingent or otherwise, that are relevant under such Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Subsidiary Guarantor in respect of intercompany Indebtedness to any Borrower to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Subsidiary Guarantor hereunder) and (b) to the value as assets of such Subsidiary Guarantor (as determined under the applicable provisions of such Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights held by such Subsidiary Guarantor pursuant to (i) applicable Requirements of Law, (ii) Section 3 (Contribution) of this Guaranty or (iii) any other Contractual Obligations providing for an equitable allocation among such Subsidiary Guarantor and other Subsidiaries or Affiliates of the any Borrower of obligations arising under this Guaranty or other guaranties of the Obligations by such parties.

Section 3 Contribution

To the extent that any Subsidiary Guarantor shall be required hereunder to pay a portion of the Obligations exceeding the greater of (a) the amount of the economic benefit actually received by such Subsidiary Guarantor from the Loans and the other financial accommodations provided to the Borrowers under the Financing Agreements and (b) the amount such Subsidiary Guarantor would otherwise have paid if such Subsidiary Guarantor had paid the aggregate amount of the Obligations (excluding the amount thereof repaid by the Borrowers and Holdings) in the same proportion as such Subsidiary Guarantor's net worth at the date enforcement is sought hereunder bears to the aggregate net worth of all the Subsidiary Guarantors at the date enforcement is sought hereunder, then such Guarantor shall be reimbursed by such other Subsidiary Guarantors for the amount of such excess, pro rata, based on the respective net worths of such other Subsidiary Guarantors at the date enforcement hereunder is sought.

Section 4 [Intentionally Deleted]

Section 5 Guaranty Absolute and Unconditional

Each Guarantor hereby waives any defense of a surety or guarantor or any other obligor on any obligations arising in connection with or in respect of any of the following (even if any right of reimbursement or subrogation or other right or remedy of any Guarantor is extinguished, affected or impaired by any of the foregoing (including any election of remedies by reason of any judicial, non-judicial or other proceeding in respect of the Obligations that impairs any subrogation, reimbursement or other right of such Guarantor) and hereby agrees that its obligations under this Guaranty are absolute and unconditional and shall not be discharged or otherwise affected as a result of any of the following:

(a) the invalidity or unenforceability of any of the Borrowers' obligations under the Credit Agreement or any other Financing Agreement or any other agreement or instrument relating thereto, or any security for, or other guaranty of the Obligations or any part of them, or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations or any part of them;

(b) the absence of any attempt to collect the Obligations or any part of them from the Borrowers or any Borrower or other action to enforce the same;

(c) failure by any Guarantied Party to take any steps to perfect and maintain any Lien on, or to preserve any rights to, any Collateral;

(d) any Guarantied Party's election, in any proceeding instituted under chapter 11 of the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code or any applicable provisions of comparable state or foreign law;

(e) any borrowing or grant of a Lien by the Borrowers or any Borrower, as debtor-in-possession, or extension of credit, under Section 364 of the Bankruptcy Code or any applicable provisions of comparable state or foreign law;

(f) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of any Guarantied Party's claim (or claims) for repayment of the Obligations;

(g) any use of cash collateral under Section 363 of the Bankruptcy Code;

(h) any agreement or stipulation as to the provision of adequate protection in any bankruptcy proceeding;

(i) the avoidance of any Lien in favor of the Guarantied Parties or any of them for any reason;

(j) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any Borrower, any Guarantor or any of the Borrowers' other Subsidiaries, including any discharge of, or bar or stay against collecting, any Obligation (or any part of them or interest thereon) in or as a result of any such proceeding;

(k) failure by any Guarantied Party to file or enforce a claim against the Borrowers or any Borrower or its estate in any bankruptcy or insolvency case or proceeding;

(l) any action taken by any Guarantied Party if such action is authorized hereby;

(m) any election following the occurrence of an Event of Default by any Guarantied Party to proceed separately against the personal property Collateral in accordance with such Guarantied Party's rights under the UCC or, if the Collateral consists of both personal and real property, to proceed against such personal and real property in accordance with such Guarantied Party's rights with respect to such real property;

(n) any change in the corporate existence or structure of any Borrower or any other Loan Party;

(o) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Guarantor or any other Person against any Guarantied Party;

(p) any Requirement of Law affecting any term of any Guarantor's obligations under this Guaranty;

(q) any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor or any other obligor on any obligations, other than the payment in full of the Obligations.

(r) if any Guarantied Party should supplement, renew, extend, accelerate, or otherwise change the time for payment of, or other terms relating to, the Obligations, or any part of them, or otherwise modify, amend or change the terms of any promissory note or other agreement, document or instrument (including the other Financing Agreements) now or hereafter executed by any Borrower and delivered to the Guarantied Parties or any of them, including any increase or decrease of principal or the rate of interest thereon;

(s) if any Guarantied Party should waive or otherwise consent to noncompliance with any provision of any instrument evidencing the Obligations, or any part thereof, or any other instrument or agreement in respect of the Obligations (including the other Financing Agreements) now or hereafter executed by any Borrower and delivered to the Guarantied Parties or any of them;

(t) if any Guarantied Party should accept partial payments on the Obligations;

(u) if any Guarantied Party should receive, take and hold additional security or collateral for the payment of the Obligations or any part of them and exchange, enforce, waive, substitute, liquidate, terminate, abandon, fail to perfect, subordinate, transfer, otherwise alter and release any such additional security or collateral;

(v) if any Guarantied Party should settle, release, compromise, collect or otherwise liquidate the Obligations or accept, substitute, release, exchange or otherwise alter, affect or impair any security or collateral for the Obligations or any part of them or any other guaranty therefor, in any manner;

(w) if any Guarantied Party should add, release or substitute any one or more other guarantors, makers or endorsers of the Obligations or any part of them and otherwise deal with any Borrower or any other guarantor, maker or endorser;

(x) if any Guarantied Party should apply to the Obligations any payment or recovery (x) from any Borrower, from any other guarantor, maker or endorser of the Obligations or any part of them or (y) from any Guarantor in such order as provided herein, in each case whether such Obligations are secured or unsecured or guaranteed or not guaranteed by others;

(y) if any Guarantied Party should apply to the Obligations any payment or recovery from any Guarantor of the Obligations or any sum realized from security furnished by such Guarantor upon its indebtedness or obligations to the Guarantied Parties or any of them, in each case whether or not such indebtedness or obligations relate to the Obligations; or

(z) if any Guarantied Party should refund at any time any payment received by any Guarantied Party in respect of any Obligation, and payment to such Guarantied Party of the amount so refunded shall be fully guaranteed hereby even though prior thereto this Guaranty shall have been cancelled or surrendered (or any release or termination of any Collateral by virtue thereof), and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any Guarantor hereunder in respect of the amount so refunded (and any Collateral so released or terminated shall be reinstated with respect to such obligations).

Section 6 Waivers

Each Guarantor hereby waives diligence, promptness, presentment, demand for payment or performance and protest and notice of protest, notice of acceptance and any other notice in respect of the Obligations or any part of them, and any defense arising by reason of any disability or other defense of any Borrower. Each Guarantor shall not, until the Obligations are irrevocably paid in full and the Revolving Credit Commitments have been terminated, assert any claim or counterclaim it may have against any Borrower or set off any of its obligations to any Borrower against any obligations of any Borrower to it. In connection with the foregoing, each Guarantor covenants that its obligations hereunder shall not be discharged, except by complete performance.

Section 7 Reliance

Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of each Borrower and any endorser and other guarantor of all or any part of the Obligations, and of all other circumstances bearing upon the risk of nonpayment of the Obligations, or any part thereof, that diligent inquiry would reveal, and each Guarantor hereby agrees that no Guarantied Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Guarantied Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Guarantied Party shall be under no obligation (a) to undertake any investigation not a part of its regular business routine, (b) to disclose any information that such Guarantied Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) to make any other or future disclosures of such information or any other information to any Guarantor.

Section 8 Waiver of Subrogation and Contribution Rights

Until the Obligations have been irrevocably paid in full and the Revolving Credit Commitments have been terminated, the Guarantors shall not enforce or otherwise exercise any right of subrogation to any of the rights of the Guarantied Parties or any part of them against any Borrower or any right of reimbursement or contribution or similar right against any Borrower by reason of this Guaranty or by any payment made by any Guarantor in respect of the Obligations.

Section 9 Subordination

Each Guarantor hereby agrees that any Indebtedness of any Borrower now or hereafter owing to any Guarantor, whether heretofore, now or hereafter created (the "*Guarantor Subordinated Debt*"), is hereby subordinated to all of the Obligations and that, except as permitted under Section 8.5 (*Restricted Payments*) of the Credit Agreement, the Guarantor Subordinated Debt shall not be paid in whole or in part until the Obligations have been paid in full and this Guaranty is terminated and of no further force or effect. No Guarantor shall accept any payment of or on account of any Guarantor Subordinated Debt at any time in contravention of the foregoing. Upon the occurrence and during the continuance of an Event of Default and

subject to the Intercreditor Agreement, the Guarantors shall pay to the Administrative Agent any payment of all or any part of the Guarantor Subordinated Debt and any amount so paid to the Administrative Agent shall be applied to payment of the Obligations as provided in *Section 2.13(f) (Payments and Computations)* of the Credit Agreement. Each payment on the Guarantor Subordinated Debt received in violation of any of the provisions hereof shall be deemed to have been received by such Guarantor as trustee for the Guaranteed Parties and shall be paid over to the Administrative Agent immediately on account of the Obligations, but without otherwise affecting in any manner such Guarantor's liability hereof. Each Guarantor agrees to file all claims against any Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in respect of any Guarantor Subordinated Debt, and the Administrative Agent shall be entitled to all of such Guarantor's rights thereunder. If for any reason a Guarantor fails to file such claim at least ten Business Days prior to the last date on which such claim should be filed, such Guarantor hereby irrevocably appoints the Administrative Agent as its true and lawful attorney-in-fact and is hereby authorized to act as attorney-in-fact in such Guarantor's name to file such claim or, in the Administrative Agent's discretion, to assign such claim to and cause proof of claim to be filed in the name of the Administrative Agent or its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Administrative Agent the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Guarantor hereby assigns to the Administrative Agent all of such Guarantor's rights to any payments or distributions to which such Guarantor otherwise would be entitled. If the amount so paid is greater than such Guarantor's liability hereunder, the Administrative Agent shall pay the excess amount to the party entitled thereto. In addition, each Guarantor hereby irrevocably appoints the Administrative Agent as its attorney-in-fact to exercise all of such Guarantor's voting rights in connection with any bankruptcy proceeding or any plan for the reorganization of any Borrower.

Section 10 Default; Remedies

The obligations of each Guarantor hereunder are independent of and separate from the Obligations. If any Obligation is not paid when due, or upon any Event of Default hereunder or upon any default by any Borrower as provided in any other instrument or document evidencing all or any part of the Obligations, the Administrative Agent may, at its sole election, proceed directly and at once, without notice, against any Guarantor to collect and recover the full amount or any portion of the Obligations then due, without first proceeding against the Borrowers or any Borrower or any other guarantor of the Obligations, or against any Collateral under the Financing Agreements or joining the Borrowers or any Borrower or any other guarantor in any proceeding against any Guarantor. At any time after maturity of the Obligations, the Administrative Agent may (unless the Obligations have been irrevocably paid in full), without notice to any Guarantor and regardless of the acceptance of any Collateral for the payment hereof, appropriate and apply toward the payment of the Obligations (a) any indebtedness due or to become due from any Guaranteed Party to such Guarantor and (b) any moneys, credits or other property belonging to such Guarantor at any time held by or coming into the possession of any Guaranteed Party or any of its respective Affiliates.

Section 11 Irrevocability

This Guaranty shall be irrevocable as to the Obligations (or any part thereof) until the Commitments have been terminated and all monetary Obligations then outstanding have been irrevocably repaid in cash, at which time this Guaranty shall automatically be cancelled. Upon such cancellation and at the written request of any Guarantor or its successors or assigns,

and at the cost and expense of such Guarantor or its successors or assigns, the Administrative Agent shall execute in a timely manner a satisfaction of this Guaranty and such instruments, documents or agreements as are necessary or desirable to evidence the termination of this Guaranty.

Section 12 Setoff

Upon the occurrence and during the continuance of an Event of Default, each Guarantied Party and each Affiliate of a Guarantied Party is hereby authorized at any time and from time to time, to the fullest extent permitted by Requirements of 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 such Guarantied Party to or for the credit or the account of the Guarantied Parties against any and all of the Obligations now or hereafter existing whether or not such Guarantied Party shall have made any demand under this Guaranty and even though such Obligations may be unmatured. Each Guarantied Party agrees promptly to notify the Borrower Agent after any such set-off and application made by such Guarantied Party or its Affiliates: provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. Each Guarantied Party agrees that it shall not, without the express consent of the Requisite Lenders (and that, it shall, to the extent lawfully entitled to do so, upon the request of the Requisite Lenders) exercise its set-off rights under this Section 12 against any deposit accounts of the Guarantors maintained with such Guarantied Party or any Affiliate thereof. The rights of each Guarantied Party under this Section 12 are in addition to the other rights and remedies (including other rights of set-off) that such Guarantied Party may have.

Section 13 No Marshalling

Each Guarantor consents and agrees that no Guarantied Party or Person acting for or on behalf of any Guarantied Party shall be under any obligation to marshal any assets in favor of any Guarantor or against or in payment of any or all of the Obligations.

Section 14 Enforcement; Waivers; Amendments

(a) No delay on the part of any Guarantied Party in the exercise of any right or remedy arising under this Guaranty, the Credit Agreement, any other Financing Agreement or otherwise with respect to all or any part of the Obligations, the Collateral or any other guaranty of or security for all or any part of the Obligations shall operate as a waiver thereof, and no single or partial exercise by any such Person of any such right or remedy shall preclude any further exercise thereof. Failure by any Guarantied Party at any time or times hereafter to require strict performance by the Borrowers or any Borrower, any Guarantor, any other guarantor of all or any part of the Obligations or any other Person of any provision, warranty, term or condition contained in any Financing Agreement now or at any time hereafter executed by any such Persons and delivered to any Guarantied Party shall not waive, affect or diminish any right of any Guarantied Party at any time or times hereafter to demand strict performance thereof and such right shall not be deemed to have been waived by any act (except by a written instrument pursuant to Section 14(b) or knowledge of any Guarantied Party, or its respective agents, officers or employees. No waiver of any Event of Default by any Guarantied Party shall operate as a waiver of any other Event of Default or the same Event of Default on a future occasion, and no action by any Guarantied Party permitted hereunder shall in any way affect or impair any Guarantied Party's rights and remedies or the obligations of any Guarantor under this Guaranty. Any determination by a court of competent jurisdiction of the amount of any principal or interest

owing by the Borrowers or any Borrower to a Guaranteed Party shall be conclusive and binding on each Guarantor irrespective of whether such Guarantor was a party to the suit or action in which such determination was made.

(b) None of the terms or provisions of this Guaranty may be waived, amended, supplemented or modified except in accordance with *Section 11.1 (Amendments, Waivers, Etc.)* of the Credit Agreement.

Section 15 Successors and Assigns

This Guaranty shall be binding upon each Guarantor and upon the successors and assigns of such Guarantors and shall inure to the benefit of the Guaranteed Parties and their respective successors and assigns; all references herein to the Borrowers, to any Borrower and to the Guarantors shall be deemed to include their respective successors and assigns. The successors and assigns of the Guarantors and the Borrowers shall include, without limitation, their respective receivers, trustees and debtors-in-possession. All references to the singular shall be deemed to include the plural where the context so requires.

Section 16 Representations and Warranties; Covenants

JCI hereby (a) represents and warrants that the representations and warranties as to it made by the Borrowers and Holdings in Article IV (Representations and Warranties) of the Credit Agreement are true and correct on each date as required by Section 3.2(b)(i) (Conditions Precedent to Each Loan and Letter of Credit) of the Credit Agreement and (b) agrees to take, or refrain from taking, as the case may be, each action necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by JCI.

Section 17 Governing Law

This Guaranty and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 18 Submission to Jurisdiction; Service of Process

(a) Any legal action or proceeding with respect to this Guaranty may be brought in the courts of the State of New York located in the City of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Guaranty, each of the Guarantors hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, that any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

(b) Each Guarantor hereby irrevocably designates, appoints and empowers the Borrower Agent to act as its process agent, in the case of any suit, action or proceeding brought in the United States of America as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents that may be serviced in any action or proceeding arising out of, or in connection with, this Guaranty. Each Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing contained in this Section 18 (*Submission to Jurisdiction; Service of Process*) shall affect the right of the Administrative Agent or any other Guarantied Party to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against a Guarantor in any other jurisdiction.

(d) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase Dollars with such other currency at the spot rate of exchange quoted by the Administrative Agent at 11:00 a.m. (New York time) on the Business Day preceding that on which final judgment is given, for the purchase of Dollars, for delivery two Business Days thereafter.

Section 19 Waiver of Judicial Bond

To the fullest extent permitted by applicable law, the Guarantor waives the requirement to post any bond that otherwise may be required of any Guarantied Party in connection with any judicial proceeding to enforce such Guarantied Party's rights to payment hereunder, security interest in or other rights to the Collateral or in connection with any other legal or equitable action or proceeding arising out of, in connection with, or related to this Guaranty and the Financing Agreements to which it is a party.

Section 20 Certain Terms

The following rules of interpretation shall apply to this Guaranty: (a) the terms "*herein*," "*hereof*," "*hereto*" and "*hereunder*" and similar terms refer to this Guaranty as a whole and not to any particular Article, Section, subsection or clause in this Guaranty, (b) unless otherwise indicated, references herein to an Exhibit, Article, Section, subsection or clause refer to the appropriate Exhibit to, or Article, Section, subsection or clause in this Guaranty and (c) the term "*including*" means "*including without limitation*" except when used in the computation of time periods.

Section 21 Waiver of Jury Trial

EACH OF THE ADMINISTRATIVE AGENT, THE OTHER GUARANTIED PARTIES AND EACH GUARANTOR IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY AND ANY OTHER FINANCING AGREEMENT.

Section 22 Notices

Any notice or other communication herein required or permitted shall be given as provided in Section 11.8 (Notices, Etc.) of the Credit Agreement and, in the case of any Guarantor, to such Guarantor in care of the Borrowers.

Section 23 Severability

Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

Section 24 Additional Guarantors

Each of the Guarantors agrees that, if, pursuant to *Section 7.11(b) (Additional Collateral and Guaranties)* of the Credit Agreement, Holdings or any Borrower shall be required to cause any Subsidiary thereof that is not a Guarantor to become a Guarantor hereunder, or if for any reason Holdings or any Borrower desires any such Subsidiary to become a Guarantor hereunder, such Subsidiary shall execute and deliver to the Administrative Agent a Guaranty Supplement in substantially the form of *Exhibit A (Guaranty Supplement)* attached hereto and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Guarantor party hereto on the Closing Date.

Section 25 Collateral

Each Guarantor hereby acknowledges and agrees that its obligations under this Guaranty are secured pursuant to the terms and provisions of the Collateral Documents executed by it in favor of the Administrative Agent, for the benefit of the Secured Parties.

Section 26 Costs and Expenses

In accordance with the provisions of *Section 11.3 (Costs and Expenses)* of the Credit Agreement, each Guarantor agrees to pay or reimburse the Administrative Agent and each of the other Guaranteed Parties upon demand for all out-of-pocket costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel and costs of settlement), incurred by the Administrative Agent and such other Guaranteed Parties in enforcing this Guaranty against such Guarantor or any security therefor or exercising or enforcing any other right or remedy available in connection herewith or therewith.

Section 27 Waiver of Consequential Damages

EACH GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGE IN ANY LEGAL ACTION OR PROCEEDING IN RESPECT OF THIS GUARANTY OR ANY OTHER FINANCING AGREEMENT.

Section 28 Entire Agreement

This Guaranty, taken together with all of the other Financing Agreements executed and delivered by the Guarantors, represents the entire agreement and understanding of the parties hereto and supersedes all prior understandings, written and oral, relating to the subject matter hereof.

Section 29 Counterparts

This Guaranty may be executed in any number of separate counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by facsimile transmission or electronic mail shall be effective as delivery of a manually executed counterpart.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Amended and Restated Guaranty has been duly executed by the Guarantors as of the day and year first set forth above.

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.
J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti

Title: Vice President and Controller

[SIGNATURE PAGE To J. CREW AMENDED AND RESTATED GUARANTY]

ACKNOWLEDGED AND AGREED
as of the date first above written:

CITICORP USA, INC.
as Administrative Agent

By: /s/ Thomas M. Halsch
Name: Thomas M. Halsch
Title: Director

[SIGNATURE PAGE TO J. CREW AMENDED AND RESTATED GUARANTY]

**EXHIBIT A
TO
GUARANTY**

FORM OF GUARANTY SUPPLEMENT

The undersigned hereby agrees to be bound as a Guarantor for purposes of the Guaranty, dated as of May 4, (the “*Guaranty*”), among J. CREW GROUP, INC., a Delaware corporation, J. CREW OPERATING CORP., a Delaware corporation, J. CREW INC., a New Jersey corporation, GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL, H.F.D. NO. 55, INC., a Delaware corporation doing business as J. Crew Factory (“*Factory*”), MADEWELL INC., a Delaware corporation (“*Madewell*”), J. CREW INTERNATIONAL, INC., and acknowledged by CITICORP USA, INC., as Administrative Agent, and the undersigned hereby acknowledges receipt of a copy of the Guaranty. The undersigned hereby represents and warrants that each of the representations and warranties contained in *Section 16 (Representations and Warranties; Covenants)* of the Guaranty applicable to it is true and correct on and as the date hereof as if made on and as of such date. Capitalized terms used herein but not defined herein are used with the meanings given them in the Guaranty.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty Supplement to be duly executed and delivered as of _____, _____.

[NAME OF SUBSIDIARY GUARANTOR]

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
as of the date first above written:

CITICORP USA, INC.
as *Administrative Agent*

By: _____
Name:
Title:

EXHIBIT I
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF PLEDGE AND SECURITY AGREEMENT

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Dated as of May 4, 2007

among

**J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. D/B/A J. CREW RETAIL
H.F.D. NO. 55, INC. D/B/A J. CREW FACTORY
MADEWELL INC.
J. CREW GROUP, INC.
J. CREW INTERNATIONAL, INC.**

as Grantors

and

**Each Other Grantor
From Time to Time Party Hereto**

and

**CITICORP USA, INC.
*as Administrative Agent***

**WEIL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NEW YORK 10153-0119**

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AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT, dated as of May 4, 2007, by J. CREW OPERATING CORP., a Delaware corporation (“*Operating*”), J. CREW INC., a New Jersey corporation (“*J. Crew*”), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL (“*Retail*”), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory (“*Factory*”), Madewell Inc., a Delaware corporation (“*Madewell*”), and together with Factory, J. Crew, Retail, and Operating, each individually a “*Borrower*” and collectively, the “*Borrowers*”), J. CREW GROUP INC. (“*Holdings*”), J. CREW INTERNATIONAL, INC. (“*JCI*”, a “*Guarantor*” and together with Holdings, the “*Guarantors*”) and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 7.11 (Additional Grantors)* (each a “*Grantor*” and, collectively, with the Borrowers and the Guarantors, the “*Grantors*”), in favor of Citicorp USA, Inc. (“*CUSA*”), as agent (in such capacity, the “*Administrative Agent*”) for the Secured Parties (as defined in the Credit Agreement referred to below).

WITNESSETH:

WHEREAS, the Borrowers, the Guarantors, the lenders and issuers from time to time party thereto, Wachovia Bank, National Association, as administrative agent (the “*Existing Agent*”), Congress Financial Corporation, as collateral agent (the “*Existing Collateral Agent*”), Bank of America, as the syndication agent and certain other parties thereto, are parties to the Amended and Restated Loan and Security Agreement, dated as of December 23, 2004 (as amended, modified, or supplemented prior to the Effective Date (as defined below), the “*Existing Credit Agreement*”);

WHEREAS, the Existing Agent and the Existing Collateral Agent desire to resign from each of their respective capacities as administrative agent and collateral agent under the Existing Credit Agreement, and Citicorp desires to be appointed as the successor Administrative Agent and as Swing Loan Lender and as Collateral Agent under the Credit Agreement, each effective as of the Effective Date (as defined below), pursuant to a master assignment and resignation agreement dated on or prior to the date hereof (the “*Master Assignment and Resignation Agreement*”), among the Existing Agent, the Existing Collateral Agent, Citicorp, the Borrowers and the other Loan Parties; and

WHEREAS, the Borrowers, the Guarantors, the Lenders and the Issuers have entered into the Second Amended and Restated Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, modified, increased, renewed, refunded, replaced or refinanced from time to time, the “*Credit Agreement*”) which amends and restates, together with this Agreement, the Existing Credit Agreement in its entirety;

WHEREAS, the Grantors are party to the Guaranty pursuant to which they have guaranteed the Obligations;

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent;

WHEREAS, the Loan Parties hereby reaffirm the Liens granted pursuant to the Financing Agreements (as defined in the Existing Credit Agreement) to the Existing Agent for the benefit of the Secured Parties (as defined in the Existing Credit Agreement), which Liens shall continue in full force and effect during the term of this Agreement and any renewals thereof and

shall cover the collateral securing the Obligations (as defined in the Existing Credit Agreement) under the Financing Agreements (as defined under the Existing Credit Agreement) and shall continue to secure the Secured Obligations; and

WHEREAS, each Grantor will receive substantial direct and indirect benefits from the making of the Loans, the issuance of the Letters of Credit and the granting of the other financial accommodations to the Borrowers under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the Issuers and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders and the Issuers to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

ARTICLE I DEFINED TERMS

Section 1.1 Definitions

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein have the meanings given to them in the Credit Agreement.

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein):

“Account Debtor”
“Account”
“Certificated Security”
“Chattel Paper”
“Commercial Tort Claim”
“Commodity Account”
“Deposit Account”
“Documents”
“Entitlement Holder”
“Entitlement Order”
“Equipment”
“Financial Asset”
“General Intangible”
“Goods”
“Instruments”
“Inventory”
“Investment Property”
“Letter-of-Credit Right”
“Proceeds”
“Securities Account”
“Securities Intermediary”
“Security”
“Security Entitlement”
“Supporting Obligation”

(c) The following terms shall have the following meanings:

“*Additional Pledged Collateral*” means any Pledged Collateral acquired by any Grantor after the date hereof (subject to *Section 7.11 (Additional Collateral and Guaranties)* of the Credit Agreement) and in which a security interest is granted pursuant to *Section 2.2 (Grant of Security Interest in Collateral)*, including, to the extent a security interest is granted therein pursuant to *Section 2.2 (Grant of Security Interest in Collateral)*, (i) all Stock and Stock Equivalents of any Person that are acquired by any Grantor after the date hereof, together with all certificates, instruments or other documents representing any of the foregoing and all Security Entitlements of any Grantor in respect of any of the foregoing, (ii) all additional Indebtedness from time to time owed to any Grantor by any obligor on the Pledged Debt Instruments and the Instruments evidencing such Indebtedness and (iii) all interest, cash, Instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the foregoing. “*Additional Pledged Collateral*” may be General Intangibles, Instruments or Investment Property.

“*Agreement*” means this Pledge and Security Agreement.

“*Collateral*” has the meaning specified in *Section 2.1 (Collateral)*.

“*Deposit Account Control Agreement*” means a letter agreement, substantially in the form of *Annex 1 (Form of Deposit Account Control Agreement)* (with such changes as may be agreed to by the Administrative Agent), executed by the Grantor, the Administrative Agent and the relevant financial institution; *provided, however*, that the deposit account control agreements executed and delivered in connection with the Existing Credit Agreement shall also be included in this definition.

“*Excluded Property*” means, collectively, (i) any rights or interests in any contract, lease, permit, license, charter or license agreement covering real or personal property, as such, if under the terms of such contract, lease, permit, license, charter or license agreement, or applicable law with respect thereto, the valid grant of a security interest or lien therein to Administrative Agent is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, lease, permit, license, charter or license agreement has not been or is not otherwise obtained or under applicable law such prohibition cannot be waived; *provided*, that, the foregoing exclusion shall in no way be construed (A) to apply if any such prohibition is unenforceable under Sections 9-406, 9-407 or 9-408 of the UCC or other applicable law or (B) so as to limit, impair or otherwise affect Administrative Agent’s unconditional continuing security interests in and liens upon any rights or interests of a Grantor in or to monies due or to become due under any such contract, lease, permit, license, charter or license agreement (including any Receivables) and (ii) the Stock of J. Crew Japan, Inc. (“*J. Crew Japan*”).

“*Intellectual Property*” shall mean, as to each Grantor, such Grantor’s now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright registrations, trademarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or the license of any trademark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

“*LLC*” means each limited liability company in which a Grantor has an interest, including those set forth on *Schedule 2 (Pledged Collateral)*.

“*LLC Agreement*” means each operating agreement with respect to a LLC, as each agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified from time to time.

“*Material Intellectual Property*” means Intellectual Property owned by or licensed to a Grantor and material to the conduct of any Grantor’s business.

“*Partnership*” means each partnership in which a Grantor has an interest, including those set forth on *Schedule 2 (Pledged Collateral)*.

“*Partnership Agreement*” means each partnership agreement governing a Partnership, as each such agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified.

“*Pledged Certificated Stock*” means all Certificated Securities and any other Stock and Stock Equivalent of a Person evidenced by a certificate, Instrument or other equivalent document, in each case owned by any Grantor, including all Stock listed on *Schedule 2 (Pledged Collateral)*.

“*Pledged Collateral*” means, collectively, the Pledged Stock, Pledged Debt Instruments, any other Investment Property of any Grantor, all Chattel Paper, certificates or other Instruments representing any of the foregoing and all Security Entitlements of any Grantor in respect of any of the foregoing. Pledged Collateral may be General Intangibles, Instruments or Investment Property.

“*Pledged Debt Instruments*” means all right, title and interest of any Grantor in Instruments evidencing any Indebtedness owed to such Grantor, including all Indebtedness described on *Schedule 2 (Pledged Collateral)*, issued by the obligors named therein.

“*Pledged Stock*” means all Pledged Certificated Stock and all Pledged Uncertificated Stock. For purposes of this Agreement, the term “*Pledged Stock*” shall not include any Excluded Equity.

“*Pledged Uncertificated Stock*” means any Stock or Stock Equivalent of any Person that is not a Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any Partnership or as a member of any LLC and all right, title and interest of any Grantor in, to and under any Partnership Agreement or LLC Agreement to which it is a party.

“*Receivables*” means all of the following now owned or hereafter arising or acquired property of each Grantor: (a) all Accounts; (b) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (c) all payment intangibles of such Grantor; (d) letters of credit, indemnities, guarantees, security or other deposits and proceeds thereof issued payable to any Grantor or

otherwise in favor of or delivered to any Grantor in connection with any Account or any Credit Card Receivables; or (e) all other Accounts, contract rights, Chattel Paper, Instruments, notes, General Intangibles and other forms of obligations owing to any Grantor, whether from the sale and lease of goods or other property, licensing of any property (including Intellectual Property or other General Intangibles), rendition of services or from loans or advances by any Grantor or to or for the benefit of any third person (including loans or advances to any Affiliates or Subsidiaries of any Grantor) or otherwise associated with any Accounts, Inventory or General Intangibles of any Grantor (including, without limitation, choses in action, causes of action, tax refunds, tax refund claims, any funds which may become payable to any Grantor in connection with the termination of any Title IV Plan or other employee benefit plan and any other amounts payable to any Grantor from any Title IV Plan or other employee benefit plan, rights and claims against carriers and shippers, rights to indemnification, business interruption insurance and proceeds thereof, casualty or any similar types of insurance and any proceeds thereof and proceeds of insurance covering the lives of employees on which any Grantor is a beneficiary).

“*Records*” means, as to each Grantor, all of such Grantor’s present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Grantor with respect to the foregoing maintained with or by any other person).

“*Securities Account Control Agreement*” means a letter agreement, substantially in the form of *Annex 2 (Form of Securities Account Control Agreement)* (with such changes as may be agreed to by the Administrative Agent), executed by the relevant Grantor, the Administrative Agent and the relevant Approved Securities Intermediary; *provided, however*, that the securities account control agreements executed and delivered in connection with the Existing Credit Agreement shall also be included in this definition.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*UCC*” means the Uniform Commercial Code as from time to time in effect in the State of New York; *provided, however*, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Administrative Agent’s and the Secured Parties’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “*UCC*” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Section 1.2 Certain Other Terms

(a) 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 mean “to but excluding” and the word “*through*” means “to and including.”

(b) The terms “*herein*,” “*hereof*,” “*hereto*” and “*hereunder*” and similar terms refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause in this Agreement.

(c) References herein to an Annex, Schedule, Article, Section, subsection or clause refer to the appropriate Annex or Schedule to, or Article, Section, subsection or clause in this Agreement.

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

(e) Where the context requires, provisions relating to any Collateral, when used in relation to a Grantor, shall refer to such Grantor's Collateral or any relevant part thereof.

(f) Any reference in this Agreement to a Financing Agreement shall include all appendices, exhibits and schedules thereto, and, unless specifically stated otherwise all amendments, restatements, supplements or other modifications thereto, and as the same may be in effect at any time such reference becomes operative.

(g) The term "*including*" means "including without limitation" except when used in the computation of time periods.

(h) The terms "*Lender*," "*Issuer*," "*Administrative Agent*" and "*Secured Party*" include their respective successors.

(i) References in this Agreement to any statute shall be to such statute as amended or modified and in effect from time to time.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.1 Collateral

For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "*Collateral*":

(a) all Accounts;

(b) all General Intangibles, including, without limitation, all Intellectual Property;

(c) all Goods, including, without limitation, Inventory and Equipment;

(d) all Real Property subject to the Mortgages and fixtures;

(e) all Chattel Paper, including, without limitation, all tangible and electronic chattel paper;

(f) all Instruments, including, without limitation, all promissory notes;

(g) all Documents;

(h) all Deposit Accounts;

(i) all letters of credit, banker's acceptances and similar instruments and including all Letter-of-Credit Rights;

(j) all Supporting Obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other Collateral, including (A) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (B) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (C) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Receivables or other Collateral, including returned, repossessed and reclaimed goods, and (D) deposits by and property of Account Debtors or other persons securing the obligations of Account Debtors;

(k) all (A) Investment Property (including Securities, whether Certificated Securities or uncertificated Securities, Securities Accounts, Security Entitlements, commodity contracts or Commodity Accounts) and (B) monies, credit balances, deposits and other property of any Grantor now or hereafter held or received by or in transit to Administrative Agent, any Lender or its Affiliates or at any other depository or other institution from or for the account of any Grantor, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(l) all Commercial Tort Claims, including, without limitation, those described on *Schedule 7 (Commercial Tort Claims)* and on any supplement thereto received by the Administrative Agent pursuant to *Section 4.9 (Notice of Commercial Tort Claims)*;

(m) to the extent not otherwise described above, all Receivables;

(n) all Records; and

(o) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral;

provided, however, that "Collateral" shall not include any Excluded Property; and *provided, further*, that if and when any property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Collateral.

Section 2.2 Grant of Security Interest in Collateral

To secure payment and performance of all Obligations, each Grantor hereby grants to Administrative Agent, for itself and the benefit of Lenders, a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to the Administrative Agent, for itself and the benefit of Lenders, as security (and hereby confirms, reaffirms and restates the prior grant thereof to the Existing Agent, for itself and Lenders, pursuant to the Existing Credit Agreement in favor of the Administrative Agent and the Secured Parties), the Collateral.

Section 2.3 Cash Collateral Accounts

The Administrative Agent has established a Deposit Account at Citibank, N.A., designated as "Citicorp USA, Inc. – J. Crew Cash Collateral Account". Such Deposit Account shall be a Cash Collateral Account.

ARTICLE III REPRESENTATIONS AND WARRANTIES

To induce the Lenders, the Issuers and the Administrative Agent to enter into the Credit Agreement, each Grantor hereby represents and warrants each of the following to the Administrative Agent, the Lenders, the Issuers and the other Secured Parties:

Section 3.1 Title; No Other Liens

Except for the Lien granted to the Administrative Agent pursuant to this Agreement and the other Liens permitted to exist on the Collateral under the Credit Agreement, such Grantor (a) is the record and beneficial owner of the Pledged Collateral pledged by it hereunder constituting Instruments or Certificated Securities, (b) is the Entitlement Holder of all such Pledged Collateral constituting Investment Property held in a Securities Account and (c) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien, other than Liens permitted by *Section 8.2 (Liens, Etc.)* of the Credit Agreement.

Section 3.2 Perfection and Priority

The security interest granted pursuant to this Agreement shall constitute a valid and continuing perfected security interest in favor of the Administrative Agent in the Collateral for which perfection is governed by the UCC or filing with the United States Copyright Office upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion of the filings and other actions specified on *Schedule 3 (Filings)* (which, in the case of all filings and other documents referred to on such schedule, have been delivered to the Administrative Agent in completed and duly executed form), (ii) the delivery to the Administrative Agent of all Collateral consisting of Instruments and Certificated Securities, in each case properly endorsed for transfer to the Administrative Agent or in blank (it being acknowledged by the Administrative Agent that delivery of the Pledged Stock constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement), (iii) the execution of the Master Assignment and Resignation Agreement, (A) the assignment of existing Securities Account Control Agreements with respect to Investment Property not in certificated form that have been executed and delivered in connection with the Existing Credit Agreement and (B) the assignment of existing Deposit Account Control Agreements with respect to each Deposit Account of a Grantor with respect to which a Deposit Account Control Agreement is required by *Section 7.12 (Control Accounts; Approved Deposit Accounts)* of the Credit Agreement that have been executed and delivered in connection with the Existing Credit Agreement, and (iv) all appropriate filings having been made with the United States Copyright Office. Subject to the Intercreditor Agreement, such security interest shall be prior to all other Liens on the Collateral.

Section 3.3 Jurisdiction of Organization; Chief Executive Office

Such Grantor's jurisdiction of organization, legal name, organizational identification number, if any, and the location of such Grantor's chief executive office or sole place of business, in each case as of the date hereof, is specified on *Schedule 1 (Jurisdiction of Organization; Principal Executive Office)* and such *Schedule 1 (Jurisdiction of Organization; Principal Executive Office)* also lists all jurisdictions of incorporation, legal names and locations of such Grantor's chief executive office or sole place of business for the five years preceding the date hereof.

Section 3.4 Inventory and Equipment

On the date hereof, such Grantor's Inventory and Equipment (other than mobile goods and Inventory or Equipment in transit) are kept at the locations listed on *Schedule 4 (Location of Inventory and Equipment)* and such *Schedule 4 (Location of Inventory and Equipment)* also list the locations of such Inventory and Equipment for the five years preceding the date hereof.

Section 3.5 Pledged Collateral

(a) The Pledged Stock pledged hereunder by such Grantor is listed on *Schedule 2 (Pledged Collateral)* and constitutes that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on *Schedule 2 (Pledged Collateral)*.

(b) All of the Pledged Stock (other than Pledged Stock in limited liability companies and partnerships) has been duly authorized, validly issued and is fully paid and nonassessable.

(c) Subject to the Intercreditor Agreement, each of the Pledged Debt Instruments constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

(d) All Pledged Collateral and, if applicable, any Additional Pledged Collateral, consisting of Certificated Securities or Instruments has been delivered to the Administrative Agent in accordance with *Section 4.3(a) (Pledged Collateral)* and *Section 7.11* of the Credit Agreement (it being acknowledged by the Administrative Agent that delivery of all Certificated Securities constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement).

(e) All Pledged Collateral held by a Securities Intermediary in a Securities Account is subject to a Securities Account Control Account.

(f) Subject to the Intercreditor Agreement, other than Pledged Stock constituting General Intangibles, there is no Pledged Collateral other than that represented by Certificated Securities or Instruments in the possession of the Administrative Agent or that consist of Financial Assets held in a Securities Account that is subject to a Securities Account Control Agreement.

Section 3.6 Accounts

No amount payable to such Grantor under or in connection with any Account is evidenced by any Instrument or Chattel Paper that has not been delivered to the Administrative Agent, properly endorsed for transfer, to the extent delivery is required by *Section 4.3 (Pledged Collateral)*.

Section 3.7 Intellectual Property

(a) Each Grantor owns all right, title and interest in and to, or has valid and continuing rights to use, sell and license, all Intellectual Property used in the conduct of its business. *Schedule 5 (Intellectual Property)* lists all Intellectual Property owned by such Grantor that is the subject of a registration or application for registration in the United States or any foreign jurisdiction, and all other Material Intellectual Property of such Grantor on the date hereof, separately identifying that owned by such Grantor and that licensed to such Grantor. The Intellectual Property set forth on *Schedule 5 (Intellectual Property)* for such Grantor constitutes all of the intellectual property rights necessary to conduct its business.

(b) All Material Intellectual Property owned by such Grantor is valid, subsisting, unexpired and enforceable, has not been adjudged invalid and has not been abandoned, and to the knowledge of such Grantor, no third party is infringing, misappropriating, diluting or otherwise violating such Material Intellectual Property.

(c) Except as set forth in *Schedule 5 (Intellectual Property)*, none of the Material Intellectual Property owned by such Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) The operation and conduct of the business of such Grantor does not infringe, misappropriate, dilute or violate the intellectual property rights of any other Person.

(e) No holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of, or such Grantor's rights in, any Material Intellectual Property.

(f) No actions or proceedings seeking to limit, cancel or question the validity of any Intellectual Property owned by such Grantor or such Grantor's ownership interest therein is pending or, to the knowledge of such Grantor, threatened, that, in the aggregate, could reasonably be expected to have a Material Adverse Effect. There are no claims, judgments or settlements to be paid by such Grantor relating to the Intellectual Property that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 3.8 Deposit Accounts; Securities Accounts

The only Deposit Accounts or Securities Accounts maintained by any Grantor on the date hereof are those listed on *Schedule 6 (Bank Accounts; Control Accounts)*.

Section 3.9 Commercial Tort Claims

The only Commercial Tort Claims in excess of \$1,000,000 of any Grantor existing on the date hereof (regardless of whether the amount, defendant or other material facts can be determined and regardless of whether such Commercial Tort Claim has been asserted, threatened or has otherwise been made known to the obligee thereof or whether litigation has been commenced for such claims) are those listed on *Schedule 7 (Commercial Tort Claims)*, which sets forth such information separately for each Grantor.

Section 3.10 Letters of Credit

[Intentionally Omitted].

Section 3.11 Collateral Access Agreements, Bailee Letters, etc.

Schedule 3.11 (Collateral Access Agreements, Bailee Letters, etc.) sets forth all collateral access agreements, bailee letters, third party agreements relating to the location of the Collateral, or equivalent documents of each Loan Party as of the date hereof. In the event that any Collateral is at any time after the date hereof located on premises (other than a store location or a factory store location) for which a collateral access agreement, bailee letter, third party agreement relating to the location of the Collateral, or equivalent document has not been obtained, Grantors shall promptly notify the Administrative Agent thereof in writing. Within 30 days of Administrative Agent's request, Grantors shall deliver to Administrative Agent a collateral access agreement, bailee letter, third party agreement relating to the location of the Collateral or equivalent document duly authorized, executed and delivered by such person and the Grantors that is the owner of such Collateral.

ARTICLE IV COVENANTS

Each Grantor agrees with the Administrative Agent to the following, as long as any Obligation or Revolving Credit Commitment remains outstanding and, in each case, unless the Requisite Lenders otherwise consent in writing:

Section 4.1 Maintenance of Perfected Security Interest; Further Documentation

(a) Such Grantor shall maintain the security interest created by this Agreement as a first priority perfected security interest, subject to the Intercreditor Agreement and shall defend such security interest and such priority against the claims and demands of all Persons.

(b) Such Grantor shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail and in form and substance reasonably satisfactory to the Administrative Agent.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further action as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including the filing of any financing or continuation statement under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Deposit Account Control Agreements and Securities Account Control Agreements (other than with respect to those deposit accounts and securities accounts that are subject to existing Deposit Account Control Agreements and Securities Account Control Agreements as of the date hereof).

Section 4.2 Changes in Locations, Name, Etc.

(a) Except upon 30 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (i) all additional financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (ii) if applicable, a written supplement to *Schedule 4 (Location of Inventory and Equipment)* showing (A) any additional locations at which Inventory or Equipment shall be kept or (B) any changes in any location where Inventory or Equipment shall be kept that would require the Administrative Agent to take any action to maintain a perfected security interest in such Collateral, such Grantor shall not do any of the following:

(i) permit any Inventory or Equipment that, in the aggregate, has a Fair Market Value in excess of \$100,000, to be kept at a location other than those listed on *Schedule 4 (Location of Inventory and Equipment)*, except for: (a) Inventory or Equipment in transit, (b) Inventory sold in the ordinary course of such Grantor's business, (c) Equipment that is undergoing repairs or maintenance in the ordinary course of such Grantor's business and (d) Inventory or Equipment located at a store location or factory store location;

(ii) change its jurisdiction of organization or its location, in each case from that referred to in *Section 3.3 (Jurisdiction of Organization; Chief Executive Office)*; or

(iii) change its legal name or organizational identification number, if any, or corporation, limited liability company or other organizational structure to such an extent that any financing statement filed in connection with this Agreement would become seriously misleading.

Section 4.3 Pledged Collateral

Subject to the Intercreditor Agreement:

(a) Such Grantor shall (i) deliver to the Administrative Agent, all certificates and Instruments representing or evidencing any Pledged Collateral (including Additional Pledged Collateral), whether now existing or hereafter acquired, in suitable form for transfer by delivery or, as applicable, accompanied by such Grantor's endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent, together, in respect of any Additional Pledged Collateral, with a Pledge Amendment, duly executed by the Grantor, in substantially the form of *Annex 3 (Form of Pledge Amendment)*, an acknowledgment and agreement to a Joinder Agreement duly executed by the Grantor, in substantially the form in the form of *Annex 4 (Form of Joinder Agreement)*, or such other documentation acceptable to the Administrative Agent (it being acknowledged by the Administrative Agent that delivery of the Pledged Collateral constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement) and (ii) maintain all other Pledged Collateral constituting Investment Property in a Control Account. Such Grantor authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement. After the occurrence and during the continuation of an Event of Default, the Administrative Agent shall have the right, at any time in its discretion and without notice to the Grantor, to transfer to or to register in its name or in the name of its nominees any Pledged Collateral. The Administrative Agent shall have the right at any time to exchange any certificate or instrument representing or evidencing any Pledged Collateral for certificates or instruments of smaller or larger denominations.

(b) Except as provided in *Article V (Remedial Provisions)*, such Grantor shall be entitled to receive all cash dividends paid in respect of the Pledged Collateral (other than liquidating or distributing dividends) with respect to the Pledged Collateral. After the occurrence and during the continuation of an Event of Default, any sums paid upon or in respect of any Pledged Collateral upon the liquidation or dissolution of any issuer of any Pledged Collateral, any distribution of capital made on or in respect of any Pledged Collateral or any property distributed upon or with respect to any Pledged Collateral pursuant to the recapitalization or reclassification of the capital of any issuer of Pledged Collateral or pursuant to the reorganization thereof shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Secured Obligations. If any sum of money or property paid or distributed as described in the immediately preceding sentence in respect of any Pledged Collateral shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent, segregated from other funds of such Grantor, as additional security for the Secured Obligations.

(c) Except as provided in *Article V (Remedial Provisions)*, such Grantor shall be entitled to exercise all voting, consent and corporate, partnership, limited liability company and similar rights with respect to the Pledged Collateral; *provided, however*, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor that would impair the Collateral, be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Financing Agreement or, without prior notice to the Administrative Agent, enable or permit any issuer of Pledged Collateral to issue any Stock or other equity Securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Stock or other equity Securities of any nature of any issuer of Pledged Collateral.

(d) Such Grantor shall not grant “control” (within the meaning of such term under Article 9-106 of the UCC) over any Investment Property to any Person other than the Administrative Agent, subject to the Interecreditor Agreement; *provided, however*, that the mere establishment of a Control Account shall not be deemed a violation of this clause (d).

(e) In the case of each Grantor that is an issuer of Pledged Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and shall comply with such terms insofar as such terms are applicable to it. In the case of any Grantor that is a holder of any Stock or Stock Equivalent in any Person that is an issuer of Pledged Collateral, such Grantor consents to (i) the exercise of the rights granted to the Administrative Agent hereunder (including those described in *Section 5.3 (Pledged Collateral)*), and (ii) the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Stock in such Person and to the transfer of such Pledged Stock to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a holder of such Pledged Stock with all the rights, powers and duties of other holders of Pledged Stock of the same class and, if the Grantor having pledged such Pledged Stock hereunder had any right, power or duty at the time of such pledge or at the time of such substitution beyond that of such other holders, with all such additional rights, powers and duties. Such Grantor agrees to execute and deliver to the Administrative Agent such certificates, agreements and other documents as may be necessary to evidence, formalize or otherwise give effect to the consents given in this *clause (e)*.

Section 4.4 Accounts

Except as permitted by the Credit Agreement, such Grantor shall not, other than in the ordinary course of business consistent with its past practice, settle, adjust or compromise any claim, offset, counterclaim or dispute with any Account Debtor, Credit Card Issuer or Credit Card Processor.

Section 4.5 Delivery of Instruments and Chattel Paper

If any amount in excess of \$250,000 payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by an Instrument or Chattel Paper, such Grantor shall immediately deliver such Instrument or Chattel Paper to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, or, if consented to by the Administrative Agent, shall mark all such Instruments and Chattel Paper with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Citicorp USA, Inc., as Administrative Agent".

Section 4.6 Intellectual Property

(a) Such Grantor (either itself or through licensees) shall (i) continue to use each trademark that is Material Intellectual Property in order to maintain such trademark in full force and effect with respect to each class of goods for which such trademark is currently used, free from any claim of abandonment for non-use, (ii) use such trademark that is Material Intellectual Property with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law and (iii) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such trademark that is Material Intellectual Property (or any goodwill associated therewith) may become destroyed, invalidated, impaired or harmed in any way.

(b) Such Grantor (either itself or through licensees) shall not do any act, or omit to do any act, whereby any patent that is Material Intellectual Property may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) shall not (and shall not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any portion of the copyrights that is Material Intellectual Property may become invalidated or otherwise impaired and (ii) shall not (either itself or through licensees) do any act whereby any portion of the copyrights that is Material Intellectual Property may fall into the public domain.

(d) Such Grantor (either itself or through licensees) shall not do any act that knowingly infringes, misappropriates, or violates the intellectual property rights of any other Person.

(e) Such Grantor shall notify the Administrative Agent immediately if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, right to use, interest in, or the validity of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, licensee or designee, shall file an application for the registration of any Material Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States, such Grantor shall report such filing to the Administrative Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's security interest in any such Material Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor shall take all reasonable actions necessary or requested by the Administrative Agent, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of Material Intellectual Property, including filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition and interference and cancellation proceedings.

(h) In the event that any Material Intellectual Property is or has been infringed upon or misappropriated or diluted by a third party, such Grantor shall notify the Administrative Agent promptly after such Grantor learns thereof. Such Grantor shall take appropriate action in response to such infringement, misappropriation or dilution, including promptly bringing suit for infringement, misappropriation or dilution and to recover all damages for such infringement, misappropriation or dilution, and shall take such other actions may be appropriate in its reasonable judgment under the circumstances to protect such Material Intellectual Property.

(i) Unless otherwise agreed to by the Administrative Agent, such Grantor shall execute and deliver to the Administrative Agent for filing in (i) the United States Copyright Office a short-form copyright security agreement in the form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)*, (ii) in the United States Patent and Trademark Office and with the Secretary of State of all appropriate States of the United States a short-form patent security agreement in the form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)* and (iii) the United States Patent and Trademark Office a short- form trademark security agreement in form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)* (together with appropriate supporting documentation as may be requested by the Administrative Agent) in form and substance reasonably acceptable to the Administrative Agent.

Section 4.7 License Agreements

(a) With respect to a License Agreement applicable to Material Intellectual Property that is owned by a third party and licensed to a Grantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, each Grantor shall (i) give the Administrative Agent not less than ninety (90) days prior written notice of its intention to not renew or to terminate, cancel, surrender or release its rights under any such

License Agreement, or to amend any such License Agreement or related arrangements to limit the scope of the right of such Grantor to use the Material Intellectual Property subject to such License Agreement, either with respect to product, territory, term or otherwise, or to increase the amounts to be paid by such Grantor thereunder or in connection therewith (and the Administrative Agent may establish such Reserves as a result of any of the foregoing as the Administrative Agent may reasonably determine), (ii) give the Administrative Agent prompt written notice of any such License Agreement entered into by such Grantor after the date hereof, or any material amendment to any such License Agreement existing on the date hereof, in each case together with a true, correct and complete copy thereof and such other information with respect thereto as the Administrative Agent may reasonably request, (iii) give the Administrative Agent prompt written notice of any material breach of any obligation, or any default, by the third party that is the licensor or by the Grantor that is the licensee or any other party under any such License Agreement, and deliver to the Administrative Agent (promptly upon the receipt thereof by such Grantor in the case of a notice to such Grantor and concurrently with the sending thereof in the case of a notice from such Grantor) a copy of each notice of default and any other notice received or delivered by such Grantor in connection with any such a License Agreement that relates to the scope of the right, or the continuation of the right, of such Grantor to use the Material Intellectual Property subject to such License Agreement or the amounts required to be paid thereunder.

(b) With respect to a License Agreement applicable to Material Intellectual Property that is owned by a third party and licensed to a Grantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, at any time an Event of Default shall exist or have occurred and be continuing or if after giving effect to any Reserves, or the reduction in the applicable Borrowing Base as a result of Eligible Inventory using such licensed Material Intellectual Property ceasing to be Eligible Inventory, the Administrative Agent shall have, and is hereby granted, the irrevocable right and authority, at its option, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of the Administrative Agent or in the name and behalf of such Grantor, subject to and in accordance with the terms of such License Agreement. The Administrative Agent may, but shall not be required to, perform any or all of such obligations of such Grantor under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Grantor thereunder. Any sums so paid by the Administrative Agent shall constitute part of the Secured Obligations.

Section 4.8 Insurance

[Intentionally Omitted]

Section 4.9 Notice of Commercial Tort Claims

Such Grantor agrees that, if it shall acquire any interest in any Commercial Tort Claim in excess of \$1,000,000 (whether from another Person or because such Commercial Tort Claim shall have come into existence), (i) such Grantor shall, immediately upon such acquisition, deliver to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent, a notice of the existence and nature of such Commercial Tort Claim and deliver a supplement to *Schedule 7 (Commercial Tort Claims)* containing a specific description of such Commercial Tort Claim, (ii) the provision of *Section 2.1 (Collateral)* shall apply to such Commercial Tort Claim and (iii) such Grantor shall execute and deliver to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent, any certificate, agreement and other document, and take all other action,

deemed by the Administrative Agent to be reasonably necessary or appropriate for the Administrative Agent to obtain, on behalf of the Lenders, subject to the Intercreditor Agreement, a first-priority, perfected security interest in all such Commercial Tort Claims. Any supplement to *Schedule 7 (Commercial Tort Claims)* delivered pursuant to this *Section 4.9 (Notice of Commercial Tort Claims)* shall, after the receipt thereof by the Administrative Agent, become part of *Schedule 7 (Commercial Tort Claims)* for all purposes hereunder other than in respect of representations and warranties made prior to the date of such receipt.

Section 4.10 Credit Card Agreements

Each Grantor shall (a) observe and perform all material terms, covenants, conditions and provisions of the Credit Card Agreements to be observed and performed by it at the times set forth therein; and (b) at all times maintain in full force and effect the Credit Card Agreements and not terminate, cancel, surrender, modify, amend, waive or release any of the Credit Card Agreements, or consent to or permit to occur any of the foregoing; except, that, (i) any Grantor may terminate or cancel any of the Credit Card Agreements in the ordinary course of the business of such Grantor; *provided*, that, such Grantor shall give the Administrative Agent not less than fifteen (15) days prior written notice of its intention to so terminate or cancel any of the Credit Card Agreements; (c) not enter into any new Credit Card Agreements with any new Credit Card Issuer unless (i) the Administrative Agent shall have received not less than thirty (30) days prior written notice of the intention of such Grantor to enter into such agreement (together with such other information with respect thereto as the Administrative Agent may request) and (ii) such Grantor delivers, or causes to be delivered to the Administrative Agent, a Credit Card Acknowledgment in favor of the Administrative Agent, (d) give the Administrative Agent immediate written notice of any Credit Card Agreement entered into by such Grantor after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as the Administrative Agent may request; and (e) furnish to the Administrative Agent, promptly upon the request of the Administrative Agent, such information and evidence as the Administrative Agent may require from time to time concerning the observance, performance and compliance by such Grantor or the other party or parties thereto with the terms, covenants or provisions of the Credit Card Agreements.

Section 4.11 Inventory Covenants

(a) Such Grantor shall at all times maintain Inventory records reasonably satisfactory to the Administrative Agent, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, such Grantor's cost therefor and daily withdrawals therefrom and additions thereto;

(b) Such Grantor shall produce, use, store and maintain the Inventory, with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws (including the requirements of the Federal Fair Labor Standards Act of 1938, as amended and all rules, regulations and orders related thereto);

(c) Such Grantor assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory;

(d) Such Grantor shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate any Grantor to repurchase such Inventory except for the right of return given to retail customers of such Grantor in the ordinary course of the business of such Grantor in accordance with the then current return policy of such Grantor;

(e) Such Grantor shall keep the Inventory in good and marketable condition;

(f) Such Grantor shall not, without prior written notice to the Administrative Agent or the specific identification of such Inventory in a report with respect thereto provided by Borrower Agent to Administrative Agent, acquire or accept any Inventory on consignment or approval.

ARTICLE V REMEDIAL PROVISIONS

Section 5.1 Code and Other Remedies

During the continuance of an Event of Default, the Administrative Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon any Collateral, and may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver any Collateral (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent shall have the right upon any such public sale or sales, and, to the extent permitted by the UCC and other applicable law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places that the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this *Section 5.1*, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and any other Secured Party hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as the Credit Agreement shall prescribe, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

Section 5.2 Accounts and Payments in Respect of General Intangibles

(a) In addition to, and not in substitution for, any similar requirement in the Credit Agreement, if required by the Administrative Agent at any time during the continuance of an Event of Default, any payment of Accounts or payment in respect of General Intangibles, when collected by any Grantor, shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent, in an Approved Deposit Account or a Cash Collateral Account, subject to withdrawal, and shall be applied by the Administrative Agent in respect of any Obligations as provided in *Section 5.4 (Proceeds to be Turned Over To Administrative Agent)*. Until so turned over or turned over, such payment shall be held by such Grantor in trust for the Administrative Agent, segregated from other funds of such Grantor. Such deposits of Proceeds of Accounts and payments in respect of General Intangibles shall, at the request of the Administrative Agent after the occurrence and during the continuation of an Event of Default, be summarized by a report identifying in reasonable detail the nature and source of the payments included in such deposits.

(b) At the Administrative Agent's request, during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions that gave rise to the Accounts or payments in respect of General Intangibles, including all original orders, invoices and shipping receipts (other than with respect to the sale of Inventory in the ordinary course, which shall be summarized in a report at the request of the Administrative Agent).

(c) The Administrative Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Grantor to collect its Accounts or amounts due under General Intangibles or any thereof.

(d) The Administrative Agent in its own name or in the name of others may at any time during the continuance of an Event of Default communicate with Account Debtors to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Account or amounts due under any General Intangible.

(e) Upon the request of the Administrative Agent at any time during the continuance of an Event of Default, each Grantor shall notify Account Debtors that the Accounts or General Intangibles have been collaterally assigned to the Administrative Agent and that payments in respect thereof shall be made directly to the Administrative Agent. In addition, the Administrative Agent may at any time during the continuance of an Event of Default enforce such Grantor's rights against such Account Debtors and obligors of General Intangibles.

(f) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts and payments in respect of General Intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any agreement giving rise to an Account or a payment in respect of a General Intangible by reason of or arising out of this Agreement or the receipt by the Administrative Agent nor any other Secured Party of any payment relating thereto, nor shall the Administrative Agent nor any other Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an Account or a payment in respect of a General Intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by

it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 5.3 Pledged Collateral

Subject to the Intercreditor Agreement:

(a) During the continuance of an Event of Default, upon notice by the Administrative Agent to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any Proceeds of the Pledged Collateral and make application thereof to the Obligations in the order set forth in the Credit Agreement and (ii) the Administrative Agent or its nominee may exercise (A) any voting, consent, corporate and other right pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuer or issuers of Pledged Collateral or otherwise and (B) any right of conversion, exchange and subscription and any other right, privilege or option pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any of the Pledged Collateral upon the merger, amalgamation, consolidation, reorganization, recapitalization or other fundamental change in the corporate or equivalent structure of any issuer of Pledged Stock, the right to deposit and deliver any Pledged Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it; *provided, however*, that the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) In order to permit the Administrative Agent to exercise the voting and other consensual rights that it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions that it may be entitled to receive hereunder, in each case after the occurrence and during the continuation of an Event of Default, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Administrative Agent all such proxies, dividend payment orders and other instruments as the Administrative Agent may from time to time reasonably request and (ii) without limiting the effect of *clause (i)* above, such Grantor hereby grants to the Administrative Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations.

(c) Each Grantor hereby expressly authorizes and instructs each issuer of any Pledged Collateral pledged hereunder by such Grantor to (i) comply with any instruction received by it from the Administrative Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that such issuer shall be fully protected in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividend or other payment with respect to the Pledged Collateral directly to the Administrative Agent.

Section 5.4 Proceeds to be Turned Over To Administrative Agent

Upon the occurrence and during the continuance of an Event of Default, unless otherwise expressly provided in the Credit Agreement, all Proceeds received by the Administrative Agent hereunder in cash or Cash Equivalents shall be held by the Administrative Agent in a Cash Collateral Account. All Proceeds while held by the Administrative Agent in a Cash Collateral Account (or by such Grantor in trust for the Administrative Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 5.5 Registration Rights

[Intentionally Omitted]

Section 5.6 Deficiency

Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by the Administrative Agent or any other Secured Party to collect such deficiency.

ARTICLE VI THE ADMINISTRATIVE AGENT

Section 6.1 Administrative Agent's Appointment as Attorney-in-Fact

(a) Subject to the Intercreditor Agreement, each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any Account or General Intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any such moneys due under any Account or General Intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any agreement, instrument, document or paper as the Administrative Agent may request to evidence the Administrative Agent's security interest in such Intellectual Property and the goodwill and General Intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repair or pay any insurance called for by the terms of this Agreement (including all or any part of the premiums therefor and the costs thereof);

(iv) execute, in connection with any sale provided for in *Section 5.1 (Code and Other Remedies)*, any endorsement, assignment or other instrument of conveyance or transfer with respect to the Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct, (B) ask or demand for, collect, and receive payment of and receipt for, any moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (C) sign and indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate, (G) assign any Intellectual Property (along with the goodwill of the business related thereto) throughout the world for such term or terms, on such conditions, and in such manner as the Administrative Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the other Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this *clause (a)* to the contrary notwithstanding, the Administrative Agent agrees that it shall not exercise any right under the power of attorney provided for in this *clause (a)* unless an Event of Default shall be continuing.

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

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this *Section 6.1*, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

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

Section 6.2 Duty of Administrative Agent

The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any other Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on the Administrative Agent hereunder are solely to protect the Administrative Agent's interest in the Collateral and shall not impose any duty upon the Administrative Agent or any other Secured Party to exercise any such powers. The Administrative Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 6.3 Authorization of Financing Statements

Each Grantor authorizes the Administrative Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements, and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Each Grantor hereby also authorizes the Administrative Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

Section 6.4 Authority of Administrative Agent

Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Administrative Agent and the other Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

ARTICLE VII MISCELLANEOUS

Section 7.1 Amendments in Writing

None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with *Section 11.1 (Amendments, Waivers, Etc.)* of the Credit Agreement; *provided, however*, that annexes to this Agreement may be supplemented (but no existing provisions may be modified and no Collateral may be released) through Pledge Amendments and Joinder Agreements, in substantially the form of *Annex 3 (Form of Pledge Amendment)* and *Annex 4 (Form of Joinder Agreement)* respectively, in each case duly executed by the Administrative Agent and each Grantor directly affected thereby.

Section 7.2 Notices

All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in *Section 11.8 (Notices, Etc.)* of the Credit Agreement; *provided, however*, that any such notice, request or demand to or upon any Grantor shall be addressed to the Grantor's notice address set forth in such *Section 11.8*.

Section 7.3 No Waiver by Course of Conduct; Cumulative Remedies

Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to *Section 7.1 (Amendments in Writing)*), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or such other Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section 7.4 Amendment and Restatement; Effectiveness

(a) This Agreement shall become effective on the Effective Date.

(b) On the Effective Date, the Existing Credit Agreement shall be amended and restated by the Credit Agreement together with this Agreement, and the Existing Credit Agreement (as amended and restated by the Credit Agreement and this Agreement) shall continue to evidence the Liens granted thereunder and the incurrence by the Grantors of obligations thereunder (whether or not such obligations are contingent as of the Effective Date). This Agreement is not in any way intended to constitute a novation of the Liens, interests or any obligations or liabilities existing under or granted pursuant to the Existing Credit Agreement or evidence payment or performance of all or any portion of such obligations and liabilities or the release of any lien under the Existing Credit Agreement.

(c) The terms and conditions of this Agreement and the Administrative Agent's, the Lenders' and the Issuers' rights and remedies under this Agreement and the other Financing Agreements shall apply to (i) all of the Obligations incurred under the Credit Agreement and the Revolving Credit Notes issued thereunder and all Obligations of the Grantors incurred under the Financing Agreements and (ii) all of the obligations incurred under the Existing Credit Agreement and all obligations of the Grantors incurred under the "Financing Agreements" (as defined in the Existing Credit Agreement) (the "*Existing Financing Agreements*").

(d) Each Grantor hereby reaffirms the liens granted pursuant to the Existing Financing Agreements to the Existing Agent for the benefit of the secured parties thereunder, which Liens shall continue in full force and effect during the term of this Agreement and any renewals thereof and shall continue to secure the Secured Obligations.

(e) This amendment and restatement is limited as written and is not a consent to any other amendment, restatement, waiver or other modification, whether or not similar, and, except as expressly provided herein or in any other Financing Agreement, all terms and conditions of the Financing Agreements remain in full force and effect unless otherwise specifically amended by this Agreement or any other Financing Agreement.

Section 7.5 Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and each other Secured Party and their successors and assigns; *provided, however*, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

Section 7.6 Counterparts

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy shall be effective as delivery of a manually executed counterpart.

Section 7.7 Severability

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

Section 7.8 Section Headings

The Article and Section titles contained in this Agreement are, and shall be, without substantive meaning or content of any kind whatsoever and are not part of the agreement of the parties hereto.

Section 7.9 Entire Agreement

This Agreement together with the other Financing Agreements represents the entire agreement of the parties and supersedes all prior agreements and understandings relating to the subject matter hereof.

Section 7.10 Governing Law

This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 7.11 Additional Grantors

If, pursuant to *Section 7.11 (Additional Collateral and Guaranties)* of the Credit Agreement, the Borrowers shall be required to cause any Subsidiary that is not a Grantor to become a Grantor hereunder, such Subsidiary shall execute and deliver to the Administrative Agent a Joinder Agreement substantially in the form of *Annex 4 (Form of Joinder Agreement)* and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Grantor party hereto on the Effective Date.

Section 7.12 Release of Collateral

(a) At the time provided in *Section 10.8(b)(i) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral of such Grantor held by the Administrative Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If the Administrative Agent shall be directed or permitted pursuant to *Section 10.8(b) (ii) or (iii) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement to release any Lien created hereby upon any Collateral (including any Collateral sold or disposed of by any Grantor in a transaction permitted by the Credit Agreement), such Collateral shall be released from the Lien created hereby to the extent provided under, and subject to the terms and conditions set forth in, *Section 10.8(b)(ii) or (iii) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement. In connection therewith, the Administrative Agent, at the request and sole expense of the Grantors, shall execute and deliver to the Grantors all releases or other documents, including, without limitation, UCC termination statements, reasonably necessary or desirable for the release of the Lien created hereby on such Collateral. At the request and sole expense of the Grantors, a Grantor shall be released from its obligations

hereunder in the event that all the Stock of such Grantor shall be so sold or disposed; *provided, however*, that the Grantors shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Grantors in form and substance reasonably satisfactory to the Administrative Agent stating that such transaction is in compliance with the Credit Agreement and the other Financing Agreements.

Section 7.13 Reinstatement

Each Grantor further agrees that, if any payment made by any Loan Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of Collateral are required to be returned by any Secured Party to such Loan Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

[SIGNATURE PAGES FOLLOW]

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

Grantors:

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.
J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully
Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti
Title: Vice President and Controller

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: _____

Name:
Title:

[SIGNATURE PAGE TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT]

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

Grantors:

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.
J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully
Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti
Title: Vice President and Controller

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: /s/ Thomas M. Halsch

Name: Thomas M. Halsch
Title: Director

[SIGNATURE PAGE TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT]

EXHIBIT J
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE
as of April 27, 2007

Pursuant to the Second Amended and Restated Credit Agreement dated as of May ____, 2007 (as amended from time to time, the "Credit Agreement"); capitalized terms used herein and not defined herein have the meanings given to such terms in the Credit Agreement), by and among J. Crew Operating, Corp., J. Crew Inc., Grace Holmes, Inc., H.F.D No. 55, Inc., Madewell Inc., J. Crew Group, Inc., and J. Crew International, Inc., the Lenders party thereto and Citicorp USA, Inc., as Administrative Agent and Collateral Agent ("Agent"), J. Crew Operating Corp., for itself and its Affiliates party to the Credit Agreement, hereby certifies to Agent and Lenders pursuant to Section 6.11(a) of the Credit Agreement as follows:

- A. As of the date set forth above, the excess availability is \$134,300,000. (Note)
- B. All calculations related to the amount set forth in A above are attached as Exhibit A hereto.

J. CREW OPERATING CORP., as Borrower Agent

/s/ Nicholas Lamberti

By: Nicholas Lamberti
Title: Vice President, Controller

Note: On April 30, 200 the balance of qualified cash was reduced by \$25.0 million in connection with a voluntary prepayment of our indebtedness under our term loan with Goldman Sachs Capital Partners. This transaction reduces the excess availability to \$109,300,000.

CALCULATIONS SUPPORTING THE
BORROWING BASE CERTIFICATE
as of April 27, 2007

		(\$ in millions)
A. <u>Accounts receivable (as of 4/27/07)</u> (Schedule A)		
	Credit card receivables	\$ 9.7
	less: sales more than 5 business days old	—
	Eligible accounts receivable	9.7
	Receivable advance rate	90%
	Availability	<u>8.7</u>
B. <u>Inventories (as of 4/27/07)</u> (Schedule B)		
1. <u>Retail</u> (Schedule B-1)		
	Value of inventories	74.0
	less: reserve for shrinkage	(1.2) (a)
	reserve for duty and freight (at 6% of documentary letters of credit)	(3.5)
	gift certificates and store credits (at 50%)	(8.5) (a)
	reserve for duplicate inventories	<u>(16.1)</u>
	Value of eligible inventory	44.7
	Inventory advance rate	90%
	Availability	<u>40.2</u>
2. <u>Factory</u> (Schedule B-2)		
	Value of inventories	18.3
	less: reserve for shrinkage	<u>(0.2) (a)</u>
	Value of eligible inventory	18.1
	Inventory advance rate	87.8%
	Availability	<u>15.9</u>
3. <u>Direct</u> (Schedule B-3)		
	Value of inventories	26.7
	less: reserve for shrinkage	(0.4) (a)
	gift certificates (at 50%)	<u>(1.2) (a)</u>
	Value of eligible inventory	25.1
	Inventory advance rate	79.2%
	Availability	<u>19.9</u>
4. <u>In-transit inventories</u>		
	Documentary letters of credit	58.7
	Inventory advance rate	71.1%
	Availability	<u>41.7</u>
C. Real estate availability		<u>7.4</u>
D. Qualified Cash (Schedule C)		<u>85.1</u>
Total collateral availability		<u>218.9</u>
Lesser of maximum commitment and total collateral availability		<u>200.0</u>
Less:		
	loans	—
	letters of credit:	
	standby	(7.0)
	documentary	(58.7)
	Total loans and letters of credit (Schedule D)	<u>(65.7)</u>
Excess availability		<u>\$ 134.3</u>

(a) amounts are as of 4/7/2007 (the latest date for which this information is available)

J. Crew Credit Card Receivables

	<u>Direct</u>	<u>Retail/Factory</u>	<u>Total</u>
Balance @ 4/21/2007	3,477	5,477	8,954
Sales	11,635	10,223	21,858
Collections	(11,385)	(9,699)	(21,084)
Balance @ 4/28/2007	<u>3,727</u>	<u>6,000</u>	<u>9,728</u>

Aging of receivables by type

	<u>Direct</u>	<u>Retail/Factory</u>	<u>Total</u>
Amex			
24-Apr		275,733	275,733
25-Apr		256,226	256,226
26-Apr	296,234	281,970	578,204
27-Apr	315,513	346,234	661,747
28-Apr		536,914	536,914
MCN			
26-Apr	971,988	739,239	1,711,227
27-Apr	1,097,199	1,003,252	2,100,451
28-Apr		1,550,460	1,550,460
JCB			
26-Apr	—	279	279
27-Apr	—	—	0
28-Apr	—	516	516
Disc			
24-Apr		23,975	23,975
25-Apr		27,227	27,227
26-Apr	32,842	28,843	61,685
27-Apr	42,089	35,054	77,143
28-Apr		57,749	57,749
JCC			
25-Apr	351,014	142,131	493,145
26-Apr	293,551	168,177	461,728
27-Apr	327,103	196,012	523,115
28-Apr		322,556	322,556
			0
Total	<u>3,727,531</u>	<u>5,992,547</u>	<u>9,720,078</u>

Summary of Inventories
As of April 27, 2007

	<u>Retail</u>	<u>Factory</u>	<u>Direct</u>	<u>Total</u>
On-hand	\$71.7	\$17.9	\$26.3	\$115.9
Freight-in	2.3	0.4	0.4	3.1
	<u>\$74.0</u>	<u>\$18.3</u>	<u>\$26.7</u>	<u>\$ 119.0</u>

J. CREW RETAIL STOCK LEDGER
As of April 28, 2007

3.01 Stock Ledger – daily (units & cost)

Report Date 4/28/2007
Distribution channel Retail
Distribution channel R3

<u>Site category</u>	<u>Site</u>	<u>Ending Inv Units</u>	<u>Ending Inv Cost</u>
Overall Result		6,072,912	71,680,226
A	Result	4,882,087	58,368,334
	306 Northpark <Crewcuts>	11,144	103,429
	307 Westchester crewcuts	11,199	102,837
	308 PBG Crewcuts	7,735	73,081
	501 South Street Seaport	20,189	232,258
	502 San Francisco Center	45,128	555,197
	503 Atrium	60,803	777,489
	504 South Coast	49,325	627,403
	505 Liberty Place	28,715	354,188
	506 Pioneer Place	22,749	267,783
	507 Cambridgeside	23,043	265,078
	508 Georgetown	42,712	559,454
	509 Montgomery	44,988	514,892
	510 Northpark	48,279	615,671
	511 Oakbrook	37,646	440,441
	512 Northbrook	21,444	238,805
	513 N. Michigan Avenue	46,795	639,994
	514 Somerset	37,827	461,762
	516 Westport	52,822	659,296
	517 Scottsdale	25,930	286,594
	518 Avenue at Tower City Ctr	2	12
	519 Lenox Square	56,594	791,244
	520 Roosevelt Field	40,989	467,830
	521 Pasadena	38,933	475,909
	522 Santa Fe	12,631	132,119
	523 Houston	33,705	424,202
	524 Plaza Frontenac	35,436	414,944
	525 Northshore	26,028	289,545
	526 Sacramento	16,321	171,896
	527 Keystone	36,025	428,497
	528 Southdale	34,967	417,653
	529 Bellevue	26,432	307,345
	530 King of Prussia	54,631	706,606
	531 Crabtree Valley	36,063	421,623
	532 Tyson's Galleria	53,173	695,704
	533 Park Meadows	20,722	227,926
	534 Highland	240	3,610
	535 Woodfield	22,663	258,081
	537 Garden State Plaza	44,529	613,764
	538 Stanford	35,462	438,558
	539 Prince Street	66,532	899,478
	540 Fifth Avenue	75,690	1,082,575
	541 Boca Town Center	31,424	383,023
	542 Copley	46,985	620,837
	543 Short Hills	70,428	953,720
	544 Southpark	51,395	640,685
	545 Danbury	22,025	238,354
	546 Century City	35,506	452,821
	547 Westfarms	35,076	432,469
	548 Fashion Valley	34,082	405,804
	549 Beachwood	30,923	393,684
	550 Aventura	36,026	415,026
	551 Palisades Center	42	283
	552 Southshore	24,354	249,992
	553 Riverside	17,103	193,806

554	Perimeter Mall	28,231	336,265
555	Third Street Promenade	39,126	511,371
556	Horton Plaza	4	3
557	Corte Madera	34,927	419,792
558	Burlingame	25,848	282,467
559	Harbor Place	12,225	124,473

J. CREW RETAIL STOCK LEDGER
As of April 28, 2007

Site category	Site	Ending Inv Units	Ending Inv Cost
560	Westchester	48,132	610,708
561	Overland Park	18,170	191,008
562	Pacific Place	28,282	352,016
563	Walt Whitman	33,061	409,703
565	Menlo Park	21,483	237,981
566	Ann Arbor	18,386	195,608
567	MacArthur Center	21,141	236,475
568	Easton Town Center	31,819	384,847
569	Cherry Creek	34,521	409,716
570	Riverchase Galleria	16,004	172,932
571	Christiana Mall	(1)	1
572	Washington Square	20,286	222,233
573	Kenwood	41,952	483,399
574	Cape Cod	16,568	175,732
575	Mall of Georgia	17,252	190,236
576	Providence Place	36,229	429,233
577	Mission Viejo	35,185	393,902
578	Brea	23,412	283,457
579	Florida Mall	4	34
581	Rockefeller Center	71,461	1,022,287
582	Green Hills Mall	35,811	433,281
583	Old Orchard	31,044	371,451
584	Fashion Show	20,535	237,699
585	North Star	16,677	181,725
586	Tucson	17,360	183,598
587	Woodland	18,480	198,153
588	Flatiron	19,746	214,850
589	Roseville	18,520	194,990
590	Lakeside	30,909	349,176
591	Deer Park	16,987	185,998
592	Palos Verdes	16,907	181,026
593	Saddle Creek	22,485	265,175
594	Walden	14,826	160,210
595	Greenwich	50,034	642,294
596	Stonebriar	16,592	181,320
597	Ross Park	16,637	179,999
598	North East Mall	(3)	(17)
599	Stonestown	18,543	210,473
600	Mayfair	23,627	272,097
601	Pentagon City	35,025	427,771
602	Mall of America	24,996	275,907
603	Haywood	16,744	185,861
604	Carousel	16,301	175,826
605	Country Club	17,929	192,867
606	Brinton Lakes	26,491	293,386
607	Suburban Square	29,480	357,632
608	The Grove	52,163	697,466
609	Valley Fair	23,165	249,079
610	The Gateway	15,862	173,083
611	Marlton	30,450	337,676
612	Tices Corner	26,523	299,798
613	International Plaza	31,803	363,604
614	Yale	19,892	221,036
615	Twelve Oaks	16,184	175,266
616	N. Avenue Collection	33,830	425,406
617	Burlington	17,369	190,069
618	Fayette	23,027	252,907
619	Franklin Park	16,356	174,677
620	Polaris	17,952	196,580
621	Kierland	32,458	373,574
622	Forum on Peachtree Pkwy	17,026	189,268
623	Columbia	25,371	288,029
624	Willow Grove	23,573	268,311
625	Fashion Place	15,647	172,276

626	Four Seasons	(3)	(46)
627	Sherman Oaks	21,371	238,114
628	Woodland Hills	16,800	179,328
629	Hawthorne Center	0	(1,296)
630	Short Pump	32,302	381,020

J. CREW RETAIL STOCK LEDGER
As of April 28, 2007

<u>Site category</u>	<u>Site</u>	<u>Ending Inv Units</u>	<u>Ending Inv Cost</u>
631	Fairfield Commons	15,216	167,130
632	West Town Mall	18,418	198,446
633	Summit at Louisville	19,640	211,431
634	Crossgates	16,734	185,046
635	Chandler	19,082	196,138
636	Rockingham Park	16,535	181,127
637	Aspen Grove	14,622	158,336
638	Penn Square	20,194	209,201
639	University Village	24,116	276,139
640	King Street	27,799	333,043
641	Willow Bend	15,477	169,212
642	Jefferson Pointe	9	43
643	South Hills Village	15,161	162,799
644	Willowbrook	21,487	223,863
645	Princeton	26,869	307,086
646	Streets at Southpointe	30,944	341,325
647	Charlottesville Square	17,917	194,469
648	Eastview	15,846	172,618
649	Madison Avenue	60,295	851,472
650	Eastwood	15,201	163,980
651	Rochester Hills	16,311	179,091
652	Arbor Lakes	16,825	182,277
653	Rockaway	18,005	189,325
655	Smithhaven	21,272	234,993
656	Grand Avenue	17,073	181,052
659	Stoneridge	19,751	244,848
660	Summit at Birmingham	22,311	254,775
661	Orland Square	16,149	178,370
662	Chevy Chase	24,626	298,350
668	Manhasett	35,368	247,692
671	Walnut Street	14,782	175,403
672	Evergreen	15,749	166,083
673	Jordan Creek	17,705	192,464
675	St. John's Town Center	24,433	286,725
676	Northlake	17,292	190,353
677	Crocker Park	16,973	187,420
679	Bridgeport Village	16,319	178,499
680	Palm Beach Gardens	31,657	369,930
681	Southlake	22,091	251,148
682	East Hampton	7,606	152,521
683	Woodlands	23,457	271,931
684	Village Pointe	21,542	248,458
685	The Galleria at Fort Lauderdale	22,665	250,853
686	Barton Creek Square	18,196	206,934
687	The Domain	22,763	281,750
688	Mall at Millenia	27,839	327,766
689	Streets of Chester	14,285	159,815
690	Coconut Point	29,904	361,177
691	North Point Mall	22,897	267,052
693	Broadway Plaza	27,938	326,198
694	Annapolis Mall	21,347	241,169
695	Carmel Plaza	18,874	211,679
696	Friendly Center	23,892	277,468
697	Topanga Plaza	24,970	288,665
699	Summit Sierra	14,426	156,590
700	Columbus Circle	74,373	1,072,972
701	Madison	19,132	210,565
702	Towson Town Center	(99)	(1,238)
703	La Cumbre	20,621	249,075
704	The Oaks	(111)	(1,388)
707	Waterside Shops	21,074	277,420

710	Elm Street	(216)	(2,125)
947	Hamptons Delivery	1,133	182,123
993	Asheville Phone Sales	3	77
B	Result	1,190,825	13,311,892
	AVRT Asheville Retail Distribution C	1,190,560	13,307,897
	CART Garden St. Plaza (C/O FMI Inte	265	3,995

J.CREW FACTORY STOCK LEDGER
As of April 28, 2007

3.01 Stock Ledger – daily (units & cost)

Report Date 4/28/2007
Distribution channel Factory
Distribution channel F4

Site category	Site	Ending Inv Units	Ending Inv Cost
Overall Result		2,066,954	17,872,902
A	Result	1,307,795	11,051,766
	10 Kittery	34,582	298,051
	14 Silverstone	21,449	184,775
	16 Foley	24,850	206,551
	17 Michigan City	22,249	184,949
	18 Manchester	26,214	231,733
	19 Destin	37,678	310,566
	2 Kenosha	22,479	191,937
	21 Lancaster	31,092	266,093
	22 Woodbury	47,203	392,790
	23 Tannersville	20,134	169,242
	24 San Marcos	24,274	204,695
	25 Gilroy	24,884	210,239
	27 St. Augustine	27,009	227,041
	28 Tilton	20,798	184,779
	29 Seymour	(1,355)	(14,616)
	3 Pigeon Forge	17,684	155,972
	30 Napa	28,059	241,754
	31 Cabazon	29,284	245,822
	33 Commerce	22,142	189,385
	34 Burlington	(92)	(843)
	35 Hillsboro	139	1,801
	36 Calhoun	(13)	(6)
	37 Loveland	16,573	143,868
	38 Rehoboth	33,633	277,133
	39 Sawgrass	30,959	263,987
	4 Williamsburg	29,331	258,388
	40 Niagara	14,397	129,438
	42 Westbrook	34,839	282,966
	43 Branson	(251)	(2,799)
	44 Finger Lakes	19,989	176,832
	45 Grove City	17,095	143,165
	46 Lee	22,678	195,092
	47 Riverhead	34,309	280,225
	48 Jackson	24,093	207,049
	49 Myrtle Beach	18,827	165,682
	5 Hilton Head	26,858	224,110
	50 Las Vegas	0	4
	51 Hagerstown	19,852	167,249
	52 Leesburg	25,352	211,279
	53 Wrentham	42,637	351,485
	54 Seattle	20,925	172,022
	55 Aurora	22,373	186,084
	56 Dawsonville	23,578	193,674
	57 Las Americas	17,018	143,697
	58 Edinburgh	18,282	157,167
	59 Miromar	28,886	241,826
	6 North Conway	18,413	157,765
	60 Howell	22,241	190,022
	61 Round Rock	22,007	185,306
	62 Allen	23,217	189,776
	63 Osage Beach	19,730	161,821
	64 Clinton Crossing	24,886	207,592
	66 Vacaville	22,418	182,682
	67 Flemington	22,910	187,846

68	Katy Mills	23,066	198,227
69	Primm	19,713	166,555
70	Prime Outlets at Ellenton	16	66
71	Prime Outlets at Jeffersonville	43	408
72	Vero Beach	20,619	178,615
8	Freeport	27,350	236,646
9	Birch Run	18,170	156,078
B	Result	759,159	6,821,136
LBFA	Lynchburg Factory Distribution	759,159	6,821,136

COMP: JCREW
 DATE: 04/29/07
 REPORT: JCDINVAC

INVENTORY CONTROL
 PERPETUAL SEASON SUMMARY

PAGE: 2
 TIME: 03:32:09

<u>YR/SSN B</u>	<u>SKUS</u>	<u>OH</u>	<u>OH RESERVED</u>	<u>NEW RECEIPTS</u>	<u>TOTAL UNITS</u>	<u>EXTENDED COST</u>	<u>EXTENDED RETAIL</u>
053 B	1,337	59	1	0	60	787.98	2,331.17
	127,739	333	1	0	334	6,287.43	17,908.37
061	53,823	8,121	411	0	8,532	128,457.38	264,806.67
061 B	440	52	34	0	86	806.60	2,591.30
063	34,848	19,337	1,321	0	20,658	369,513.40	1,039,263.29
063 B	329	343	44	0	387	6,838.62	20,509.20
	89,440	27,853	1,810	0	29,663	505,616.00	1,327,172.46
071	118,459	1,049,132	52,711	0	1,101,843	18,489,689.18	62,872,783.78
071 B	519	13,070	432	0	13,502	344,689.45	1,390,357.01
073	30,734	359,723	11,915	0	371,638	5,793,096.83	20,658,633.49
073 B	642	73,381	2,688	0	76,069	1,123,286.66	4,557,361.00
	150,354	1,495,306	67,746	0	1,563,052	25,750,762.12	89,479,135.28
081	44,755	1,586	8	0	1,594	25,460.18	96,935.82
081 B	35	0	0	0	0	.00	.00
	44,790	1,586	8	0	1,594	25,460.18	96,935.82
TOTAL	569,491	1,525,089	69,563	0	1,594,654	26,288,338.38	90,921,947.42

COMP: JCREW
 DATE: 04/29/07
 REPORT: JCDINVAC

INVENTORY CONTROL
 PERPETUAL SEASON SUMMARY

PAGE: 1
 TIME: 03:32:09

<u>YR/SNN B</u>	<u>SKUS</u>	<u>OH</u>	<u>OH RESERVED</u>	<u>NEW RECEIPTS</u>	<u>TOTAL UNITS</u>	<u>EXTENDED COST</u>	<u>EXTENDED RETAIL</u>
861	10	0	0	0	0	.00	.00
	10	0	0	0	0	.00	.00
881	23	0	0	0	0	.00	.00
	23	0	0	0	0	.00	.00
901	1	0	0	0	0	.00	.00
	1	0	0	0	0	.00	.00
943	2	0	0	0	0	.00	.00
	2	0	0	0	0	.00	.00
963	1	0	0	0	0	.00	.00
	1	0	0	0	0	.00	.00
973	1	0	0	0	0	.00	.00
	1	0	0	0	0	.00	.00
983	8	0	0	0	0	.00	.00
	8	0	0	0	0	.00	.00
993	5	0	0	0	0	.00	.00
	5	0	0	0	0	.00	.00
001	22	0	0	0	0	.00	.00
003	27	0	0	0	0	.00	.00
	49	0	0	0	0	.00	.00
011	70	0	0	0	0	.00	.00
013	297	0	0	0	0	.00	.00
	367	0	0	0	0	.00	.00
021	952	0	0	0	0	.00	.00
023	2,880	1	0	0	1	15.00	19.99
	3,832	1	0	0	1	15.00	19.99
031	17,001	0	0	0	0	.00	.00
031 B	9	0	0	0	0	.00	.00
033	20,342	1	0	0	1	3.33	12.50
033 B	5	0	0	0	0	.00	.00
	37,357	1	0	0	1	3.33	12.50
041	71,421	5	0	0	5	137.22	506.50
041 B	344	1	0	0	1	12.68	59.50
043	43,596	2	0	0	2	28.14	137.50
043 B	131	1	0	0	1	16.36	39.50
	115,492	9	0	0	9	194.32	763.00
051	83,490	22	0	0	22	514.36	1,730.41
051 B	3,292	20	0	0	20	160.11	560.98
053	39,620	232	0	0	232	4,824.88	13,285.81

Transaction History

4:04 PM CDT, Wed, May 2, 2007

Account #: 1009351661	Mgmt CO: EVERGREEN MANAGEMENT COMPANY
Tax ID/SSN: 22-2894486	Fund Name: 494-PRIME CASH MGMT CLASS-I
Registration: WACHOVIA BANK	Fund Code: 494
ACCOUNT CONTROL AGREEMENT	Ticker: EPRXX Total Shares: 60,419,154.0500
J CREW GROUP INC	CUSIP: 299920330 Account Value: \$60,419,154.05
ATTN NICHOLAS LAMBERTI	
770 BROADWAY	
NEW YORK NY 10003-9522	
Phone #:	
- Day: (212) 209-8640	

Transaction History: 05/02/2006 - 05/02/2007

Transaction Type Transaction Code	Confirm Date Batch #	Trade Date Sequence #	Share Balance	# of Shares Discount Oat	Price Schedule	Amount +/-
DIV REINVEST 011/000	04/30/2007 9999888	04/30/2007 0000070	60,419,154.0500	347758.4200 00	\$ 1.0000 P.M.	\$ 347,758.42 +
SAME DAY WIRE REDEMPTION 024/007	04/30/2007 0052281	04/30/2007 0000069	60,071,395.6300	2500000.0000 00	\$ 1.0000 A.M.	\$ 25,000,000.00 -
PURCHASE BY FED WIRE 001/001	04/25/2007 0052281	04/25/2007 0000068	85,071,395.6300	2000000.0000 01	\$ 1.0000 A.M.	\$ 2,000,000.00 +
PURCHASE BY FED WIRE 001/001	04/24/2007 0052464	04/24/2007 0000067	83,071,395.6300	3000000.0000 00	\$ 1.0000 A.M.	\$ 3,000,000.00 +
SAME DAY WIRE REDEMPTION 024/007	04/23/2007 0052464	04/23/2007 0000066	80,071,395.6300	1000000.0000 00	\$ 1.0000 A.M.	\$ 1,000,000.00 -
SAME DAY WIRE REDEMPTION 024/007	04/19/2007 0052281	04/19/2007 0000065	81,071,395.6300	1000000.0000 00	\$ 1.0000 A.M.	\$ 1,000,000.00 -
SAME DAY WIRE REDEMPTION 024/007	04/18/2007 0052442	04/18/2007 0000064	82,071,395.6300	5000000.0000 00	\$ 1.0000 A.M.	\$ 5,000,000.00 -
SAME DAY WIRE REDEMPTION 024/007	04/18/2007 0052281	04/18/2007 0000063	87,071,395.6300	1000000.0000 00	\$ 1.0000 A.M.	\$ 1,000,000.00 -
SAME DAY WIRE REDEMPTION 024/007	04/09/2007 0052236	04/09/2007 0000062	88,071,395.6300	4000000.0000 00	\$ 1.0000 A.M.	\$ 4,000,000.00 -
PURCHASE BY FED WIRE 001/001	04/09/2007 0052281	04/09/2007 0000061	92,071,395.6300	4000000.0000 01	\$ 1.0000 A.M.	\$ 4,000,000.00 +
PURCHASE BY FED WIRE 001/001	04/09/2007 0052236	04/09/2007 0000060	88,071,395.6300	3000000.0000 01	\$ 1.0000 A.M.	\$ 3,000,000.00 +
CANCEL PURCHASE THRU FUND 009/018	04/05/2007 6002325	04/04/2007 0000059	85,071,395.6300	2000000.0000 01	\$ 1.0000 A.M.	\$ 2,000,000.00 -
SAME DAY WIRE REDEMPTION 024/007	04/04/2007 0052281	04/04/2007 0000058	87,071,395.6300	2000000.0000 00	\$ 1.0000 A.M.	\$ 2,000,000.00 -

From: Hazel, Garrington [garrington.hazel@wachovia.com]
Sent: Monday, April 30, 2007 9:05 AM
To: Jayne Lugo
Subject: RE: O/S L/C

LCDOC \$58,663,958.79
LCSB \$7,015,832.00

Garrington Hazel
Wachovia Capital Finance
1133 Avenue of the Americas
New York, NY10036
Tel 212 545-4393
Fax 212 545-4530
garrington.hazel@wachovia.com

From: Jayne Lugo [mailto:Jayne.Lugo@JCrew.Com]
Sent: Monday, April 30, 2007 9:01 AM
To: Hazel, Garrington
Subject: RE: O/S L/C

PLS FORWARD DOLLAR AMOUNT OF OUTSTANDING L/C AS OF 4/27/07

THX.

Jayne Lugo
J. Crew Supervisor Accounts Payable
phone - 212-209-8305
fax - 212-209-8442

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EXHIBIT K
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF COLLATERAL ACCESS AGREEMENT

LANDLORD'S SUBORDINATION AGREEMENT

WHEREAS, 770 BROADWAY COMPANY LLC ("Landlord") is the owner of the building (the "Building") known as 770 Broadway, New York, New York;

WHEREAS, pursuant to an Agreement of Lease, dated June 28, 1996, between New York Equities Company ("NY Equities"), predecessor-in-interest to Landlord, and J. Crew Group, Inc. ("Tenant"), as amended by a First Amendment of Lease, dated as of December 31, 1996 (such Agreement of Lease, as so amended, being collectively referred to herein as the "Lease"), NY Equities has leased to Tenant certain premises (the "Premises") located in the Building; consisting of the entire eleventh (11th), twelfth (12th) and fourteenth (14th) floors of the Building;

WHEREAS, Landlord understands that Congress Financial Corporation, in its capacity as administrative agent and collateral agent pursuant to a Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (together with its successors and assigns, in such capacity, "Agent"), Wachovia Bank National Association in its capacity as arranger pursuant to the Loan Agreement (in such capacity, "Arranger") and the parties to the Loan Agreement as lenders (individually, each a Lender, and collectively "Lenders") have been or shall be granted a security interest as evidenced by a Loan and Security Agreement, dated on or about the date hereof (the "Security Agreement"), among Tenant and certain of its subsidiaries, Agent, Arranger and Lenders, in all of the personal property of Tenant and its subsidiaries, including, without limitation, inventory and movable equipment, (such property being hereinafter referred to as the "Personal Property") provided, however, that in no event shall "Personal Property" be deemed to include any property that comprises plumbing and electrical fixtures, heating, ventilation and air conditioning, wall and floor coverings, walls or ceilings and other fixtures not constituting trade fixtures.

NOW, THEREFORE, in consideration of these premises, the promises, mutual covenants and agreements contained herein and for good and valuable consideration, the receipt of which is hereby acknowledged, Landlord, Tenant and Agent hereby agree as follows:

1. Landlord subordinates to Agent any landlord's lien, any security interest or any other interest or claim of Landlord (in each case whether statutory or contractual) against the Personal Property which may now or hereafter be situated upon the Premises, regardless of whether or not Tenant (a) fails to perform any obligation or term of the Lease, or (b) otherwise defaults under the Lease, or (c) abandons the Premises and the Personal Property is either moved to a new location without prior written consent of Agent or the Personal Property remains at the Premises.

2. Agent may, at its election, notify Landlord by written notice at the address set forth below of Agent's intent to exercise its rights against the Personal Property pursuant to the Security Agreement and enter the Premises for the purpose of repossessing, removing, selling or

otherwise dealing with the Personal Property, and Landlord agrees to allow Agent to have access to the Premises for such removal upon reasonable prior notice to Landlord during normal business hours for a period of up to thirty (30) days after the receipt by Agent of written notice from Landlord directing removal of the Personal Property, and strictly in accordance with the Rules and Regulations of the Building.

3. Landlord shall send copies to Agent of any notices sent to Tenant of any default under the Lease and upon receipt of such notice, Agent shall have the right, but not the obligation, to cure such default within ten (10) days thereafter. Any payment made or act done by Agent to cure any such default shall not constitute an assumption of the Lease or any obligations to Tenant. Landlord shall notify Agent by written notice at the address set forth below its signature within thirty (30) days after the date that Landlord terminates the Lease prior to the fixed expiration date thereof due to a default by Tenant under the Lease.

4. (a) If Agent elects to enter the Premises to remove the Personal Property as described in Paragraph 2 hereof, Agent shall pay to Landlord, upon demand therefor, all costs reasonably incurred by Landlord relating to Agent's removal of the Personal Property, including, without limitation, overtime freight elevator charges and damage to the Premises and/or the Building. Agent further expressly understands and agrees that it shall repair or cause to repair in a good and workmanlike manner to the condition immediately prior to such removal any damages to the Premises or the Building caused by such removal and, in addition to any amounts Agent may be required to pay to Landlord pursuant to the first sentence of this Paragraph 4(a), Agent hereby indemnifies and holds Landlord harmless from and against all claims, liability, fines, suits, demands, costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) which may arise or be asserted by a third party by reason of or attributable to any actions or activities by Agent in connection with Agent's access and/or entry into the Premises as provided herein, unless arising from the gross negligence or wilful misconduct of Landlord. Tenant agrees that its indemnity of Landlord set forth in Article 8 of the Lease shall include indemnity (in accordance with said Article 8) from and against resulting from any access and/or entry into the Premises by Agent pursuant to this Paragraph 4.

(b) If Agent elects to enter the Premises to remove the Personal Property after the expiration of the term of the Lease, Agent shall give notice to Landlord of such election on or before the date which is seven (7) days after the expiration of the term of the Lease, provided that if Landlord shall terminate the Lease prior to the fixed expiration date thereof, Agent shall give notice of such election on or before the date which is seven (7) days after the Landlord shall have notified Agent of Landlord's termination of the Lease as described in Paragraph 3 hereof, time being of the essence with respect to the giving of such notice. If Agent fails to give such notice to Landlord within such time period, Agent shall have no right to enter the Premises. If Agent shall give timely notice to Landlord that it elects to so enter the Premises after the expiration of the term of the Lease in accordance with the terms of this Agreement, (x) Agent shall have the right to enter the Premises during the period commencing on the expiration or earlier termination of the Lease and ending on the date that shall be forty (40) days after the expiration date of the Lease or, if Landlord shall terminate the Lease prior to the fixed expiration date thereof, forty

(40) days after the date in which Landlord shall notify Agent of such termination of the Lease, and (y) Agent shall pay to Landlord, with respect to the period commencing on the expiration or earlier termination of the Lease and ending on the date on which Agent completes the removal of the Personal Property therefrom, within ten (10) days after demand therefor, all Fixed Rent and additional rent (as such terms are defined or used in the Lease) calculated at the amount of Fixed Rent and additional rent which was payable under the Lease during the last month of the term of the Lease (calculated on a per diem basis).

5. Tenant shall not file the Security Agreement and/or any UCC Filing Statement in connection therewith in the real estate records of New York County so as to create a lien against Owner's Property (as defined in the Lease).

6. This Agreement shall remain in full force and effect so long as any indebtedness secured by the Personal Property remains outstanding to Agent and Lenders and the Security Agreement has not been terminated in accordance with its terms.

7. Notice shall be deemed reasonable if mailed postage prepaid at least five (5) days before the related action to the address of Landlord or Agent at their respective addresses indicated at the end of this Agreement, or to such other address as any party may designate by written notice to the other party. Each notice, request and demand shall be deemed given or made, (i) if sent by mail, upon the earlier of the date of receipt or five (5) days after deposit in the U.S. Mail, first class postage prepaid, or (ii) if sent by a national recognized overnight courier, or facsimile, upon delivery.

8. This Agreement shall inure to the benefit of any heirs, administrators, personal representative, successors or assigns of Agent, Tenant and Landlord.

9. This Agreement may be executed in counterparts (including counterparts executed by facsimile) it being agreed that, taken together, such counterparts shall be deemed to be one and the same Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Agreement is executed and effective as of the 23rd day of December, 2002.

770 BROADWAY COMPANY LLC, Landlord

By: Vornado Realty, L.P., member

By: Vornado Realty Trust, general partner

By: /s/ Joseph Macnow
Joseph Macnow
Executive Vice President - Finance and
Administration and Chief Financial
Officer

Address:
c/o Vornado Office Management LLC
888 Seventh Avenue
New York, New York 10019
Attention: Mr. Glen J. Weiss
Phone: (212) 894-7419
Facsimile: (212) 894-7481

CONGRESS FINANCIAL CORPORATION, as Agent

By: /s/ Peter Provenzale
Name: Peter Provenzale
Title: SVP

Address:
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Facsimile: (212) 545-4283

J. CREW GROUP INC., Tenant

By: /s/ Scott M. Rosen
Name: Scott M. Rosen
Title: CFO

This Agreement is executed and effective as of the 23rd day of December, 2002.

770 BROADWAY COMPANY LLC, Landlord

By: Vornado Realty, L.P., member

By: Vornado Realty Trust, general partner

By: /s/ Joseph Macnow

Joseph Macnow
Executive Vice President - Finance and
Administration and Chief Financial Officer

Address:

c/o Vornado Office Management LLC
888 Seventh Avenue
New York, New York 10019
Attention: Mr. Glen J. Weiss
Phone: (212) 894-7419
Facsimile: (212) 894-7481

CONGRESS FINANCIAL CORPORATION, as Agent

By: /s/ Peter Provenzale

Name: Peter Provenzale
Title: SVP

Address:

1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Facsimile: (212) 545-4283

J. CREW GROUP INC., Tenant

By: /s/ Scott M. Rosen

Name: Scott M. Rosen
Title: CFO

EXHIBIT L
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
FORM OF BAILEE LETTER

CUSTOMS BROKER/FREIGHT FORWARDER
NOTIFICATION AND ACKNOWLEDGMENT OF SECURITY INTEREST

November 7, 2002

W.M. Stone & Co., Inc.
838 Granby Street
Norfolk, VA 23510
Attention: Mr. Meade G. Stone, Jr.

Ladies and Gentlemen:

Please be advised that we and certain of our affiliates have entered or are about to enter into financing arrangements with Congress Financial Corporation, a Delaware corporation, in its capacity as administrative agent and collateral agent (in such capacity, "Agent") pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders, Wachovia Bank, National Association, in its capacity as arranger pursuant to the Loan Agreement (in such capacity, "Arranger") and the parties to the Loan Agreement as lenders (individually each a "Lender and collectively, "Lenders"), pursuant to which we have granted or will grant to Agent a security interest in, among other collateral, all of our existing and future inventory and other goods and documents of title, including without limitation, all of our documents of title which may at any time now or hereafter be in your possession or control and all inventory and other goods which may at any time now or hereafter be located on or in real property or buildings owned, leased or otherwise in your possession or control, and/or received or delivered to you for shipment, customs clearance, distribution, storage or otherwise, whether pursuant to any agreement or otherwise (collectively, "Collateral"). For purposes of this letter agreement, the term "Loan Agreement" means the Loan and Security Agreement by and among Agent, Arranger, Lenders, us and certain affiliates of our affiliates, as the same may be amended, modified, supplemented, extended, renewed, restated or replaced.

By your signature below, you acknowledge receipt of the above notice of Agent's security interest and agree to follow all instructions that Agent may from time to time hereafter give to you with respect to Collateral in your possession or control or located on or in any of your premises, and/or received or delivered to you by or for our account for distribution, customs clearance, storage or otherwise. For the present, Agent consents to you continuing to release Collateral pursuant to the instructions given to you by us, or any of our authorized agents, but this consent may be terminated or changed at any time by notice to you from Agent. Upon being so notified by Agent, you are to abide solely by Agent's instructions with respect to any of such

goods or other Collateral and you are not to release any Collateral to us or to anyone else except according to written instructions which may be given to you to you from time to time by Agent. If so instructed by Agent, you agree to return to Agent all of our goods and other Collateral in your custody, control or possession. You hereby acknowledge and agree that you hold and will have possession of the Collateral and proceeds for the benefit of Agent and you shall not take any action purporting to encumber or transfer any interest in such Collateral or the proceeds thereof.

You agree and acknowledge that you do not have and in no event will you assert, as against Agent or any Lender, any lien, right of distraint or levy, right of offset, claim, deduction, counterclaim, security or other interest in any Collateral now or hereafter located on any of your premises or in your custody, control or possession, including any of the foregoing which might otherwise arise or exist in your favor pursuant to any agreement, common law, statute (including the U.S. Bankruptcy Code or any state insolvency law) or otherwise. You certify that you do not know of any security interest or other claim with respect to any of the Collateral, other than the security interest which is the subject of this agreement. You agree and acknowledge that no negotiable or non-negotiable warehouse receipts, documents of title or similar instruments have been or will be issued by you with respect to any of our goods, except for non-negotiable receipts naming Agent or us as consignee. You shall not take any action purporting to encumber or transfer any interest any Collateral.

You further agree to allow Agent and its agents to enter upon your premises during business hours for the purpose of examining, removing, taking possession of or otherwise dealing with any of the Collateral at any time in your possession or copies of any books and records related thereto.

Agent and Lenders are relying upon this acknowledgment in connection with their financing arrangements with us. This agreement may not be changed or terminated orally or by course of conduct. Any change to the terms of this agreement must be in writing and signed by Agent. This agreement shall be binding upon you and your successors and assigns and shall be enforceable by and inure to the benefit of Agent and Lenders and their respective successors and assigns.

This agreement constitutes our acknowledgment that Agent may assert any of the rights set forth or referred to herein, without objection by us. We also agree to reimburse you for all reasonable costs and expenses incurred by you as a direct result of compliance with the instructions of Agent as to the disposition of any of the Collateral.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Please acknowledge your agreement to the foregoing by signing in the space provided below.

Very truly yours,

J. CREW GROUP, INC.

^{BY} /s/ Andrew Boguszewski
Andrew Boguszewski
Vice President, Imports and Transportation

ACKNOWLEDGED AND AGREED:
W.M. STONE & CO., INC.

By: [ILLEGIBLE]
Title: President
(Customs Broker/Freight Forwarder)

**EXHIBIT M
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

FORM OF LENDER JOINDER AGREEMENT

This LENDER JOINDER AGREEMENT (this "*Agreement*"), dated as of _____, 20__, is delivered in connection with the Second Amended and Restated Credit Agreement dated as of May __, 2007 (together with all appendices, exhibits and schedules thereto and as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"; capitalized terms defined therein and used herein having the meanings given to them in the Credit Agreement) among Operating, J. Crew, Retail, Factory and Madewell, as Borrowers, Holdings and JCI as Guarantors, the Lenders, the Issuers and Citicorp USA Inc ("*Citicorp*"), as administrative agent for the Lenders and the Issuers (in such capacity, the "*Administrative Agent*"), Citicorp, as collateral agent for the Lenders and the Issuers (in such capacity, the "*Collateral Agent*") and Bank of America, N.A. and Wachovia Bank, National Association as syndication agents for the Lenders and Issuers (in such capacity, the "*Syndication Agents*") and is entered into by and among [_____, _____] (each a "*New Lender*" and collectively, the "*New Lenders*"), the Administrative Agent, the Issuers and the Borrowers.

WHEREAS, each New Lender wishes to provide a Revolving Credit Commitment under the Credit Agreement in an amount equal to its Revolving Credit Commitment Amount (as defined below) and wishes to become a party to the Credit Agreement.

NOW THEREFORE, in consideration of the above premises, the parties hereto hereby agree as follows:

1. Each New Lender hereby agrees to provide a Revolving Credit Commitment under (and subject to the terms and conditions of) the Credit Agreement to the Borrowers in an amount equal to the "*Revolving Credit Commitment Amount*" set forth next to such New Lender's name on Schedule I attached hereto. The address of each New Lender for purposes of Section 11.8 of the Credit Agreement is as set forth below such New Lender's name on Schedule I attached hereto.
2. Each New Lender hereby agrees that if any Issuer makes any payment under any Letter of Credit and the Borrowers shall not have repaid such amount to such Issuer pursuant to the Credit Agreement, such New Lender shall, upon receipt of notice from the Administrative Agent and in accordance with Section 2.4(h) of the Credit Agreement, (a) promptly and unconditionally pay to the Administrative Agent for the account of such Issuer an amount equal to its Revolving Credit Commitment Percentage of such payment and (b) be deemed to have made a Revolving Loan to the Borrowers in the principal amount of the payment such New Lender made to the Administrative Agent.
3. Each New Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement, (iii) from and after the date hereof, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder as if it had executed the Credit Agreement, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.1 thereof and such

other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and, based on such information, has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender; (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Financing Agreements as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

4. The Borrowers, each New Lender, each Issuer and Administrative Agent agree that, as of the date hereof, each New Lender shall (a) be a party to the Credit Agreement and the other Financing Agreements, (b) be a "Lender" for all purposes of the Credit Agreement and the other Financing Agreements and (c) have the rights and obligations of a Lender under the Credit Agreement and the other Financing Agreements. Each New Lender hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement.
5. Following the execution of this Agreement by the parties hereto, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent.
6. This Agreement may be executed and delivered in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same original agreement. Delivery of an executed counterpart of this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.
7. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.
8. This Agreement is a Financing Agreement as defined in the Credit Agreement, and, together with all of the other Financing Agreements and all certificates and documents delivered hereunder or thereunder, embodies the entire agreement of the parties with each New Lender and supersedes all prior agreements and understandings relating to the subject matter hereof.
9. ***EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER FINANCING AGREEMENT.***

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed by their duly authorized officers as of the day and year first written above.

[NEW LENDERS]

By: _____

Name:

Title:

[SIGNATURE PAGE TO J. CREW GROUP INC. LENDER JOINDER AGREEMENT]

Accepted and Agreed
this __ day of _____, 20__ by:

CITICORP USA, INC.,
as Administrative Agent

By: _____
Name:
Title:

[SIGNATURE PAGE TO J. CREW GROUP INC. LENDER JOINDER AGREEMENT]

Accepted and Agreed

this __ day of _____, 20__ by:

WACHOVIA BANK, NATIONAL ASSOCIATION
as Issuer

By: _____

Name:

Title:

[SIGNATURE PAGE TO J. CREW GROUP INC. LENDER JOINDER AGREEMENT]

Accepted and Agreed

this ___ day of _____, 20__ by:

J. CREW OPERATING CORP.

J. CREW INC.

GRACE HOLMES, INC., d/b/a J. CREW RETAIL

H.F.D. NO. 55, INC., d/b/a J. CREW FACTORY

MADEWELL INC.

as *Borrowers*

By: _____

Name:

Title:

J. CREW GROUP, INC.

J. CREW INTERNATIONAL, INC.

as *Guarantors*

By: _____

Name:

Title:

[SIGNATURE PAGE TO J. CREW GROUP INC. LENDER JOINDER AGREEMENT]

SCHEDULE I

NEW LENDER & NOTICE ADDRESS

REVOLVING CREDIT COMMITMENT AMOUNT

**EXHIBIT N
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
INTERCREDITOR AGREEMENT**

INTERCREDITOR AGREEMENT

This **INTERCREDITOR AGREEMENT** (“**Agreement**”), is dated as of May 15, 2006 and entered into by and among **J. CREW OPERATING CORP.**, a Delaware corporation (the “**Company**”), **J. CREW GROUP, INC.**, a Delaware corporation (“**Holdings**”), and together with the Subsidiaries of the Company that become parties hereto from time to time, the “**Guarantors**”), **GOLDMAN SACHS CREDIT PARTNERS L.P.** (“**GSCP**”), in its capacity as administrative agent for the holders of the Term Loan Obligations (as defined below), including its successors and assigns from time to time (the “**Term Loan Administrative Agent**”), and in its capacity as collateral agent for the holders of the Term Loan Obligations, including its successors and assigns from time to time (the “**Term Loan Collateral Agent**”), **WACHOVIA BANK, NATIONAL ASSOCIATION** (“**Wachovia**”), in its capacity as administrative agent for the holders of the Revolving Credit Obligations (as defined below), including its successors and assigns from time to time (the “**Revolving Credit Administrative Agent**”) and in its capacity as collateral agent for the holders of the Revolving Credit Obligations, including its successors and assigns from time to time (the “**Revolving Credit Collateral Agent**”). Capitalized terms used in this Agreement have the meanings assigned to them in Section 1 below.

RECITALS

The Company, the Guarantors, the lenders and agents party thereto, GSCP, as Term Loan Joint Lead Arranger, Term Loan Joint Bookrunner, Term Loan Administrative Agent and Term Loan Collateral Agent, Bear, Stearns & Co. Inc., as Term Loan Joint Lead Arranger and Term Loan Joint Bookrunner, and Bears Stearns Corporate Lending Inc., as Term Loan Syndication Agent, have entered into that Credit and Guaranty Agreement dated as of the date hereof providing for a term loan (as amended, restated, supplemented, modified, replaced or refinanced from time to time, the “**Term Loan Agreement**”);

The Company, Holdings, J. Crew International, Inc. (“**International**”), the other borrowers party thereto, the lenders and agents party thereto, and Wachovia Capital Markets LLC, as Revolving Credit Sole Lead Arranger and Revolving Credit Sole Lead Bookrunner, Wachovia, as Revolving Credit Administrative Agent, Wachovia as Revolving Credit Collateral Agent, and Bank of America, N.A., as Revolving Credit Syndication Agent entered into that Amended and Restated Revolving Credit Agreement dated as of December 23, 2004 providing for a revolving credit facility (as amended, restated, supplemented, modified, replaced or refinanced from time to time, the “**Revolving Credit Agreement**”);

Pursuant to (i) the Term Loan Agreement, Holdings has agreed to guaranty the Term Loan Obligations (the “**Term Loan Holdings Guaranty**”) and Holdings and the Company have agreed to cause certain current and future Subsidiaries to agree to guaranty the Term Loan Obligations (the “**Term Loan Subsidiary Guaranty**”), and together with the Term Loan Holdings Guaranty, the “**Term Loan Guaranty**”) and (ii) the Guarantee dated as of December 23, 2004, Holdings, Madewell Inc. and J. Crew International, Inc.

have agreed to guaranty the Revolving Credit Obligations (the “**Revolving Credit Holdings Guaranty**”) and Holdings and the Company have agreed to cause certain current and future Subsidiaries to agree to guaranty the Revolving Credit Obligations (the “**Revolving Credit Subsidiary Guaranty**”, and together with the Revolving Credit Holdings Guaranty, the “**Revolving Credit Guaranty**”);

The Term Loan Documents and the Revolving Credit Loan Documents provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral; and

In order to induce the Revolving Credit Administrative Agent, the Revolving Credit Collateral Agent and the Revolving Credit Lenders to amend the Revolving Credit Agreement and in order to induce the Term Loan Administrative Agent, the Term Loan Collateral Agent and the Term Loan Lenders to enter into the Term Loan Agreement, the Revolving Credit Collateral Agent, the Revolving Credit Administrative Agent, the Term Loan Collateral Agent and the Term Loan Administrative Agent have agreed to the relative priority of their respective Liens on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. Definitions.

1.1 Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

“**Affiliate**” means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 5% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

“**Agents**” means the Revolving Credit Collateral Agent and/or the Term Loan Collateral Agent.

“**Agreement**” means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor statute.

“Bankruptcy Law” means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

“Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, constituting either Revolving Credit Collateral or Term Loan Collateral.

“Commodities Accounts” means all “commodity accounts” as defined in Article 9 of the UCC.

“Company” has the meaning assigned to that term in the Preamble to this Agreement.

“Control Agreement” means any control agreement establishing the Term Loan Collateral Agent’s or the Revolving Credit Collateral Agent’s “control” (within the meaning of Section 8-106, 9-106 or 9-104 of the UCC, as applicable) with respect to any Deposit Account, Commodities Account or Securities Account.

“Currency Agreement” means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Company’s, its Subsidiaries’ and any Guarantor’s operations and not for speculative purposes.

“Deposit Account” means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit, including, without limitation, all “deposit accounts” as defined in Article 9 of the UCC.

“DIP Financing” has the meaning assigned to that term in Section 6.1.

“Discharge of Revolving Credit Obligations” means, except to the extent otherwise expressly provided in Section 5.5 and subject to clause (b) of the definition of the term Revolving Credit Obligations:

(a) the payment in full in cash of the principal of and interest (including Post-Petition Interest) on all Indebtedness constituting Revolving Loan Obligations;

(b) the payment in full in cash of all other Revolving Credit Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time);

(c) the payment in full in cash collateral in respect of letters of credit, banker's acceptances or similar instruments arranged for under the Revolving Credit Loan Documents in an amount equal to one hundred five (105%) percent of the amount of such letters of credit, banker's acceptance or similar instruments (or at the option of Revolving Credit Collateral Agent, instead of such cash collateral, the delivery to Revolving Credit Collateral Agent of a letter of credit issued for the account of the Company or any Guarantor, in form and substance reasonably satisfactory to Revolving Credit Collateral Agent, by an issuer acceptable to Revolving Credit Collateral Agent and payable to Revolving Credit Collateral Agent as beneficiary) and any other cash collateral to be provided to Revolving Credit Collateral Agent under the terms of the Revolving Credit Loan Documents; and

(d) termination or expiration of all commitments, if any, to extend credit that would constitute Revolving Credit Obligations.

"Discharge of Term Loan Obligations" means, except to the extent otherwise expressly provided in Section 5.5 and subject to clause (b) of the definition of the term Term Loan Obligations:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest) on all Indebtedness constituting Term Loan Obligations;

(b) payment in full in cash of all other Term Loan Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Term Loan Obligations.

"Disposition" has the meaning assigned to that term in Section 5.1(b).

"Enforcement" means, collectively or individually for one or both of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent, when a Revolving Credit Default or Term Loan Default, as the case may be, has occurred and is continuing, to repossess, or exercise any remedies with respect to, any material amount of Collateral or commence the judicial enforcement of any of the rights and remedies under the Revolving Credit Loan Documents, the Term Loan Documents or under any applicable law, but in all cases excluding the imposition of a default rate or late fee.

"Enforcement Notice" means a written notice delivered, at a time when a Revolving Credit Default or Term Loan Default has occurred and is continuing, by either Revolving Credit Administrative Agent or Term Loan Administrative Agent to the other

announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the Revolving Credit Obligations or the Term Loan Obligations, as the case may be, and requesting the current balance of the Revolving Credit Obligations or the Term Loan Obligations, as the case may be, owing to the noticed party.

“Enforcement Period” means the period of time following the receipt by either Revolving Credit Administrative Agent or Term Loan Administrative Agent of an Enforcement Notice from the other until the earlier of (i) in the case of an Enforcement Period commenced by Term Loan Administrative Agent, the Discharge of Term Loan Obligations, (ii) in the case of an Enforcement Period commenced by Revolving Credit Administrative Agent, the Discharge of Revolving Credit Obligations, (iii) Revolving Credit Administrative Agent or Term Loan Administrative Agent (as applicable) agrees in writing to terminate the Enforcement Period, or (iv) the date on which the Revolving Credit Default or the Term Loan Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the Revolving Credit Administrative Agent or the Term Loan Administrative Agent, as applicable, or waived in writing by the Revolving Credit Administrative Agent or Term Loan Administrative Agent, as applicable.

“Equipment” shall mean: (i) all “equipment” as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

“Equipment Access Period” means for any item of Equipment for which the use of such Equipment is necessary or desirable in connection with any Enforcement in respect of any Revolving Credit Primary Collateral, the period, after the commencement of an Enforcement Period, which begins on the day that Revolving Credit Collateral Agent provides Term Loan Collateral Agent with the notice of its election to request access pursuant to Section 3.4(b) below and ends on the earlier of (i) the 80th day after the later of (x) the date upon which the Revolving Credit Collateral Agent notifies the Term Loan Collateral Agent of the desire of Revolving Credit Collateral Agent to exercise the access rights as to such Equipment provided for in Section 3.4(b) and (y) the date upon which Revolving Credit Collateral Agent obtains the ability to use such item of Equipment following Enforcement (either such applicable date set forth in the foregoing clause (x) or (y), the **“Equipment Access Period Commencement Date”**) plus, in each case, such number of days, if any, after the Equipment Access Period Commencement Date that the Revolving Credit Collateral Agent is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Revolving Credit Primary Collateral, or (ii) the date on which all or substantially all of the Revolving Credit Primary Collateral for which the use of such Equipment is necessary or desirable is sold, collected or liquidated, or (iii) the date on which the Discharge of Revolving Credit Obligations occurs or (iv) the date on which the Revolving Credit Default that was the subject of the Enforcement Notice relating

to such Enforcement Period has been cured to the satisfaction of the Revolving Credit Collateral Agent, or waived in writing by the Revolving Credit Collateral Agent.

“Governmental Authority” means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

“Grantors” means the Company, Holdings, International, each of the Guarantor Subsidiaries and each other Person that has or may from time to time hereafter execute and deliver a Term Loan Collateral Document or a Revolving Credit Collateral Document as a “grantor” or “pledgor” (or the equivalent thereof).

“Guarantor Subsidiary” means each Guarantor (under and as defined in either the Term Loan Agreement or the Revolving Credit Agreement) that is a Subsidiary of Company.

“Hedge Agreement” means an Interest Rate Agreement or a Currency Agreement entered into with a Lender Counterparty.

“Hedging Obligation” of any Person means any obligation of such Person pursuant to any Hedge Agreement.

“Holdings” has the meaning set forth in the Preamble to this Agreement.

“Indebtedness” means and includes all Obligations that constitute “Indebtedness” within the meaning of the Term Loan Agreement or the Revolving Credit Agreement, as applicable.

“Insolvency or Liquidation Proceeding” means:

- (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to any Grantor;
- (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets;
- (c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or
- (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

“Intellectual Property” has the meaning assigned such term in Annex C.

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement each of which is for the purpose of hedging the interest rate exposure associated with Company’s, its Subsidiaries’ and each Guarantor’s operations and not for speculative purposes.

“International” has the meaning set forth in the Recitals to this Agreement.

“Joint Venture” means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

“Lender” means each Term Loan Lender and each Revolving Credit Lender.

“Lender Counterparty” means each Lender or any Affiliate of a Lender counterparty to a Hedge Agreement (including any Person who is a Lender (and any Affiliate thereof) as of the date hereof but subsequently, whether before or after entering into a Hedge Agreement, ceases to be a Lender) including, without limitation, each such Affiliate that enters into a joinder agreement with an Agent.

“Lien” means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

“Mortgage Access Period” means for each parcel of Mortgaged Premises the period, after the commencement of an Enforcement Period, which begins on the day that Term Loan Collateral Agent provides Revolving Credit Collateral Agent with the notice of its election to request access pursuant to Section 3.3(b) below and ends on the earlier of (i) the 90th day after the later of (x) the date upon which the Term Loan Collateral Agent notifies the Revolving Credit Collateral Agent of the desire of Term Loan Collateral Agent to exercise the access rights as to such parcel of Mortgaged Premises provided for in Section 3.3(b) and (y) the date upon which Term Loan Collateral Agent obtains the ability to use such parcel of Mortgaged Premises following Enforcement (either such applicable date set forth in the foregoing clause (x) or (y), the **“Mortgage Access Period Commencement Date”**) plus, in each case, such number of days, if any, after the Mortgage Access Period Commencement Date that Term Loan Collateral Agent is stayed or otherwise prohibited by law or court order or by the continuation of any Equipment Access Period from exercising remedies with respect to Collateral located on such Mortgaged Premises, or (ii) the date on which all or substantially all of the Term Loan Primary Collateral located on such Mortgaged Premises is sold, collected or liquidated, or (iii) the date on which the Discharge of Term Loan Obligations occurs or (iv) the date on

which the Term Loan Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the Term Loan Collateral Agent, or waived in writing by the Term Loan Collateral Agent.

“Mortgaged Premises” means any real property which shall now or hereafter be subject to a Revolving Credit Mortgage.

“New Agent” has the meaning assigned to that term in Section 5.5. **“New Debt Notice”** has the meaning assigned to that term in Section 5.5.

“Obligations” means all obligations of every nature of each Grantor from time to time owed to any agent or trustee, the Term Loan Claimholders, the Revolving Credit Claimholders or any of them or their respective Affiliates under the Term Loan Documents, the Revolving Credit Loan Documents or Hedge Agreements, whether for principal, interest or payments for early termination of Interest Rate Agreements, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing.

“Person” means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

“Pledged Collateral” has the meaning set forth in Section 5.4.

“Post-Petition Interest” means interest, fees, expenses and other charges that pursuant to the Term Loan Agreement or the Revolving Credit Agreement, continue to accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, expenses and other charges cease to accrue by operation of the Bankruptcy Law or other law and whether or not such interest, fees, expenses and other charges are allowed or allowable under the Bankruptcy Law or in any such Insolvency or Liquidation Proceeding.

“Recovery” has the meaning set forth in Section 6.4.

“Refinance” means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

“Revolving Credit Administrative Agent” has the meaning assigned to that term in the Preamble of this Agreement.

“Revolving Credit Agreement” has the meaning assigned to that term in the Recitals to this Agreement.

“Revolving Credit Claimholders” means, at any relevant time, the holders of Revolving Credit Obligations at that time, including the Revolving Credit. Lenders and the agents under the Revolving Credit Loan Documents and any Lender Counterparties that are Revolving Credit Lenders or Affiliates of Revolving Credit Lenders and that receive the benefit of the Liens granted to Revolving Credit Collateral Agent under the terms of the Revolving Credit Loan Documents.

“Revolving Credit Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Revolving Credit Obligations.

“Revolving Credit Collateral Agent” has the meaning assigned to that term in the Preamble of this Agreement.

“Revolving Credit Collateral Documents” means any agreement, document or instrument pursuant to which a Lien is granted securing any Revolving Credit Obligations or under which rights or remedies with respect to such Liens are governed.

“Revolving Credit Commitments” means the “Revolving Credit Commitments” (as such term is defined in the Revolving Credit Agreement).

“Revolving Credit Default” means an “Event of Default” (as defined in the Revolving Credit Agreement).

“Revolving Credit Guaranty” has the meaning assigned to that term in the Recitals to this Agreement.

“Revolving Credit Lenders” means the “Lenders” under and as defined in the Revolving Credit Agreement.

“Revolving Credit Loan Documents” means the Revolving Credit Agreement and the Financing Agreements (as defined in the Revolving Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Revolving Credit Obligation, and any other document or instrument executed or delivered at any time in connection with any Revolving Credit Obligations, including any intercreditor or joinder agreement among holders of Revolving Credit Obligations to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

“Revolving Credit Mortgages” means a collective reference to each mortgage, deed of trust and any other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any Revolving Credit Obligations or under which rights or remedies with respect to any such Liens are governed.

“Revolving Credit Obligations” means the following:

(a) all Obligations (including without limitation any Post-Petition Interest) outstanding under the Revolving Credit Agreement and the other Revolving Credit Loan Documents, including Hedge Agreements entered into with any Lender Counterparty but only to the extent such Lender Counterparty is a Revolving Credit Claimholder. "Revolving Credit Obligations" shall include all interest, fees, expenses and other charges accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate in the case of interest, fees or charges specified in the relevant Revolving Credit Loan Document whether or not the claim for such interest, fees or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

(b) To the extent any payment with respect to any Revolving Credit Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Term Loan Claimholders, receiver or similar Person or otherwise required to be returned or repaid, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Revolving Credit Claimholders and the Term Loan Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Revolving Credit Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Revolving Credit Claimholders and the Term Loan Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the "Revolving Credit Obligations".

(c) Notwithstanding the foregoing, if the sum of: (A) Indebtedness (as defined in the Revolving Credit Agreement) constituting principal outstanding under the Revolving Credit Agreement and the other Revolving Credit Loan Documents; plus (B) the aggregate undrawn amount then available under any then outstanding letters of credit issued under the Revolving Credit Agreement, is in excess of the sum of \$275,000,000 (the "**Revolving Credit Cap Amount**"), then that portion of the principal amount of such Indebtedness (as defined in the Revolving Credit Agreement) (and any interest thereon and any fees and expenses related thereto) and such aggregate undrawn amount of letters of credit in excess of the Revolving Credit Cap Amount shall not be included in Revolving Credit Obligations.

"Revolving Credit Primary Collateral" means all "Collateral" as described in **Annex A**; provided that, to the extent that identifiable proceeds of Term Loan Primary Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute Revolving Credit Primary Collateral after an Enforcement Notice, then (as provided in Section 3.5 below) such Collateral or other identifiable proceeds shall be treated as Term Loan Primary Collateral.

“Revolving Credit Sole Book Runner” means the “Sole Book Runner” under the Revolving Credit Loan Documents.

“Revolving Credit Sole Lead Arranger” means the “Lead Arranger” under the Revolving Credit Loan Documents.

“Revolving Credit Standstill Period” has the meaning set forth in Section 3.2(a)(1).

“Revolving Credit Syndication Agent” has the meaning assigned to that term in the Recitals to this Agreement.

“Securities” means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“Securities Accounts” (i) shall mean all “securities accounts” as defined in Article 8 of the UCC.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“Superior Lienholder” has the meaning assigned to that term in Section 5.4(f).

“Term Loan Administrative Agent” has the meaning assigned to that term in the Preamble to this Agreement.

“Term Loan Agreement” has the meaning assigned to that term in the Recitals to this Agreement.

“Term Loan Claimholders” means, at any relevant time, the holders of Term Loan Obligations at that time, including the Term Loan Lenders and the agents under the Term Loan Documents and any Lender Counterparties that are Term Loan Lenders or

Affiliates of Term Loan Lenders and that receive the benefit of the Liens granted to Term Loan Collateral Agent under the terms of the Term Loan Documents.

“Term Loan Collateral Agent” has the meaning assigned to that term in the Preamble to this Agreement.

“Term Loan Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Term Loan Obligations.

“Term Loan Collateral Documents” means the Collateral Documents (as defined in the Term Loan Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Term Loan Obligations or under which rights or remedies with respect to such Liens are governed.

“Term Loan Default” means an “Event of Default” (as defined in the Term Loan Agreement).

“Term Loan Documents” means the Term Loan Agreement and the Credit Documents (as defined in the Term Loan Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Term Loan Obligation, and any other document or instrument executed or delivered at any time in connection with any Term Loan Obligations, including any intercreditor or joinder agreement among holders of Term Loan Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

“Term Loan Guaranty” has the meaning assigned to that term in the Recitals to this Agreement.

“Term Loan Joint Book Runners” means the “Joint Bookrunners” under the Term Loan Documents.

“Term Loan Joint Lead Arrangers” means the “Joint Lead Arrangers” under the Term Loan Documents.

“Term Loan Lenders” means the “Lenders” under and as defined in the Term Loan Documents.

“Term Loan Mortgages” means a collective reference to each mortgage, deed of trust and other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any Term Loan Obligations or under which rights or remedies with respect to any such Liens are governed.

“Term Loan Obligations” means the following:

(a) all Obligations (including without limitation any Post-Petition Interest) outstanding under the Term Loan Agreement and the other Term Loan Documents,

including Hedge Agreements entered into with any Lender Counterparty but only to the extent such Lender Counterparty is a Term Loan Claimholder. “Term Loan Obligations” shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Term Loan Document whether or not the claim for such interest, fees or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

(b) To the extent any payment with respect to any Term Loan Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Revolving Credit Claimholders, receiver or similar Person or otherwise required to be returned or repaid, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Term Loan Claimholders and the Revolving Credit Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Term Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Term Loan Claimholders and the Revolving Credit Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the “Term Loan Obligations”.

(c) Notwithstanding the foregoing, if the Indebtedness (as defined in the Term Loan Agreement) constituting principal outstanding under the Term Loan Agreement and the other Term Loan Documents is in excess of (x) in the event Company has not exercised its option to obtain the Term Loan Incremental Advance (as defined in the Term Loan Agreement), \$313,500,000 or (y) in the event that Company has exercised its option to obtain the Incremental Term Loan (as defined in the Term Loan Agreement), \$423,500,000 (the “**Term Loan Cap Amount**”), then that portion of the principal amount of such Indebtedness (as defined in the Term Loan Agreement) (and any interest thereon and any fees and expenses related thereto) in excess of the Term Loan Cap Amount shall not be included in the Term Loan Obligations.

“**Term Loan Primary Collateral**” means all “Collateral” as described in **Annex B**; provided, however, that to the extent that identifiable proceeds of Revolving Credit Primary Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute Term Loan Primary Collateral, then (as provided in Section 3.5 below) such Collateral or other identifiable proceeds shall be treated as Revolving Credit Primary Collateral.

“**Term Loan Standstill Period**” has the meaning set forth in Section 3.2(a)(l).

“**Term Loan Syndication Agent**” has the meaning assigned to that term in the Recitals to this Agreement.

“**Third Parties**” has the meaning assigned to that term in Section 5.4(f).

“**Third Party Agreements**” has the meaning assigned to that term in Section 5.4(f).

“**UCC**” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

1.2 Terms Generally. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, modified, renewed or extended;

(b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns;

(c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement; and

(e) all references to terms defined in the UCC shall have the meaning ascribed to them therein (unless otherwise specifically defined herein); and

(f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. Lien Priorities.

2.1 Relative Priorities. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Term Loan Obligations granted on the Collateral or of any Liens securing the Revolving Credit Obligations granted on the Collateral and notwithstanding any provision of any UCC, or any other applicable law or the Revolving Credit Loan Documents or the Term Loan Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the

Revolving Credit Obligations or Term Loan Obligations or any other circumstance whatsoever, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders hereby agree that:

(a) any Lien of the Revolving Credit Collateral Agent on the Revolving Credit Primary Collateral, whether now or hereafter held by or on behalf of the Revolving Credit Collateral Agent or any Revolving Credit Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law (pursuant to a judgment or otherwise), subrogation or otherwise, shall be senior in all respects and prior to all Liens on the Revolving Credit Primary Collateral securing any Term Loan Obligations; and

(b) any Lien of the Term Loan Collateral Agent on the Term Loan Primary Collateral, whether now or hereafter held by or on behalf of the Term Loan Collateral Agent, any Term Loan Claimholders or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law (pursuant to a judgment or otherwise), subrogation or otherwise, shall be senior in all respects to all Liens on the Term Loan Primary Collateral securing any Revolving Credit Obligations.

2.2 Prohibition on Contesting Liens. Each of the Term Loan Collateral Agent, for itself and on behalf of each Term Loan Claimholder, and the Revolving Credit Collateral Agent, for itself and on behalf of each Revolving Credit Claimholder, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the Revolving Credit Claimholders or any of the Term Loan Claimholders in the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of either Agent or any Revolving Credit Claimholder or Term Loan Claimholder to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.1, 3.1 and 3.2.

2.3 No New Liens. So long as the Discharge of Revolving Credit Obligations and the Discharge of Term Loan Obligations have not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against one or more of the Company or any other Grantor, the parties hereto agree that neither the Company nor any other Grantor shall:

(a) grant or permit any additional Liens on any asset or property to secure any Term Loan Obligation unless (i) it has granted or concurrently grants a Lien on such asset or property to secure the Revolving Credit Obligations or (ii) otherwise as permitted in accordance with Section 6.3; or

(b) grant or permit any additional Liens on any asset or property to secure any Revolving Credit Obligations unless (i) it has granted or concurrently grants a

Lien on such asset or property to secure the Term Loan Obligations or (ii) otherwise as permitted in accordance with Section 6.3.

To the extent any additional Liens are granted on any asset or property pursuant to this Section 2.3, the priority of such additional Liens shall be determined in accordance with Section 2.1. In addition, to the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available hereunder, the Revolving Credit Collateral Agent, on behalf of the Revolving Credit Claimholders and the Term Loan Collateral Agent, on behalf of Term Loan Claimholders, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that, subject to the relative priorities described herein or permitted hereby, the Revolving Credit Collateral and the Term Loan Collateral be identical (it being expressly understood and agreed that none of the Revolving Credit Claimholders and none of the Term Loan Claimholders make any representation, warranty or agreement to any other party hereto as to whether the Revolving Credit Collateral and the Term Loan Collateral are identical). In furtherance of the foregoing and of Section 8.8, the parties hereto agree, subject to the other provisions of this Agreement, upon request by the Revolving Credit Collateral Agent or the Term Loan Collateral Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the Revolving Credit Collateral and the Term Loan Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the Revolving Credit Loan Documents and the Term Loan Documents.

SECTION 3. Enforcement.

3.1 Exercise of Remedies — Restrictions on Term Loan Collateral Agent.

(a) Until (i) the Discharge of Revolving Credit Obligations has occurred and (ii) the Revolving Credit Agreement is no longer in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Term Loan Collateral Agent and the Term Loan Claimholders:

(1) will not exercise or seek to exercise any rights or remedies with respect to any Revolving Credit Primary Collateral (including the exercise of any right of setoff, notification of account debtors or any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Term Loan Collateral Agent or any Term Loan Claimholder is a party) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that the Term Loan Collateral Agent may exercise the rights provided for in Section 3.3 (with respect to any Mortgage Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Term Loan Collateral Agent

declared the existence of a Term Loan Default and demanded the repayment of all the principal amount of any Term Loan Obligations; and (ii) the date on which the Revolving Credit Collateral Agent received notice from the Term Loan Collateral Agent of such declaration of a Term Loan Default and demand for payment (the “**Term Loan Standstill Period**”); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall the Term Loan Collateral Agent or any Term Loan Claimholder exercise any rights or remedies (other than those under Section 3.3) with respect to the Revolving Credit Primary Collateral (unless (i) the final step triggering the “one action rule” or any similar legal provision in any applicable state has occurred and (ii) the applicable Term Loan Claimholder has provided written notice to the Revolving Credit Collateral Agent no later than five days prior to the commencement of such final step of its exercise of any rights or remedies permitted hereunder) if, notwithstanding the expiration of the Term Loan Standstill Period, the Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral or in any event as to any specific assets constituting Revolving Credit Primary Collateral as to which Revolving Credit Collateral Agent has commenced and is diligently pursuing such rights or remedies (and to the extent that Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have commenced such action as to such specific assets after the end of the Term Loan Standstill Period, Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have provided at least three Business Days’ prior notice of such exercise to the Term Loan Collateral Agent);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder or any other exercise by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder of any rights and remedies relating to the Revolving Credit Primary Collateral, whether under the Revolving Credit Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.1(c), will not object to the forbearance by the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders from bringing or pursuing any Enforcement;

provided, however, that, in the case of (1), (2) and (3) above, the Liens granted to secure the Term Loan Obligations of the Term Loan Claimholders shall attach to the proceeds thereof subject to the relative priorities described in Section 2.

(b) Until (i) the Discharge of Revolving Credit Obligations has occurred and (ii) the Revolving Credit Agreement is no longer in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their

debt) and, in connection therewith (including voluntary Dispositions of Revolving Credit Primary Collateral by the respective Grantors after a Revolving Credit Default) make determinations regarding the release, disposition, or restrictions with respect to the Revolving Credit Primary Collateral without any consultation with or the consent of the Term Loan Collateral Agent or any Term Loan Claimholder; provided, however, that the Lien securing the Term Loan Obligations shall remain on the proceeds (other than those properly applied to the Revolving Credit Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders may enforce the provisions of the Revolving Credit Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Revolving Credit Primary Collateral upon foreclosure, to incur expenses in connection with such sale or other disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, the Term Loan Collateral Agent and any Term Loan Claimholder may:

(1) file a claim or statement of interest with respect to the Term Loan Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(2) take any action as is required in order to create, perfect, preserve or protect its Lien on any of the Collateral, but not enforce its Lien or otherwise exercise any rights or remedies with respect to any Revolving Credit Primary Collateral upon a default or event of default or take any action that would be adverse to the Liens of Revolving Credit Collateral Agent or interfere with the exercise by Revolving Credit Collateral Agent of its rights or remedies with respect to the Revolving Credit Primary Collateral or otherwise adverse to the priority status of the Liens on the Revolving Credit Primary Collateral, or the rights of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders to exercise remedies in respect thereof or otherwise prohibited hereunder;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Term Loan Claimholders, including any claims secured by the Revolving Credit Primary Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non- bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Term Loan Obligations and the Term Loan Primary Collateral; and

(6) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Term Loan Standstill Period to the extent permitted by Section 3.1(a)(1); provided that until the Discharge of Revolving Credit Obligations, the proceeds of any Revolving Credit Primary Collateral are delivered to the Revolving Credit Collateral Agent for application to the Revolving Credit Obligations in accordance with Sections 4.1 and 4.2.

The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that it will not take or receive any Revolving Credit Primary Collateral or any proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off or notification of account debtors) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Revolving Credit Obligations has occurred, except as expressly provided in Sections 3.1(a), 6.3(c)(1) and this Section 3.1(c), the sole right of the Term Loan Collateral Agent and the Term Loan Claimholders with respect to the Revolving Credit Primary Collateral is to hold a Lien on such Collateral pursuant to the Term Loan Collateral Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Revolving Credit Obligations has occurred. Notwithstanding any provision of this Agreement to the contrary, until the Discharge of Revolving Credit Obligations, all proceeds of Revolving Credit Primary Collateral, from whatever source, and whether resulting from the exercise of remedies or otherwise, shall be delivered to the Revolving Credit Collateral Agent and applied in accordance with Sections 4.1 and 4.2, and the Term Loan Collateral Agent and Term Loan Claimholders shall have no rights with respect to such proceeds other than as set forth in the immediately preceding sentence (and which such rights with respect to such proceeds shall be extinguished upon the application of such proceeds to the payment of the Revolving Credit Obligations in accordance with Section 4.1).

(d) Subject to Sections 3.1(a) and (c) and Section 6.3(c)(1):

(1) the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, agrees that the Term Loan Collateral Agent and the Term Loan Claimholders will not take any action that would hinder any exercise of remedies under the Revolving Credit Loan Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Revolving Credit Primary Collateral, whether by foreclosure or otherwise;

(2) the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, hereby waives any and all rights it or the Term Loan Claimholders may have as a junior lien creditor or otherwise to object to the manner

in which the Revolving Credit Collateral Agent or the Revolving Credit Claimholders seek to enforce or collect the Revolving Credit Obligations or the Liens securing the Revolving Credit Obligations granted in any of the Revolving Credit Loan Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the Revolving Credit Collateral Agent or Revolving Credit Claimholders is adverse to the interest of the Term Loan Claimholders; and

(3) the Term Loan Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Term Loan Collateral Documents or any other Term Loan Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders with respect to the Revolving Credit Primary Collateral as set forth in this Agreement and the Revolving Credit Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.1(a) and (d) and 3.5, the Term Loan Collateral Agent and the Term Loan Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Term Loan Primary Collateral, in each case, in accordance with the terms of the Term Loan Documents and applicable law; provided, however, that in the event that any Term Loan Claimholder becomes a judgment Lien creditor in respect of Revolving Credit Primary Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Term Loan Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Revolving Credit Obligations) as the other Liens securing the Term Loan Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the Term Loan Collateral Agent or any Term Loan Claimholders of the required payments of interest, principal and other amounts owed in respect of the Term Loan Obligations so long as such receipt is not the direct or indirect result of the exercise by the Term Loan Collateral Agent or any Term Loan Claimholders of rights or remedies as a secured creditor (including set-off or notification of account debtors) or enforcement in contravention of this Agreement of any Lien held by any of them and except as otherwise provided in Section 4.1 of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Revolving Credit Collateral Agent or the Revolving Credit Claimholders may have against the Grantors under the Revolving Credit Loan Documents.

3.2 Exercise of Remedies — Restrictions on Revolving Credit Collateral Agent .

(a) Until (i) the Discharge of Term Loan Obligations has occurred and (ii) the Term Loan Agreement is no long in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders:

(1) will not exercise or seek to exercise any rights or remedies with respect to any Term Loan Primary Collateral (including the exercise of any right of setoff, notification of account debtors or any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Revolving Credit Collateral Agent or any Revolving Credit Claimholder is a party) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that the Revolving Credit Collateral Agent may exercise the rights provided, for in Section 3.4 (with respect to any Equipment Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Revolving Credit Collateral Agent declared the existence of any Revolving Credit Default and demanded the repayment of all the principal amount of any Revolving Credit Obligations; and (ii) the date on which the Term Loan Collateral Agent received notice from the Revolving Credit Collateral Agent of such declaration of a Revolving Credit Default and demand for payment, (the **"Revolving Credit Standstill Period"**); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall the Revolving Credit Collateral Agent or any Revolving Credit Claimholder exercise any rights or remedies (other than those under Section 3.3) with respect to the Term Loan Primary Collateral (unless (i) the final step triggering the "one action rule" or any similar legal provision in any applicable state has occurred and (ii) the applicable Revolving Credit Claimholder has provided written notice to the Term Loan Collateral Agent no later than five days prior to the commencement of such final step of its exercise of any rights or remedies permitted hereunder) if, notwithstanding the expiration of the Revolving Credit Standstill Period, the Term Loan Collateral Agent or Term Loan Claimholders shall have commenced and be diligently pursuing the exercise of their rights of remedies with respect to all or any material portion of such Collateral or in any event as to any specific assets constituting Term Loan Primary Collateral as to which Term Loan Collateral Agent has commenced and is diligently pursuing such rights or remedies (and to the extent that Term Loan Collateral Agent or Term Loan Claimholders shall have commenced such action as to such specific assets after the end of the Revolving Credit Standstill Period, Term Loan Collateral Agent or Term Loan Claimholders shall have provided at least three Business Days' prior notice of such exercise to the Revolving Collateral Agent);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by the Term Loan Collateral Agent or any Term Loan Claimholder or any other exercise by the Term Loan Collateral Agent or any Term Loan Claimholder of any rights and remedies relating to the Term Loan Primary Collateral, whether under the Term Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.2(c), will not object to the forbearance by the Term Loan Collateral Agent or the Term Loan Claimholders from bringing or pursuing any Enforcement;

provided, however, that in the case of (1), (2) and (3) above, the Liens granted to secure the Revolving Credit Obligations of the Revolving Credit Claimholders shall attach to the proceeds thereof subject to the relative priorities described in Section 2.

(b) Until (i) the Discharge of Term Loan Obligations has occurred and (ii) the Term Loan Agreement is no long in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Term Loan Collateral Agent and the Term Loan Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of Term Loan Primary Collateral by the respective Grantors after a Term Loan Default) make determinations regarding the release, disposition, or restrictions with respect to the Term Loan Primary Collateral without any consultation with or the consent of the Revolving Credit Collateral Agent or any Revolving Credit Claimholder; provided, however, that the Lien securing the Revolving Credit Obligations shall remain on the proceeds (other than those properly applied to the Term Loan Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Term Loan Primary Collateral, the Term Loan Collateral Agent and the Term Loan Claimholders may enforce the provisions of the Term Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Term Loan Primary Collateral upon foreclosure, to incur expenses in connection with such sale or other disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, the Revolving Credit Collateral Agent and any Revolving Credit Claimholder may:

(1) file a claim or statement of interest with respect to the Revolving Credit Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(2) take any action as is required in order to create, perfect, preserve or protect its Lien on any of the Collateral, but not enforce its Lien or otherwise exercise any rights or remedies with respect to any Term Loan Primary Collateral upon a default or event of default or take any action that would be adverse to the Liens of Term Loan Collateral Agent or interfere with the exercise by Term Loan Collateral Agent of its rights or remedies with respect to the Term Loan Primary Collateral or otherwise adverse to the priority status of the Liens on the Term Loan Primary Collateral, or the rights of the Term Loan Collateral Agent or any of the Term Loan Claimholders to exercise remedies in respect thereof or otherwise prohibited hereunder;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by

any person objecting to or otherwise seeking the disallowance of the claims of the Revolving Credit Claimholders, including any claims secured by the Term Loan Primary Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non- bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Revolving Credit Obligations and the Revolving Credit Primary Collateral; and

(6) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Revolving Credit Standstill Period to the extent permitted by Section 3.2(a)(1); provided that until the Discharge of Term Loan Obligations, the proceeds of any Term Loan Primary Collateral are delivered to the Term Loan Collateral Agent for application to the Term Loan Obligations in accordance with Sections 4.1 and 4.2.

The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that it will not take or receive any Term Loan Primary Collateral or any proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off notification of account debtors) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in Sections 3.2(a), 3.3, 6.3(c)(2) and this Section 3.2(c), the sole right of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders with respect to the Term Loan Primary Collateral is to hold a Lien on such Collateral pursuant to the Revolving Credit Collateral Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Term Loan Obligations has occurred. Notwithstanding any provision of this Agreement to the contrary, until the Discharge of Term Loan Obligations, all proceeds of Term Loan Primary Collateral, from whatever source, and whether resulting from the exercise of remedies or otherwise, shall be delivered to the Term Loan Collateral Agent and applied in accordance with Sections 4.1 and 4.2, and the Revolving Credit Collateral Agent and Revolving Credit Claimholders shall have no rights with respect to such proceeds other than as set forth in the immediately preceding sentence (and which such rights with respect to such proceeds shall be extinguished upon the application of such proceeds to the payment of the Term Loan Obligations in accordance with Section 4.1).

(d) Subject to Sections 3.2(a) and (c) and Sections 3.3 and 6.3(c)(2):

(1) the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, agrees that the Revolving Credit

Collateral Agent and the Revolving Credit Claimholders will not take any action that would hinder any exercise of remedies under the Term Loan Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Term Loan Primary Collateral, whether by foreclosure or otherwise;

(2) the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, hereby waives any and all rights it or the Revolving Credit Claimholders may have as a junior lien creditor or otherwise to object to the manner in which the Term Loan Collateral Agent or the Term Loan Claimholders seek to enforce or collect the Term Loan Obligations or the Liens securing the Term Loan Obligations granted in any of the Term Loan Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the Term Loan Collateral Agent or Term Loan Claimholders is adverse to the interest of the Revolving Credit Claimholders; and

(3) the Revolving Credit Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Revolving Credit Collateral Documents or any other Revolving Credit Loan Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Term Loan Collateral Agent or the Term Loan Claimholders with respect to the Term Loan Primary Collateral as set forth in this Agreement and the Term Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.2(a) and (d) and 3.5, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Revolving Credit Primary Collateral, in each case, in accordance with the terms of the Revolving Credit Loan Documents and applicable law; provided, however, that in the event that any Revolving Credit Claimholder becomes a judgment Lien creditor in respect of Term Loan Primary Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Revolving Credit Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Loan Obligations) as the other Liens securing the Revolving Credit Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the Revolving Credit Collateral Agent or any Revolving Credit Claimholders of the required payments of interest, principal and other amounts owed in respect of the Revolving Credit Obligations so long as such receipt is not the direct or indirect result of the exercise by the Revolving Credit Collateral Agent or any Revolving Credit Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement in contravention of this Agreement of any Lien held by any of them and except as otherwise provided in Section 4.1 of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Term Loan Collateral Agent or the Term Loan Claimholders may have against the Grantors under the Term Loan Documents.

3.3 Exercise of Remedies – Collateral Access Rights.

(a) The Revolving Credit Collateral Agent and Term Loan Collateral Agent agree not to commence Enforcement until an Enforcement Notice has been given to the other Agent. Subject to the provisions of Sections 3.1 and 3.2 above, either Agent may join in any judicial proceedings commenced by the other Agent to enforce Liens on the Collateral, provided that neither Agent, nor the Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall interfere with the Enforcement actions of the other with respect to Collateral in which such party has the priority Lien in accordance herewith.

(b) If the Revolving Credit Collateral Agent, or any agent or representative of the Revolving Credit Collateral Agent, or any receiver, shall obtain possession or physical control of any parcel of the Mortgaged Premises, the Revolving Credit Collateral Agent shall promptly notify the Term Loan Collateral Agent of that fact and the Term Loan Collateral Agent shall, within ten (10) Business Days thereafter, notify the Revolving Credit Collateral Agent as to whether the Term Loan Collateral Agent desires to exercise access rights under this Agreement as to such parcel of the Mortgaged Premises, at which time the parties shall confer in good faith to coordinate with respect to the Term Loan Collateral Agent's exercise of such access rights. Access rights may apply to differing parcels of Mortgaged Premises at differing times, in which case, a differing Mortgage Access Period may apply to each such property.

(c) Upon delivery of notice to the Revolving Credit Collateral Agent as provided in Section 3.3(b), the Mortgage Access Period shall commence for the subject parcel of Mortgaged Premises. During the Mortgage Access Period as to any parcel of such Mortgaged Premises, the Term Loan Collateral Agent and its agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, the parcel of the Mortgaged Premises for the purpose of arranging for and effecting the sale or other disposition of Term Loan Primary Collateral, including the production, completion, packaging and other preparation of such Term Loan Primary Collateral for sale or other disposition. During any such Mortgage Access Period, the Term Loan Collateral Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Term Loan Primary Collateral, as well as to engage in bulk sales of Term Loan Primary Collateral. Term Loan Collateral Agent shall take proper care of any Revolving Credit Primary Collateral that is used by Term Loan Collateral Agent during the Mortgage Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by Term Loan Collateral Agent or its agents, representatives or and Term Loan Collateral Agent shall comply with all applicable laws in connection with its use or occupancy of any of the Revolving Credit Primary Collateral. The Term Loan Collateral Agent and the Term Loan Claimholders shall indemnify and hold harmless the Revolving Credit Collateral Agent and the Revolving Credit Claimholders for any injury or damage to Persons or property caused by the acts or omissions of Persons under its control. The Term Loan Collateral Agent and the Revolving Credit Collateral Agent shall cooperate and use reasonable efforts to ensure that their activities during the Mortgage Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Revolving

Credit Collateral Agent to show the Revolving Credit Primary Collateral to prospective purchasers and to ready the Revolving Credit Primary Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the Term Loan Collateral Agent from exercising its rights hereunder as to a parcel of the Mortgaged Premises, then at the Term Loan Collateral Agent's option, the Mortgage Access Period granted to the Term Loan Collateral Agent under this Section 3.3 for such parcel shall be stayed as to such parcel during the period of such prohibition and shall continue thereafter as to such parcel for the number of days remaining as required under this Section 3.3. If the Revolving Credit Collateral Agent shall foreclose or otherwise sell any of the Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Revolving Credit Primary Collateral subject to the terms of this Agreement to the extent applicable.

(e) The Grantors hereby agree with the Agents that the Term Loan Collateral Agent shall have access, during the Mortgage Access Period, as described herein and each such Grantor that owns any of the Mortgaged Premises grants a non-exclusive easement in gross over its property to permit the uses by the Term Loan Collateral Agent contemplated by this Section 3.3. The Revolving Credit Collateral Agent consents to such easement and to the recordation of a collateral access easement agreement, in form and substance reasonably acceptable to the Revolving Credit Collateral Agent, in the relevant real estate records with respect to each parcel of Real Estate that is now or hereafter subject to a Revolving Credit Mortgage. The Term Loan Collateral Agent agrees that upon either a Discharge of Term Loan Obligations or the expiration of the final Mortgage Access Period with respect to any parcel of property covered by a Revolving Credit Mortgage, it shall, upon request, execute and deliver to the Revolving Credit Collateral Agent, or if a Discharge of Revolving Credit Obligations has occurred, to the respective Grantor, such documentation, in recordable form, as may reasonably be requested to terminate any and all rights with respect to such Mortgage Access Periods.

3.4 Exercise of Remedies – Intellectual Property Rights/Access to Information .

(a) The Term Loan Collateral Agent and each Grantor hereby grants (to the full extent of their respective rights and interests) the Revolving Credit Collateral Agent and its agents, representatives and designees (a) a royalty free, rent free non-exclusive license and lease to use, upon the occurrence and during the continuation of a Revolving Credit Default, all of the Term Loan Primary Collateral constituting Intellectual Property, to complete the sale of inventory, the collection of accounts or other realization on any Revolving Credit Primary Collateral and (b) a royalty free non-exclusive license (which will be binding on any successor or assignee of the Intellectual Property) to use any and all Intellectual Property at any time in connection with its realization on any Revolving Credit Primary Collateral; provided, however, the royalty free, rent free non-exclusive license and lease granted in clause (a) shall immediately expire upon the sale, lease, transfer or other disposition of such inventory, the collection of all accounts and the realization on any other Revolving Credit Primary Collateral for which such Intellectual Property is necessary or

desirable. Notwithstanding anything to the contrary contained herein, any purchaser or assignee of Revolving Credit Primary Collateral pursuant to the exercise by Revolving Credit Collateral Agent of any of its rights or remedies with respect thereto shall have the right to sell or otherwise dispose of any such Revolving Credit Primary Collateral to which any such Intellectual Property is affixed.

(b) If the Term Loan Collateral Agent, or any agent or representative of the Term Loan Collateral Agent, or any receiver, shall obtain possession or physical control of any Equipment for which the use of such Equipment is necessary or desirable in connection with any Enforcement in respect of any Revolving Credit Primary Collateral, the Term Loan Collateral Agent shall promptly notify the Revolving Credit Collateral Agent of that fact and the Revolving Credit Collateral Agent shall, within ten (10) Business Days thereafter, notify the Term Loan Collateral Agent as to whether the Revolving Credit Collateral Agent desires to exercise access and use rights under this Agreement as to such item of Equipment, at which time the parties shall confer in good faith to coordinate with respect to the Revolving Credit Collateral Agent's exercise of such access rights. Access rights may apply to differing items of Equipment at differing times, in which case, a differing Equipment Access Period may apply to each such property.

(c) Upon delivery of notice to the Term Loan Collateral Agent as provided in Section 3.4(b), the Equipment Access Period shall commence for the subject Equipment. During the Equipment Access Period for any such Equipment, the Revolving Credit Collateral Agent and its agents, representatives and designees shall have a non exclusive right to have access to, and a rent free right to use, such Equipment for the purpose of arranging for and effecting the sale or other disposition of Revolving Credit Primary Collateral. During any such Equipment Access Period, the Revolving Credit Collateral Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Revolving Credit Primary Collateral, as well as to engage in bulk sales of Revolving Credit Primary Collateral. Revolving Credit Collateral Agent shall take proper care of the Equipment that is used by Revolving Credit Collateral Agent during the Equipment Access Period with respect thereto and repair and replace any damage (ordinary wear-and-tear excepted) caused by Revolving Credit Collateral Agent or its agents, representatives or designees and Revolving Credit Collateral Agent shall comply with all applicable laws in connection with its use of any of the Term Loan Primary Collateral. The Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall indemnify and hold harmless the Term Loan Collateral Agent and the Term Loan Claimholders for any injury or damage to Persons or property caused by the acts or omissions of it or Persons under its control. The Revolving Credit Collateral Agent and the Term Loan Collateral Agent shall cooperate and use reasonable efforts to ensure that their activities during the Equipment Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Term Loan Collateral Agent to show the Term Loan Primary Collateral to prospective purchasers and to ready the Term Loan Primary Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the Revolving Credit Collateral Agent from exercising any of its rights hereunder at to

Revolving Credit Primary Collateral for which the use of any Equipment is necessary or desirable in connection with any Enforcement in respect of such Revolving Credit Primary Collateral, then at the Revolving Credit Collateral Agent's option, the Equipment Access Period granted to the Revolving Credit Collateral Agent under this Section 3.4 with respect to such Equipment shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.4. If the Term Loan Collateral Agent shall foreclose or otherwise sell any of the Term Loan Primary Collateral, the Term Loan Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Term Loan Primary Collateral subject to the terms of this Agreement.

3.5 Exercise of Remedies – Set Off and Tracing of and Priorities in Proceeds.

(a) The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, acknowledges and agrees that, to the extent the Term Loan Collateral Agent or any Term Loan Claimholder exercises its rights of setoff against any Grantor's Deposit Accounts or Securities Accounts that constitute Revolving Credit Primary Collateral, the amount of such setoff shall be deemed to be the Revolving Credit Primary Collateral to be held and distributed pursuant to Section 4.3; provided, however that the foregoing shall not apply to any setoff by Term Loan Collateral Agent against any Term Loan Primary Collateral to the extent applied to payment of Term Loan Obligations.

(b) The Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, acknowledges and agrees that, to the extent the Revolving Credit Collateral Agent or any Revolving Credit Claimholder exercises its rights of setoff against any Grantor's Deposit Accounts or Securities Accounts that constitute Term Loan Primary Collateral, the amount of such setoff shall be deemed to be the Term Loan Primary Collateral to be held and distributed pursuant to Section 4.3; provided, however that the foregoing shall not apply to any setoff by Revolving Credit Collateral Agent against any Revolving Credit Primary Collateral to the extent applied to payment of Revolving Credit Obligations.

(c) Without prejudice to Sections 4.1 and 4.2, Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, also agrees that in the event that any funds that are deposited in an account which is both (i) subject to a Control Agreement and (ii) constitutes Revolving Credit Primary Collateral are then applied to the Revolving Credit Obligations, such funds shall be treated as Revolving Credit Primary Collateral and, unless the Revolving Credit Collateral Agent has actual knowledge to the contrary, any claim that such funds are proceeds of or otherwise constitute Term Loan Primary Collateral are, prior to an issuance of an Enforcement Notice, waived by Term Loan Collateral Agent and the Term Loan Claimholders.

(d) Without prejudice to Sections 4.1 and 4.2, Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, also agrees that in the event that any funds that are deposited in an account which is both (i) subject to a Control Agreement and (ii) constitutes Term Loan Primary Collateral are then applied to

the Term Loan Obligations, such funds shall be treated as Term Loan Primary Collateral and, unless the Term Loan Collateral Agent has actual knowledge to the contrary, any claim that such funds are proceeds of or otherwise constitute Revolving Credit Primary Collateral are, prior to an issuance of an Enforcement Notice, waived by Revolving Credit Collateral Agent and the Revolving Credit Claimholders.

SECTION 4. Payments.

4.1 Application of Proceeds.

(a) So long as the Discharge of Revolving Credit Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, and whether prior to or following the issuance of any Enforcement Notice, all Revolving Credit Primary Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the Revolving Credit Collateral Agent or Revolving Credit Claimholders, shall be applied by the Revolving Credit Collateral Agent to the Revolving Credit Obligations in such order as specified in the relevant Revolving Credit Loan Documents except to the extent funds in certain bank accounts may be applied to Term Loan Obligations as provided in Section 3.5(d) above. Upon the Discharge of Revolving Credit Obligations and the termination of the Revolving Credit Agreement, except otherwise required by applicable law, the Revolving Credit Collateral Agent shall deliver to the Term Loan Collateral Agent any Collateral and proceeds of Collateral held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Term Loan Collateral Agent to the Term Loan Obligations in such order as specified in the Term Loan Collateral Documents.

(b) So long as the Discharge of Term Loan Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, and whether prior to or following the issuance of any Enforcement Notice, all Term Loan Primary Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the Term Loan Collateral Agent or Term Loan Claimholders, shall be applied by the Term Loan Collateral Agent to the Term Loan Obligations in such order as specified in the relevant Term Loan Documents, except to the extent funds in certain bank accounts may be applied to Revolving Credit Obligations as provided in Section 3.5(c) above. Upon the Discharge of Term Loan Obligations and the termination of the Term Loan Agreement, except as otherwise required by applicable law, the Term Loan Collateral Agent shall deliver to the Revolving Credit Collateral Agent any Collateral and proceeds of Collateral held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Revolving Credit Collateral Agent to the Revolving Credit Obligations in such order as specified in the Revolving Credit Collateral Documents.

4.2 Payments Over in Violation of Agreement. So long as neither the Discharge of Revolving Credit Obligations nor the Discharge of Term Loan Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been

commenced by or against any Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) received by either Agent or any Term Loan Claimholders or Revolving Credit Claimholders in connection with the exercise of any right or remedy (including set-off or notification of account debtors) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the appropriate Agent for the benefit of the Term Loan Claimholders or the Revolving Credit Claimholders, as the case may be, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Agent is hereby authorized by the other Agent to make any such endorsements as agent for the other Agent or any Term Loan Claimholders or Revolving Credit Claimholders, as the case may be. This authorization is coupled with an interest and is irrevocable until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations.

4.3 Application of Payments. Subject to the other terms of this Agreement, all payments received by (a) the Revolving Credit Collateral Agent or the Revolving Credit Claimholders may be applied, reversed and reapplied, in whole or in part, to the Revolving Credit Obligations to the extent provided for in the Revolving Credit Loan Documents and (b) the Term Loan Collateral Agent or the Term Loan Claimholders may be applied, reversed and reapplied, in whole or in part, to the Term Loan Obligations to the extent provided for in the Term Loan Documents.

SECTION 5. Other Agreements.

5.1 Releases.

(a) (i) If in connection with the exercise of the Revolving Credit Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.1 or at any time after any Revolving Credit Default in connection with the realization of any Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent, for itself or on behalf of any of the Revolving Credit Claimholders, releases any of its Liens on any part of the Revolving Credit Primary Collateral, then (A) the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders, shall be deemed to have consented under the Term Loan Documents to such sale or other disposition and (B) the Liens, if any, of the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders, on the Revolving Credit Primary Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The Term Loan Collateral Agent, for itself or on behalf of any such Term Loan Claimholders, hereby authorizes the filing of UCC amendments or termination statements to reflect such release and shall promptly execute and deliver to the Revolving Credit Collateral Agent or, with the approval of the Revolving Credit Collateral Agent, such Grantor, other documents as the Revolving Credit Collateral Agent or such Grantor may request to effectively confirm such release.

(ii) If in connection with the exercise of the Term Loan Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.2 or at any time after any Term Loan Default in connection with the realization of any Term Loan Primary

Collateral, the Term Loan Collateral Agent, for itself or on behalf of any of the Term Loan Claimholders, releases any of its Liens on any part of the Term Loan Primary Collateral, then (A) the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, shall be deemed to have consented under the Revolving Credit Documents to such sale or other disposition and (B) the Liens, if any, of the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, on the Term Loan Primary Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The Revolving Credit Collateral Agent, for itself or on behalf of any such Revolving Credit Claimholders, hereby authorizes the filing of UCC amendments or termination statements to reflect such release and shall promptly execute and deliver to the Term Loan Collateral Agent or, with the approval of Term Loan Collateral Agent, such Grantor such other documents as the Term Loan Collateral Agent or such Grantor may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral (collectively, a **“Disposition”**) permitted under the terms of both the Revolving Credit Loan Documents and the Term Loan Documents (other than in connection with the exercise of the respective Agent’s rights and remedies in respect of the Collateral as provided for in Sections 3.1 and 3.2 or at any time after any Revolving Credit Default or Term Loan Default, as applicable, in connection with the realization of any Revolving Credit Primary Collateral or Term Loan Primary Collateral, as applicable), (i) the Revolving Credit Collateral Agent, for itself or on behalf of any of the Revolving Credit Claimholders, releases any of its Liens on any part of the Revolving Credit Primary Collateral, in each case other than (A) in connection with the Discharge of Revolving Credit Obligations or (B) after the occurrence and during the continuance of a Term Loan Default, then the Liens, if any, of the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders, on such Collateral shall be automatically, unconditionally and simultaneously released, and (ii) the Term Loan Collateral Agent, for itself or on behalf of any of the Term Loan Claimholders, releases any of its Liens on any part of the Term Loan Primary Collateral, in each case other than (A) in connection with the Discharge of Term Loan Obligations or (B) after the occurrence and during the continuance of a Revolving Credit Default, then the Liens, if any, of the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, on such Collateral (or, if such Collateral includes Capital Stock of any Subsidiary, the Liens on Collateral owned by such Subsidiary) shall be automatically, unconditionally and simultaneously released. The Revolving Credit Collateral Agent and Term Loan Collateral Agent, each for itself and on behalf of any such Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, promptly shall execute and deliver to the other Agent or such Grantor such termination statements, releases and other documents as the other Agent or such Grantor may request to effectively confirm such release.

(c) Until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations shall occur, the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, and the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, as the case may be, hereby irrevocably constitutes and appoints the other Agent and any officer or agent of the other Agent, with

full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the other Agent or such holder or in the Agent's own name, from time to time in such Agent's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.1, including any endorsements or other instruments of transfer or release.

(d) Until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations shall occur, to the extent that the Agents or the Revolving Credit Claimholders or the Term Loan Claimholders (i) have released any Lien on Collateral and such Lien is later reinstated or (ii) obtain any new liens from any Grantor, then the other Agent, for itself and for the Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall be granted a Lien on any such Collateral, subject to the lien priority provisions of this Agreement.

5.2 Insurance.

(a) Unless and until the Discharge of Revolving Credit Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Revolving Credit Loan Documents, (i) the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Revolving Credit Primary Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect to such Collateral and to the extent required by the Revolving Credit Loan Documents shall be paid to the Revolving Credit Collateral Agent for the benefit of the Revolving Credit Claimholders pursuant to the terms of the Revolving Credit Loan Documents (including, without limitation, for purposes of cash collateralization of letters of credit) and thereafter, to the extent no Revolving Credit Obligations are outstanding, and subject to the rights of the Grantors under the Term Loan Documents, to the Term Loan Collateral Agent for the benefit of the Term Loan Claimholders to the extent required under the Term Loan Collateral Documents and then, to the extent no Term Loan Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if the Term Loan Collateral Agent or any Term Loan Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Revolving Credit Collateral Agent in accordance with the terms of Section 4.2.

(b) Unless and until the Discharge of Term Loan Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Term Loan Documents, (i) the Term Loan Collateral Agent and the Term Loan Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Term Loan Primary Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) all proceeds of any such policy and any such award (or any

payments with respect to a deed in lieu of condemnation) if in respect to such Collateral and to the extent required by the Term Loan Documents shall be paid to the Term Loan Collateral Agent for the benefit of the Term Loan Claimholders pursuant to the terms of the Term Loan Documents and thereafter, to the extent no Term Loan Obligations are outstanding, and subject to the rights of the Grantors under the Revolving Credit Documents, to the Revolving Credit Collateral Agent for the benefit of the Revolving Credit Claimholders to the extent required under the Revolving Credit Collateral Documents and then, to the extent no Revolving Credit Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if the Revolving Credit Collateral Agent or any Revolving Credit Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Term Loan Collateral Agent in accordance with the terms of Section 4.2.

(c) To effectuate the foregoing, the Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Collateral hereunder. To the extent any proceeds are received for business interruption or for any liability or indemnification and those proceeds are not compensation for a casualty loss with respect to the Term Loan Primary Collateral, such proceeds shall first be applied to repay the Revolving Credit Obligations and then be applied, to the extent required by the Term Loan Documents, to the Term Loan Obligations.

5.3 Amendments to Revolving Credit Loan Documents and Term Loan Documents; Refinancing.

(a) The Term Loan Documents may be amended, supplemented or otherwise modified in accordance with their terms and the Term Loan Agreement may be Refinanced, in each case, without notice to, or the consent of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that the holders of such Refinancing debt bind themselves in a writing addressed to the Revolving Credit Collateral Agent and the Revolving Credit Claimholders to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not:

- (1) increase the sum of the then outstanding aggregate principal amount of the Term Loan Agreement in excess of the Term Loan Cap Amount;
- (2) increase the "Applicable Margin" or similar component of any interest rate on any tranche thereof by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate) or increase the aggregate amount of any fees (other than one-time fees or fees charged in respect of amendments, waivers or consents) by more than \$100,000 in any twelve (12) month period), or frequency of payments (except that the Company may increase the frequency of payment of any fees from quarterly to monthly), of any fees provided for the in the Term Loan Agreement;

(3) shorten the scheduled maturity of the Term Loan Agreement or any Refinancing thereof;

(4) modify (or have the effect of a modification of) the terms of payment, including the regularly scheduled payments of principal or mandatory prepayment provisions of the Term Loan Agreement, in a manner that increases the amount or frequency of any such payments, or requires additional mandatory prepayments or limits the rights of Grantors with respect thereto, except that Company may modify such terms of payment to increase the aggregate amount of regularly scheduled payments of principal in any year in respect thereof by no more than \$500,000 in any year; or

(5) in any manner adverse to the Revolving Credit Claimholders, modify (or have the effect of a modification of) the granting clauses (and the exclusions therefrom) of any Term Loan Collateral Document (or the definitions of the terms contained in any such granting clauses).

(b) The Revolving Credit Loan Documents may be amended, supplemented or otherwise modified in accordance with their terms and the Revolving Credit Agreement may be Refinanced, in each case, without notice to, or the consent of the Term Loan Collateral Agent or the Term Loan Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that the holders of such Refinancing debt bind themselves in a writing addressed to the Term Loan Collateral Agent and the Term Loan Claimholders to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not:

(1) increase the sum of the then outstanding aggregate principal amount of the Revolving Credit Agreement in excess of the Revolving Credit Cap Amount;

(2) increase the “Applicable Margin” or similar component of any interest rate by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate) or increase the aggregate amount of any fees (other than one-time fees or fees charged in respect of amendments, waivers or consents) by more than \$100,000 in any twelve (12) month period), or frequency of payments (except that the Company may increase the frequency of payment of any fees from quarterly to monthly), of any fees provided for the in the Revolving Credit Agreement;

(3) shorten the scheduled maturity of the Revolving Credit Agreement or any Refinancing thereof;

(4) modify (or have the effect of a modification of) the terms of payment, including the regularly scheduled payments of principal or mandatory prepayment provisions of the Revolving Credit Agreement, in a manner that increases the amount or frequency of any such payments, or requires additional mandatory prepayments or limits the rights of Grantors with respect thereto; or

(5) in any manner adverse to the Term Loan Claimholders, modify (or have the effect of a modification of) the granting clauses (and the exclusions therefrom) of any Revolving Credit Collateral Document (or the definitions of the terms contained in any such granting clauses).

(c) The Revolving Credit Collateral Agent and the Term Loan Collateral Agent shall each use good faith efforts to notify the other party of any written amendment or modification to the Revolving Credit Agreement or the Term Loan Agreement, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party.

5.4 Bailees for Perfection.

(a) Each Agent agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC (such Collateral being the **“Pledged Collateral”**) as collateral agent for the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, and as bailee for the other Agent (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC) and any assignee solely for the purpose of perfecting the security interest granted under the Revolving Credit Loan Documents and the Term Loan Documents, respectively, subject to the terms and conditions of this Section 5.4.

(b) Neither Agent shall have any obligation whatsoever to the other Agent, to any Revolving Credit Claimholder, or to any Term Loan Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.4. The duties or responsibilities of the respective Agents under this Section 5.4 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of Revolving Credit Obligations or Discharge of Term Loan Obligations, as the case may be, as provided in paragraph (d) below.

(c) Neither Agent acting pursuant to this Section 5.4 shall have by reason of the Revolving Credit Loan Documents, the Term Loan Documents, this Agreement or any other document a fiduciary relationship in respect of the other Agent, or any Revolving Credit Claimholders or any Term Loan Claimholders.

(d) Upon the Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations, as the case may be, except as otherwise required by applicable law, the Agent under the credit facility which has been discharged shall (i) deliver the remaining Pledged Collateral (if any) together with any necessary endorsements, first, to the other Agent to the extent the other Obligations remain outstanding, and second, to the applicable Grantor to the extent no Revolving Credit Obligations or Term Loan Obligations remain outstanding (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral) and (ii) take all other action reasonably requested by the other Agent in connection with the other Agent

obtaining a first-priority security interest in the Revolving Credit Primary Collateral (in the case of the Term Loan Collateral Agent upon the Discharge of the Revolving Credit Obligations) or the Term Loan Primary Collateral (in the case of the Revolving Credit Collateral Agent upon the Discharge of the Term Loan Obligations), as the case may be, to the extent that the other Agent is entitled to a first-priority security interest therein at the expense of such other Agent and subject to such other liens that may have priority over the security interest of such other Agent or as a court of competent jurisdiction may otherwise direct.

(e) Subject to the terms of this Agreement, (i) so long as the Discharge of Revolving Credit Obligations has not occurred, the Revolving Credit Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its “control” in accordance with the terms of this Agreement and other Revolving Credit Loan Documents, but only to the extent that such Collateral constitutes Revolving Credit Primary Collateral, as if the Liens of the Term Loan Collateral Agent and Term Loan Claimholders did not exist and (ii) so long as the Discharge of Term Loan Obligations has not occurred, the Term Loan Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its “control” in accordance with the terms of this Agreement and other Term Loan Documents, but only to the extent that such Collateral constitutes Term Loan Primary Collateral, as if the Liens of the Revolving Credit Collateral Agent and Revolving Credit Claimholders did not exist.

(f) The parties hereto acknowledge that certain third parties, including without limitation, landlords, insurance companies, depository institutions and securities and commodities intermediaries (collectively, the “**Third Parties**”) have executed and delivered in favor of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent certain agreements, instruments and other documents (including, without limitation, landlord waivers, insurance endorsements, lockbox agreements and control agreements) (collectively, the “**Third Party Agreements**”) pursuant to which, among other things, either the Revolving Credit Collateral Agent or the Term Loan Collateral Agent (such party being referred to as the “**Superior Lienholder**”) shall be entitled to deliver notices to such Third Parties, cause such Third Parties to take certain action (or consent to the taking of such actions) or otherwise exercise rights and remedies under such Third Party Agreements. The parties hereto hereby agree that, until the Discharge of Revolving Credit Obligations, the Superior Lienholder shall be the Revolving Credit Collateral Agent. Promptly upon the Discharge of Revolving Credit Obligations, the Revolving Credit Collateral Agent shall deliver a written notice to each Third Party stating that the Term Loan Collateral Agent is now the Superior Lienholder, that the Revolving Credit Collateral Agent is no longer entitled to deliver any consents under such Third Party Agreements and such other information required by the relevant Third Party Agreements necessary to permit the Term Loan Collateral Agent to exercise any rights or take any action reserved for the Superior Lienholder thereunder.

5.5 When Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations Deemed to Not Have Occurred. If concurrently with the Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations, the Company thereafter enters into any Refinancing of any Revolving Credit Obligation or Term Loan

Obligation as the case may be, which Refinancing is permitted by both the Term Loan Documents and the Revolving Credit Loan Documents, then such Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken as a result of the occurrence of such first Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations) and, from and after the date on which the New Debt Notice is delivered to the appropriate Agent in accordance with the next sentence, the obligations under such Refinancing shall automatically be treated as Revolving Credit Obligations or Term Loan Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and the Revolving Credit Collateral Agent or Term Loan Collateral Agent, as the case may be, under such new Revolving Credit Loan Documents or new Term Loan Documents shall be the Revolving Credit Collateral Agent or the Term Loan Collateral Agent for all purposes of this Agreement. Upon receipt of a notice (the **"New Debt Notice"**) stating that the Company has entered into new Revolving Credit Loan Documents or new Term Loan Documents (which notice shall include a complete copy of the relevant new documents and provide the identity of the new collateral agent, such agent, the **"New Agent"**), the other Agent shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New Agent shall reasonably request in order to provide to the New Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (b) deliver to the New Agent any Pledged Collateral (that is Term Loan Primary Collateral, in the case of a New Agent that is the agent under any new Term Loan Documents or that is Revolving Credit Primary Collateral, in the case of a New Agent that is the agent under any new Revolving Credit Loan Documents) held by it together with any necessary endorsements (or otherwise allow the New Agent to obtain control of such Pledged Collateral). The New Agent shall agree in a writing addressed to the other Agent and the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, to be bound by the terms of this Agreement. If the new Revolving Credit Obligations under the new Revolving Credit Loan Documents or the new Term Loan Obligations under the new Term Loan Documents are secured by assets of the Grantors constituting Collateral that do not also secure the other Obligations, then the other Obligations shall be secured at such time by a second priority Lien on such assets to the same extent provided in the Revolving Credit Loan Documents, Term Loan Collateral Documents and this Agreement.

5.6 Purchase Right.

(a) Without prejudice to the enforcement of the Term Loan Claimholders' remedies, the Term Loan Claimholders agree at any time following an acceleration of the Term Loan Obligations in accordance with the terms of the Term Loan Agreement, the Term Loan Claimholders will offer the Revolving Credit Claimholders the option to purchase the entire aggregate amount of outstanding Term Loan Obligations at par (without regard to any prepayment penalty or premium), without warranty or representation or recourse, on a pro rata basis across Term Loan Claimholders. The Revolving Credit Claimholders shall irrevocably accept or reject such offer within ten (10) Business Days of the receipt thereof and the parties shall endeavor to close promptly thereafter. If the Revolving Credit Claimholders accept such offer, it shall be exercised

pursuant to documentation mutually acceptable to each of the Term Loan Collateral Agent and the Revolving Credit Collateral Agent. If the Revolving Credit Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the Term Loan Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance with the Term Loan Documents and this Agreement.

(b) Without prejudice to the enforcement of the Revolving Credit Claimholders' remedies, the Revolving Credit Claimholders agree at any time following an acceleration of the Revolving Credit Obligations in accordance with the terms of the Revolving Credit Agreement, the Revolving Credit Claimholders will offer the Term Loan Claimholders the option to purchase the entire aggregate amount of outstanding Revolving Credit Obligations (including unfunded commitments under the Revolving Credit Agreement) at par (without regard to any prepayment penalty or premium), without warranty or representation or recourse, on a pro rata basis across Revolving Credit Claimholders. The Term Loan Claimholders shall irrevocably accept or reject such offer within ten (10) Business Days of the receipt thereof and the parties shall endeavor to close promptly thereafter. If the Term Loan Claimholders accept such offer, it shall be exercised pursuant to documentation mutually acceptable to each of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent. If the Term Loan Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the Revolving Credit Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance With the Revolving Credit Loan Documents and this Agreement.

SECTION 6. Insolvency or Liquidation Proceedings.

6.1 Finance and Sale Issues.

(a) Until the Discharge of Revolving Credit Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Revolving Credit Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) on which the Revolving Credit Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain financing, whether from the Revolving Credit Claimholders or any other Person under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law ("**DIP Financing**") then the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) it is on commercially reasonable terms, (ii) the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount of Revolving Credit Obligations plus the aggregate undrawn amount of any letters of credit issued and not reimbursed under the Revolving Credit Agreement does not exceed the Revolving Credit Cap Amount, (iii) the Term Loan Collateral Agent and the Term Loan Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are inconsistent with the terms of this Agreement that are materially prejudicial to their interests in the Term Loan Primary Collateral, and (iv) the terms of the

DIP Financing or the order for the use of Cash Collateral (A) do not compel the applicable Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (C) require that any Lien on the Term Loan Primary Collateral to secure such DIP Financing or rights in connection with the use of Cash Collateral are subordinate to the Lien of the Term Loan Collateral Agent with respect thereto: To the extent the Liens securing the Revolving Credit Obligations are subordinated to or pan passu with such DIP Financing which meets the requirements of clauses (i) through (iv) above, the Term Loan Collateral Agent will subordinate its Liens in the Revolving Credit Primary Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Revolving Credit Collateral Agent or to the extent permitted by Section 6.3).

(b) Until the Discharge of Term Loan Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Term Loan Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) on which the Term Loan Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain DIP Financing, then the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) it is on commercially reasonable terms, (ii) the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount of Term Loan Obligations does not exceed the Term Loan Cap Amount, (iii) the Revolving Credit Collateral Agent and the Revolving Credit Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that is inconsistent with the terms of this Agreement that are materially prejudicial to their interests in the Revolving Credit Primary Collateral, and (iv) the terms of the DIP Financing or the use of Cash Collateral (a) do not compel the applicable Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (b) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (c) require that any Lien on the Revolving Credit Primary Collateral (including assets arising after the commencement of any Insolvency or Liquidation Proceeding) to secure such DIP Financing or rights in connection with such use of Cash Collateral are subordinate to the Lien and rights of the Revolving Credit Collateral Agent with respect thereto and the rights to collections and cash proceeds of Revolving Credit Primary Collateral of the Revolving Credit Collateral Agent continue post-petition. To the extent the Liens securing the Term Loan Obligations are subordinated to or pan passu with such DIP Financing which meets the requirements of clauses (i) through (iv) above, the Revolving Credit Collateral Agent will subordinate its Liens in the Term Loan Primary Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Term Loan Collateral Agent or to the extent permitted by Section 6.3).

6.2 Relief from the Automatic Stay.

(a) Until the Discharge of Revolving Credit Obligations has occurred, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral (other than to the extent such relief is required to exercise its rights under Section 3.3), without the prior written consent of the Revolving Credit Collateral Agent, unless a motion for adequate protection permitted under Section 6.3 has been denied by the bankruptcy court (provided that, for the avoidance of doubt, upon the granting of any relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral, the terms and provisions of Section 3 shall continue to apply). Nothing contained herein shall be construed to in anyway limit the right of the Revolving Credit Collateral Agent to object to any motion or other application by the Term Loan Collateral Agent seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral.

(b) Until the Discharge of Term Loan Obligations has occurred, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Primary Collateral, without the prior written consent of the Term Loan Collateral Agent, unless a motion for adequate protection permitted under Section 6.3 has been denied by the bankruptcy court (provided that, for the avoidance of doubt, upon the granting of any relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral, the terms and provisions of Section 3 shall continue to apply). Nothing contained herein shall be construed to in anyway limit the right of the Term Loan Collateral Agent to object to any motion or other application by the Revolving Credit Collateral Agent seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Primary Collateral.

6.3 Adequate Protection.

(a) The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders for adequate protection with respect to the Revolving Credit Primary Collateral; provided that (A) such adequate protection claim shall not seek the creation of any lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Revolving Credit Collateral and (B) if such additional assets or property shall also constitute Term Loan Primary Collateral, (i) a Lien shall have been created in favor of the Term Loan Claimholders in respect of such Collateral and (ii) the Lien in favor of

the Revolving Credit Claimholders shall be subordinated to the extent set forth in this Agreement; or

(2) any objection by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders to any motion, relief, action or proceeding based on the Revolving Credit Collateral Agent or the Revolving Credit Claimholders claiming a lack of adequate protection; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Term Loan Collateral and (B) if such additional assets or property shall also constitute Revolving Credit Primary Collateral, (i) a Lien shall have been created in favor of the Revolving Credit Claimholders in respect of such Collateral and (ii) the Lien in favor of the Term Loan Claimholders shall be subordinated to the extent set forth in this Agreement.

(b) The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by the Term Loan Collateral Agent or the Term Loan Claimholders for adequate protection with respect to the Term Loan Primary Collateral; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Term Loan Collateral and (B) if such additional assets or property shall also constitute Revolving Credit Primary Collateral, (i) a Lien shall have been created in favor of the Revolving Credit Claimholders in respect of such Collateral and (ii) the Lien in favor of the Term Loan Claimholders shall be subordinated to the extent set forth in this Agreement; or

(2) any objection by the Term Loan Collateral Agent or the Term Loan Claimholders to any motion, relief, action or proceeding based on the Term Loan Collateral Agent or the Term Loan Claimholders claiming a lack of adequate protection; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Revolving Credit Collateral and (B) if such additional assets or property shall also constitute Term Loan Primary Collateral, (i) a Lien shall have been created in favor of the Term Loan Claimholders in respect of such Collateral and (ii) the Lien in favor of the Revolving Credit Claimholders shall be subordinated to the extent set forth in this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency or Liquidation Proceeding:

(1) if the Revolving Credit Claimholders (or any subset thereof) are granted adequate protection with respect to the Revolving Credit Primary

Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Revolving Credit Primary Collateral) in connection with any Cash Collateral use or DIP Financing, then the Term Loan Collateral Agent, on behalf of itself or any of the Term Loan Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Revolving Credit Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Term Loan Collateral Agent on Revolving Credit Primary Collateral;

(2) if the Term Loan Claimholders (or any subset thereof) are granted adequate protection with respect to the Term Loan Primary Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Term Loan Primary Collateral) in connection with any Cash Collateral use or DIP Financing, then the Revolving Credit Collateral Agent, on behalf of itself or any of the Revolving Credit Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Term Loan Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Revolving Credit Collateral Agent on Term Loan Primary Collateral;

(3) in the event the Revolving Credit Collateral Agent, on behalf of itself or any of the Revolving Credit Claimholders, seeks or requests adequate protection in respect of Revolving Credit Primary Collateral and such adequate protection is granted in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Revolving Credit Primary Collateral), then the Revolving Credit Collateral Agent, on behalf of itself and any of the Revolving Credit Claimholders, agrees that the Term Loan Collateral Agent may also be granted a Lien on the same additional collateral as security for the Term Loan Obligations and for any Cash Collateral use or DIP Financing provided by the Term Loan Claimholders, and the Term Loan Collateral Agent, on behalf of itself and any of the Term Loan Claimholders, agrees that any Lien on such additional collateral securing the Term Loan Obligations shall be subordinated to the Liens on such collateral securing the Revolving Credit Obligations, any such DIP Financing provided by the Term Loan Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Term Loan Claimholders as adequate protection, all on the same basis as the other Liens of the Term Loan Collateral Agent on Revolving Credit Primary Collateral; and

(4) in the event the Term Loan Collateral Agent, on behalf of itself or any of the Term Loan Claimholders, seeks or requests adequate protection in respect of Term Loan Primary Collateral and such adequate protection is granted in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Term Loan Primary Collateral), then the Term Loan Collateral Agent, on behalf of itself and any of the Term Loan Claimholders,

agrees that the Revolving Credit Collateral Agent may also be granted a Lien on the same additional collateral as security for the Revolving Credit Obligations and for any Cash Collateral use or DIP Financing provided by the Revolving Credit Claimholders, and the Revolving Credit Collateral Agent, on behalf of itself and any of the Revolving Credit Claimholders, agrees that any Lien on such additional collateral securing the Revolving Credit Obligations shall be subordinated to the Liens on such collateral securing the Term Loan Obligations, any such DIP Financing provided by the Revolving Credit Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Revolving Credit Claimholders as adequate protection, all on the same basis as the other Liens of the Revolving Credit Collateral Agent on Term Loan Primary Collateral.

(d) Except as otherwise expressly set forth in Section 6.1 or in connection with the exercise of remedies with respect to (i) the Revolving Credit Primary Collateral, nothing herein shall limit the rights of the Term Loan Collateral Agent or the Term Loan Claimholders from seeking adequate protection with respect to their rights in the Term Loan Primary Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise) or (ii) the Term Loan Primary Collateral, nothing herein shall limit the rights of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders from seeking adequate protection with respect to their rights in the Revolving Credit Primary Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

6.4 Avoidance Issues. If any Revolving Credit Claimholder or Term Loan Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the applicable Grantor any amount paid in respect of Revolving Credit Obligations or the Term Loan Obligations, as the case may be (a “**Recovery**”), then such Revolving Credit Claimholders or Term Loan Claimholders shall be entitled to a reinstatement of Revolving Credit Obligations or the Term Loan Obligations, as the case may be, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.5 Reserved.

6.6 Post-Petition Interest.

(a) Neither the Term Loan Collateral Agent nor any Term Loan Claimholder shall oppose or seek to challenge any claim by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder for allowance in any Insolvency or Liquidation Proceeding of Revolving Credit Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any Revolving Credit Claimholder’s claim, without regard to the existence of the Lien of the Term Loan Collateral Agent on behalf of the Term Loan Claimholders on the Collateral.

(b) Neither the Revolving Credit Collateral Agent nor any other Revolving Credit Claimholder shall oppose or seek to challenge any claim by the Term Loan Collateral Agent or any Term Loan Claimholder for allowance in any Insolvency or Liquidation Proceeding of Term Loan Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any Term Loan Claimholder's claim, without regard to the existence of the Lien of the Revolving Credit Agent on behalf of the Revolving Credit Claimholders on the Collateral.

6.7 Waiver – 1111 (b)(2) Issues

(a) The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, waives any claim it may hereafter have against any Revolving Credit Claimholder arising out of the election of any Revolving Credit Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code out of any grant of a security interest in connection with the Revolving Credit Primary Collateral in any Insolvency or Liquidation Proceeding.

(b) The Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, waives any claim it may hereafter have against any Term Loan Claimholder arising out of the election of any Term Loan Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the Term Loan Primary Collateral in any Insolvency or Liquidation Proceeding.

6.8 Separate Grants of Security and Separate Classification. The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, and the Revolving Credit Collateral Agent for itself and on behalf of the Revolving Credit Claimholders, acknowledge and agree that: the grants of Liens pursuant to the Revolving Credit Collateral Documents and the Term Loan Collateral Documents constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Term Loan Obligations are fundamentally different from the Revolving Credit Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding.

To further effectuate the intent of the parties as provided in Section 6.8, if it is held that the claims of the Term Loan Claimholders and the Revolving Credit Claimholders in respect of the Term Loan Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Term Loan Collateral (with the effect being that, to the extent that the aggregate value of the Term Loan Collateral is sufficient (for this purpose ignoring all claims held by the Revolving Credit Claimholders), the Term Loan Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Term Loan Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding)

before any distribution is made in respect of the claims held by the Revolving Credit Claimholders, with the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, hereby acknowledging and agreeing to turn over to the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Revolving Credit Claimholders).

To further effectuate the intent of the parties as provided in Section 6.8, if it is held that the claims of the Term Loan Claimholders and the Revolving Credit Claimholders in respect of the Revolving Credit Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Revolving Credit Collateral (with the effect being that, to the extent that the aggregate value of the Revolving Credit Collateral is sufficient (for this purpose ignoring all claims held by the Term Loan Claimholders), the Revolving Credit Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Revolving Credit Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the Term Loan Claimholders, with the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, hereby acknowledging and agreeing to turn over to the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Loan Claimholders).

SECTION 7. Reliance; Waivers; Etc.

7.1 Reliance. Other than any reliance on the terms of this Agreement, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders under its Revolving Credit Loan Documents, acknowledges that it and such Revolving Credit Claimholders have, independently and without reliance on the Term Loan Collateral Agent or any Term Loan Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such Revolving Credit Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Revolving Credit Agreement or this Agreement. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, acknowledges that it and the Term Loan Claimholders have, independently and without reliance on the Revolving Credit Collateral Agent or any Revolving Credit Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Term Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Term Loan Documents or this Agreement.

7.2 No Warranties or Liability. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders under the Revolving Credit Loan Documents, acknowledges and agrees that each of the Term Loan Collateral Agent and the Term Loan Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Term Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Term Loan Collateral Agent and the Term Loan Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Term Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, acknowledges and agrees that each of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Revolving Credit Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective Revolving Credit Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Collateral Agent and the Term Loan Claimholders shall have no duty to the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders, and the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have no duty to the Term Loan Collateral Agent or any of the Term Loan Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the Revolving Credit Loan Documents and the Term Loan Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities.

(a) No right of the Agents, the Revolving Credit Claimholders or the Term Loan Claimholders to enforce any provision of this Agreement or any Revolving Credit Loan Document or Term Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such Agents, Revolving Credit Claimholders or Term Loan Claimholders or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Revolving Credit Loan Documents or any of the Term Loan Documents, regardless of any knowledge thereof which the Agents or the Revolving Credit Claimholders or Term Loan Claimholders, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the Revolving Credit Loan Documents and Term Loan Documents and subject to the provisions of Section 5.3(a)), the Agents, the Revolving Credit Claimholders and the Term Loan Claimholders may, at any time and from time to time in accordance with the Revolving Credit Loan Documents and

Term Loan Documents and/or applicable law, without the consent of, or notice to, the other Agent or the Revolving Credit Claimholders or the Term Loan Claimholders (as the case may be), without incurring any liabilities to such Persons and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:

(1) change the manner, place or terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Agents or any rights or remedies under any of the Revolving Credit Loan Documents or the Term Loan Documents; provided that any such increase in the Revolving Credit Obligations or the Term Loan Obligations, as applicable, shall not increase the sum of the Indebtedness (as defined in the Revolving Credit Agreement or Term Loan Agreement, as applicable) constituting principal under the Revolving Credit Agreement or Term Loan Agreement, as applicable, and (in the case of the Revolving Credit Obligations), the face amount of any letters of credit issued under the Revolving Credit Agreement and not reimbursed to an amount in excess of the Revolving Credit Cap Amount or Term Loan Cap Amount, as applicable;

(2) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Grantor or any liability incurred directly or indirectly in respect thereof;

(3) settle or compromise any Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

(4) exercise or delay in or refrain from exercising any right or remedy against any security or any Grantor or any other Person, elect any remedy and otherwise deal freely with any Grantor.

(c) Except as otherwise provided herein, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, also agrees that the Term Loan Claimholders and the Term Loan Collateral Agent shall have no liability to the Revolving Credit Collateral Agent or any Revolving Credit Claimholders, and the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, hereby waives any claim against any Term Loan Claimholder or the Term Loan Collateral Agent, arising out of any and all actions which the Term Loan

Claimholders or the Term Loan Collateral Agent may take or permit or omit to take with respect to:

- (1) the Term Loan Documents;
- (2) the collection of the Term Loan Obligations; or
- (3) the foreclosure upon, or sale, liquidation or other disposition of, any Term Loan Primary Collateral. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that the Term Loan Claimholders and the Term Loan Collateral Agent have no duty to them in respect of the maintenance or preservation of the Term Loan Primary Collateral, the Term Loan Obligations or otherwise.

(d) Except as otherwise provided herein, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, also agrees that the Revolving Credit Claimholders and the Revolving Credit Collateral Agent shall have no liability to the Term Loan Collateral Agent or any Term Loan Claimholders, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Lenders, hereby waives any claim against any Revolving Credit Claimholder or the Revolving Credit Collateral Agent, arising out of any and all actions which the Revolving Credit Claimholders or the Revolving Credit Collateral Agent may take or permit or omit to take with respect to:

- (1) the Revolving Credit Loan Documents;
- (2) the collection of the Revolving Credit Obligations; or
- (3) the foreclosure upon, or sale, liquidation or other disposition of, any Revolving Credit Primary Collateral. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that the Revolving Credit Claimholders and the Revolving Credit Collateral Agent have no duty to them in respect of the maintenance or preservation of the Revolving Credit Primary Collateral, the Revolving Credit Obligations or otherwise.

(e) Until the Discharge of Term Loan Obligations, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Loan Primary Collateral or any other similar rights a junior secured creditor may have under applicable law.

(f) Until the Discharge of Revolving Credit Obligations, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders; agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with

respect to the Revolving Credit Primary Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional. All rights, interests, agreements and obligations of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders and the Term Loan Collateral Agent and the Term Loan Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Revolving Credit Loan Documents or any Term Loan Documents;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the Revolving Credit Obligations or Term Loan Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Revolving Credit Loan Document or any Term Loan Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Revolving Credit Obligations or Term Loan Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the Revolving Credit Collateral Agent, the Revolving Credit Obligations, any Revolving Credit Claimholder, the Term Loan Collateral Agent, the Term Loan Obligations or any Term Loan Claimholder in respect of this Agreement.

SECTION 8. Miscellaneous.

8.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any Revolving Credit Loan Document or any Term Loan Document, the provisions of this Agreement shall govern and control.

8.2 Effectiveness: Continuing Nature of this Agreement: Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the Revolving Credit Claimholders and Term Loan Claimholders may continue, at any time and without notice to any Agent, to extend credit and other financial accommodations and lend monies to or for the benefit of the any Grantor in reliance hereon. Each of the Agents, on behalf of itself and the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and

shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate 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. All references to the any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the Revolving Credit Collateral Agent, the Revolving Credit Claimholders and the Revolving Credit Obligations, on the date of the Discharge of Revolving Credit Obligations, subject to the rights of the Revolving Credit Claimholders under Section 6.4; and

(b) with respect to the Term Loan Collateral Agent, the Term Loan Claimholders and the Term Loan Obligations, on the date of the Discharge of Term Loan Obligations, subject to the rights of the Term Loan Claimholders under Section 6.4.

8.3 Amendments: Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the Term Loan Collateral Agent or the Revolving Credit Collateral Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent that such amendment, modification or waiver (i) adversely affects its rights hereunder, under the Term Loan Documents or under the Revolving Credit Loan Documents or (ii) imposes any additional obligation upon it.

8.4 Information Concerning Financial Condition of the Grantors and their Subsidiaries. The Revolving Credit Collateral Agent and the Revolving Credit Claimholders, on the one hand, and the Term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and their Subsidiaries and all endorsers and/or guarantors of the Revolving Credit Obligations or the Term Loan Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Revolving Credit Obligations or the Term Loan Obligations. Neither the Revolving Credit Collateral Agent and the Revolving Credit Claimholders, on the one hand, nor the term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders, on the one hand, or the Term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, undertakes at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation:

(a) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(b) to provide any additional information or to provide any such information on any subsequent occasion;

(c) to undertake any investigation; or

(d) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation.

(a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Term Loan Claimholders or the Term Loan Collateral Agent pays over to the Revolving Credit Collateral Agent or the Revolving Credit Claimholders under the terms of this Agreement, the Term Loan Claimholders and the Term Loan Collateral Agent shall be subrogated to the rights of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders; provided, however, that, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Revolving Credit Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Term Loan Collateral Agent or the Term Loan Claimholders that are paid over to the Revolving Credit Collateral Agent or the Revolving Credit Claimholders pursuant to this Agreement shall not reduce any of the Term Loan Obligations.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any of the Revolving Credit Claimholders or the Revolving Credit Collateral Agent pays over to the Term Loan Collateral Agent or the Term Loan Claimholders under the terms of this Agreement, the Revolving Credit Claimholders and the Revolving Credit Collateral Agent shall be subrogated to the rights of the Term Loan Collateral Agent and the Term Loan Claimholders; provided, however, that, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Term Loan Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders that are paid over to the Term Loan Collateral Agent or the Term Loan Claimholders pursuant to this Agreement shall not reduce any of the Revolving Credit Obligations.

8.6 SUBMISSION TO JURISDICTION; WAIVERS.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:

(1) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;

(2) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;

(3) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.7; AND

(4) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (3) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE; MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.6(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO IN THE EVENT

OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER REVOLVING CREDIT LOAN DOCUMENT OR TERM LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

8.7 Notices. All notices to the Term Loan Claimholders and the Revolving Credit Claimholders permitted or required under this Agreement shall also be sent to the Term Loan Collateral Agent and the Revolving Credit Collateral Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail 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 on the signature pages hereto, or, as to each party, at such other address as maybe designated by such party in a written notice to all of the other parties.

8.8 Further Assurances. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders under the Revolving Credit Loan Documents, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders under the Term Loan Documents, and the Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Revolving Credit Collateral Agent or the Term Loan Collateral Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

8.9 APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

8.10 Binding on Successors and Assigns. This Agreement shall be binding upon the Revolving Credit Collateral Agent, the Revolving Credit Claimholders, the Term Loan Collateral Agent, the Term Loan Claimholders and their respective successors and assigns.

8.11 Specific Performance. Each of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent may demand specific performance of this Agreement. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, hereby irrevocably waive any defense based on the adequacy of a

remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders or the Term Loan Collateral Agent or the Term Loan Claimholders, as the case may be.

8.12 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.13 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.14 Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.15 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the Agents, the Revolving Credit Claimholders and the Term Loan Claimholders. Nothing in this Agreement shall impair, as between the Grantors and the Revolving Credit Collateral Agent and the Revolving Credit Claimholders, or as between the Grantors and the Term Loan Collateral Agent and the Term Loan Claimholders, the obligations of the Grantors to pay principal, interest, fees and other amounts as provided in the Revolving Credit Loan Documents and the Term Loan Documents, respectively.

8.16 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders on the one hand and the Term Loan Collateral Agent and the Term Loan Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Revolving Credit Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

IN WITNESS WHEREOF, the parties hereto have executed this Intercreditor Agreement as of the date first written above.

J. CREW OPERATING CORP.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Arlene Hong, Esq.
Telecopier (212)209-8175
Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Sang Jin Han, Esq.
Telecopier: (212) 225-3999
Email: shan@cgsh.com

J. CREW GROUP, INC.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.

770 Broadway

New York, New York 10013

Attention: Arlene Hong, Esq.

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J. CREW INC.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
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New York, New York 10013
Attention: Arlene Hong, Esq.
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J. CREW INTERNATIONAL, INC.

By: _____ /s/ NICHOLAS P. LAMBERTI

Name: Nicholas P. Lamberti

Title: Vice President and Controller

c/o J. Crew Group, Inc.

770 Broadway

New York, New York 10013

Attention: Arlene Hong, Esq.

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New York, New York 10006

Attention: Sang Jin Han, Esq.

Telecopier: (212) 225-3999

Email: shan@cgsh.com

GRACE HOLMES, INC.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
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New York, New York 10013
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with a copy to:

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Attention: Sang Jin Han, Esq.
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Email: shan@cgsh.com

H.F.D. NO. 55, INC.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.

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MADEWELL INC.

By: _____ /s/ JAMES S. SCULLY

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
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Annex A

Revolving Credit Primary Collateral

The term "Revolving Credit Primary Collateral" shall mean all of the following property now owned or at any time hereafter acquired by the Company or any Guarantor, in which Company or any Guarantor now has or at any time in the future may acquire any right, title or interests:

(a) all present and future rights of Company and each Guarantor to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, and that (i) is for Inventory that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) is for services rendered or to be rendered, or (iii) arises out of the use of a credit or charge card or information contained on or for use with the card (such assets described in this paragraph (a) being referred to herein as "Accounts");

(b) all of Company's and each Guarantor's now owned and hereafter existing or acquired goods, wherever located, which (i) are held by Company or any Guarantor for sale or lease in the ordinary course of business or to be furnished under a contract of service in the ordinary course of business; or (ii) consist of raw materials, work in process, finished goods or materials used or consumed in its business (such assets described in this paragraph (b) being referred to herein as "Inventory");

(c) all real property, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, and any fixtures or equipment such as pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing incinerating, electrical, air conditioning and air cooling equipment and systems, pollution control equipment, security systems, disposals, water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, generators, UPS power, racks, HVAC, boilers, water heaters, light fixtures, ceiling and exhaust fans and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing;

(d) all chattel paper (including all tangible and electronic chattel paper) arising in connection with or related to any of the Accounts, Inventory or other Revolving Credit Primary Collateral, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(e) all instruments (including all promissory notes) arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the

sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(f) all documents arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property as defined in this Annex A (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(g) all deposit accounts and investment accounts used in connection with or related to any of the Accounts, Inventory or other Revolving Credit Primary Collateral (but excluding the Restricted Account as defined below);

(h) all letters of credit, banker's acceptances and similar instruments and including all letter of credit rights arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(i) all supporting obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices), including (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to such Revolving Credit Primary Collateral; (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party; (iii) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, other Revolving Credit Primary Collateral, including returned, repossessed and reclaimed goods; and (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors;

(j) all investment property (including securities, whether certificated or uncertificated, securities accounts, security entitlements, commodity contracts or commodity accounts, but excluding Pledged Stock as defined below and excluding investment property in the Restricted Account as defined below) and all monies, credit balances, deposits and other property of Company or any Guarantor now or hereafter held or received by or in transit to the Revolving Credit Collateral Agent or any Revolving Credit Lender or its affiliates or at any other depository or other institution from or for the account of the Company or any Guarantor, whether for safekeeping, pledge, custody, transmission, collection of otherwise;

(k) all commercial tort claims arising from or in connection with any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(l) to the extent not otherwise described above, (i) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (ii) all payment intangibles of Company or any Guarantor; (iii) letters of credit, indemnities, guarantees, security or other deposits and proceeds thereof issued payable to Company or any Guarantor or otherwise in favor of or delivered to Company or any Guarantor in connection with any Account; (iv) all other accounts, contract rights, chattel paper, instruments, notes, general intangibles and other forms of obligations owing to the Company or any Guarantor from the sale, lease or other disposition of any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, licensing of any other Revolving Credit Primary Collateral, rendition of services or otherwise relating to any Accounts, Inventory or other Revolving Credit Primary Collateral (including, without limitation, choses in action, causes of action, or other rights and claims of the Company or any Guarantor against carriers, shippers, processors, warehouses, bailees, custom brokers, freight forwarders, or other third parties at any time in possession or control of, or using, any of the other Revolving Credit Primary Collateral or any sellers of any other Revolving Credit Primary Collateral and refunds of sales, use or excise taxes arising from the sale or other disposition of Inventory or other Revolving Credit Primary Collateral);

(m) all books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, or any account debtor (including customer lists), together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of the Company or any Guarantor with respect to the foregoing maintained with or by any other person); and

(n) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Revolving Credit Primary Collateral.

For purposes of this Annex A, the following terms shall have the meanings given to them below:

(i) "Intellectual Property" shall have the meaning given to such term in Annex C to this Agreement.

(ii) "Pledged Stock" shall mean Collateral consisting of shares of capital stock of Company, any Guarantor or any Subsidiary of Company or any Guarantor (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in Company, any Guarantor or any Subsidiary of Company or any Guarantor and all securities convertible into or exchangeable for any of the foregoing and all warrants, options or other rights to purchase or subscribe for any of the foregoing, whether or not presently convertible, exchangeable or exercisable.

(iii) "Restricted Account" shall mean the investment account which is a restricted account maintained by Company with Term Loan Administrative Agent, an affiliate of Term Loan Administrative Agent or at a financial institution otherwise designated by Term Loan Administrative Agent into which Holdings or Company shall have deposited (a) proceeds of the Term Loan Agreement in an amount not less than the amount necessary to prepay or redeem any 9 ³/₄% Notes that shall remain outstanding immediately following the date of this Agreement and (b) such other amounts to be utilized for such purposes as expressly permitted under the Revolving Credit Agreement; and which investment account is established and used solely for the purpose of holding such proceeds and such other amounts and at all times shall be subject to the first priority perfected security interest of Term Loan Collateral Agent.

Annex B

Term Loan Primary Collateral

All Collateral other than Revolving Credit Primary Collateral.

B-1

Annex C

Intellectual Property

“Copyright Licenses” shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether the Company or any Guarantor that is party to the Term Loan Collateral Documents as a “grantor” is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(B) annexed to the Collateral Questionnaire (as defined in the Term Loan Collateral Documents, as in effect on the date hereof) (as such schedule may be amended or supplemented from time to time).

“Copyrights” shall mean all United States, and foreign copyrights, including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications referred to in Schedule 10(A) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Intellectual Property” shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

“Patent Licenses” shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(D) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Patents” shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 10(C) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all rights corresponding thereto throughout the world, (iv) all inventions and improvements described therein, (v) all rights to sue for past, present and future infringements thereof, (vi) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

“Proceeds” shall mean: all “proceeds” as defined in Article 9 of the UCC, and in any event, shall include, without limitation (i) payments or distributions made with respect to any Investment Related Property (as defined in the Term Loan Collateral Documents, as in effect on the date hereof) and (ii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

“Trademark Licenses” shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(F) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Trademarks” shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 10(E) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

EXHIBIT O
TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT
MASTER ASSIGNMENT AND RESIGNATION AGREEMENT

MASTER ASSIGNMENT AND RESIGNATION AGREEMENT

This Master Assignment and Resignation Agreement (this "Agreement") is entered into as of May 4, 2007, by and among Wachovia Bank, National Association, successor by merger to Congress Financial Corporation, as the administrative agent and as collateral agent (the "Agent"), and as a Lender (in such capacity, "Wachovia") under the Credit Agreement (as defined below), Citicorp, USA, Inc., as the successor administrative agent and collateral agent under the Credit Agreement ("Citicorp"), J. Crew Operating Corp., a Delaware corporation ("Operating"), J. Crew Inc., a New Jersey corporation ("J. Crew"), Grace Holmes, Inc., a Delaware corporation doing business as J. Crew Retail ("Retail"). H.F.D. No. 55, Inc., a Delaware corporation doing business as J. Crew Factory ("Factory"). Madewell Inc., a Delaware corporation ("Madewell", and together with Factory, J. Crew, Retail, and Operating, each individually a "Borrower" and collectively, the "Borrowers"), J. Crew Group, Inc., a Delaware corporation ("Holdings") and J. Crew International, Inc., a Delaware corporation ("JCI" and together with Holdings, each individually a "Guarantor" and collectively, the "Guarantors"), and the Lenders (defined below). Defined terms in the Credit Agreement have the same meanings where used herein, unless otherwise defined.

RECITALS

WHEREAS, the Borrowers, the Guarantors, the Agent, certain financial institutions party thereto (the "Lenders") and Bank of America, as the Syndication Agent, are parties to that certain Amended and Restated Loan and Security Agreement, dated as of December 23, 2004 (as amended, modified, or supplemented prior to the Effective Date (as defined in Section 6 below), the "Credit Agreement");

WHEREAS, each Lender has assigned all of its right, title and interest, in its pro rata share of the Revolving Loans and the Commitments to Wachovia pursuant to various Assignment and Acceptance Agreements between Wachovia and each such Lender (the "Lenders' Assignment and Acceptance Agreement");

WHEREAS, the Agent wishes to resign as Agent under the Credit Agreement and Wachovia wishes to appoint Citicorp as successor administrative agent and collateral agent (the "Successor Agent");

WHEREAS, in connection with that certain Assignment and Acceptance Agreement (as defined below), by and between Wachovia and Citicorp, Wachovia desires to sell and assign, and Citicorp agrees to purchase, all of the outstanding Revolving Loans and all Commitments under the Credit Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

1. Resignation and Appointment.

(a) As of the Effective Date (as defined in Section 6 below), Wachovia resigns as the Agent under the Credit Agreement. The Agent agrees to execute all documents necessary or appropriate to evidence the appointment of Citicorp as the Successor Agent. The parties hereto hereby confirm that all of the provisions of the Credit Agreement, including, without

limitation, *Section 12 (The Agent) and Section 11.15 (Indemnification)* to the extent they pertain to the retiring Agent, shall survive the Agent's resignation hereunder, and inure to the benefit of the Agent. Notwithstanding any of the foregoing, Citicorp shall not be liable for any actions taken or omitted to be taken by the Agent nor for any actions taken or omitted to be taken by the Agent pursuant to this Agreement.

(b) As of the Effective Date, the Agent hereby assigns all Liens and security interests under the Credit Agreement and the other Assigned Financing Agreements (as defined in Section 3 below) to Citicorp, as Successor Agent, including, without limitation, all Liens with respect to Intellectual Property filed with the United States Patent and Trademark Office and the United States Copyright Office. Notwithstanding anything contained herein or in any other Assigned Financing Agreements, all of such Liens and security interests shall in all respects be continuing and in effect and are reaffirmed pursuant to the Assigned Financing Agreements.

2. Purchase. As of the Effective Date, Wachovia agrees to sell (pursuant to the Assignment and Acceptance Agreement (defined below)) to Citicorp, and Citicorp agrees to purchase and assume, all of Wachovia's right, title and interest as Lender in all of the Revolving Loans and Commitments and related rights and obligations pursuant to the Assigned Financing Agreements.

3. Assigned Financing Agreements. The parties agree that all rights and obligations respectively assigned to, and assumed by, Citicorp, pursuant to this Agreement and the transactions contemplated hereby, shall not include any rights or obligations of the Agent pursuant to any fee letter. The Credit Agreement and the other Financing Agreements, excluding any fee letter to the extent set forth in the preceding sentence, are referred to herein as the "Assigned Financing Agreements".

4. Representations and Warranties of the Agent, Wachovia and Citicorp.

(a) The Agent hereby represents and warrants that it is legally authorized to enter into and has duly executed and delivered this Agreement

(b) Wachovia hereby represents that it is legally authorized to enter into and has duly executed and delivered this Agreement.

(c) Citicorp hereby represents and warrants that it is legally authorized to enter into and has duly executed and delivered this Agreement.

(d) This Agreement is hereby made by Wachovia at the joint request of Citicorp, the Borrowers and the Guarantors and is made without representation or warranty of any kind, nature or description and without recourse to Wachovia under any circumstances. Without limiting the generality of the foregoing, Citicorp acknowledges that Wachovia has made no representation or warranty as to the financial condition of the Borrowers and the Guarantors or account debtors, values, quality, quantities or locations of inventory or other assets or the collectibility or realizability of any Collateral or any Obligations or as to the legality, validity, enforceability, perfection or priority of any Obligations or Collateral. Citicorp acknowledges that it has made, to the extent determined by Citicorp to be necessary or prudent, its own independent investigation and determination of the foregoing matters and all other matters pertaining to the assignment made hereby.

5. Representations and Warranties of Borrowers and each Guarantor. Each of the Borrowers and each Guarantor hereby represents and warrants that:

(a) after giving effect to this Agreement, no Default or Event of Default has occurred and is continuing;

(b) each Borrower and each Guarantor has the power, and has been duly authorized by all requisite action, to execute and deliver this Agreement and the other documents and agreements executed and delivered in connection herewith to which it is a party. This Agreement has been duly executed by each Borrower and each Guarantor and the other documents and agreements executed and delivered in connection herewith to which any Borrower or a Guarantor is a party have been duly executed and delivered by each Borrower and each Guarantor, as applicable;

(c) this Agreement is the legal, valid and binding obligation of each Borrower and each Guarantor, the other documents and agreements executed or delivered in connection herewith to which any Borrower or Guarantor is a party are the legal, valid and binding obligations of each such Borrower or Guarantor, in each case enforceable against such Borrower and Guarantor in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and subject to general equitable principles which may limit the right to obtain equitable remedies; and

(d) the execution, delivery and performance of this Agreement and the other documents and agreements executed and delivered in connection therewith do not and will not (i) violate any law, rule, regulation or court order to which any Borrower or Guarantor is subject or (ii) conflict with or result in a breach of the constituent documents of any Borrower or any Guarantor or any other agreement or instrument to which it is party or by which the properties of any Borrower or Guarantor is bound.

6. Conditions Precedent to Effectiveness. The obligations of the parties hereto set forth in Sections 1 and 2 hereof shall become effective immediately upon the date (the "Effective Date") when each of the following conditions shall first have been satisfied:

(a) Each of the parties hereto shall have executed and delivered this Agreement;

(b) Each of Citicorp and Wachovia shall have executed and delivered to each other counterparts of an assignment and acceptance agreement, in the form attached hereto as Exhibit A (the "Assignment and Acceptance Agreement"), for the assignment of all outstanding Revolving Loans and Commitments under the Credit Agreement from Wachovia to Citicorp;

(c) Wachovia shall have received payment in immediately available funds from the Borrowers all costs, expenses and other amounts payable pursuant to the Assigned Financing Agreements, as set forth on Schedule 1 hereto, in each case to the account(s) specified on Schedule 1 hereto;

(d) Citicorp shall have received from the Agent and the Lenders copies of all administrative documentation with respect to the Financing Agreements, including but not

limited to such tax forms, statements of loan balances and statements of accrued interest, fees and expenses, as Citicorp shall reasonably request; and

(e) Wachovia shall have received the fully executed Lenders' Assignment and Acceptance Agreement.

7. Further Assurances.

(a) Without limiting their obligations in any way under any of the Financing Agreements, the Borrowers and the Guarantors reaffirm and acknowledge their obligations to Citicorp as the Successor Agent with respect to the Credit Agreement and the other Financing Agreements.

(b) The Agent agrees that, following the Effective Date, it shall (i) furnish, at Borrowers' expense, additional releases, termination statements and such other documents, instruments and agreements as are customary and may be reasonably requested by Successor Agent in order to effect and evidence more fully the matters covered hereby and (ii) deliver to Successor Agent all original stock certificates, instruments, promissory notes and other property of Holdings or any of its Subsidiaries held by the Agent to the extent such relate to any of the Financing Agreements. The Agent authorizes the Borrowers, the Guarantors and the Successor Agent (and their respective counsel) to prepare and file such UCC financing statements and amendments under the Uniform Commercial Code in the offices and jurisdictions that Successor Agent deems necessary or appropriate to evidence the matters referred to herein.

8. Consent.

(a) The Agent and Wachovia, hereby (x) consent to the Agent's resignation and Successor Agent's appointment and (y) waive any requirements that may have not been met under the Credit Agreement (including under Section 12.13) with respect to the above resignation and appointment.

(b) The parties hereto consent to the conveyance by Holdings to J. Crew of all right, title and interest of Holdings to the Trust Property (as defined in that certain Deed of Trust, Assignment of Lease and Rents, Security Agreement and Fixture Filing dated as of December 23, 2002 (as amended) by and from Holdings and J. Crew to Caskie & Frost, for the benefit of Wachovia Bank, National Association, successor by merger to Congress Financial Corporation, as Agent, filed as Instrument No. 020013872 in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia).

9. Release. Borrowers and Guarantors hereby release, discharge and acquit the Agent, Lenders and their respective officers, directors, agents and employees and their respective successors and assigns, from (a) all obligations to Borrowers and Guarantors (and their respective successors and assigns) and (b) any and all claims, demands, debts, accounts, contracts, liabilities, actions and causes of actions, whether in law or in equity, that any Borrower or Guarantor at any time had or has, or that its successors and assigns hereafter can or may have against the Agent, any Lender or any of their respective officers, directors, agents or employees and their respective successors and assigns, in the case of each of *clauses (a) and (b)*, to the extent arising in connection with or relating in any way to the Credit Agreement.

10. Effect of Agreement. The parties hereto acknowledge that (i) the execution and performance of this Agreement and the other documents referenced herein shall constitute an assignment of the Revolving Loans under the Financing Agreements and shall not constitute a repayment thereof or a “Discharge of Revolving Credit Obligations” as defined in the Term Loan Intercreditor Agreement, and (ii) Wachovia shall have no obligation to provide any further financial accommodations to or for the benefit of the Borrowers or its Affiliates pursuant to the Financing Agreements.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Agent, Wachovia and Citicorp and shall be binding upon the successors and assigns of the Borrowers and each Guarantor.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall be one and the same instrument.

13. Headings. The paragraph headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

14. Interpretation. This Agreement is a Financing Agreement for the purposes of the Credit Agreement.

15. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS SET FORTH IN THE CREDIT AGREEMENT.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

WACHOVIA BANK, NATIONAL ASSOCIATION,
(as successor in interest to CONGRESS FINANCIAL CORPORATION)
individually and as Agent and Lender

By: _____ /S/ SANG KIM
Name: Sang Kim
Title: Vice President

CITICORP USA, INC.,
individually and as Successor Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

**WACHOVIA BANK, NATIONAL
ASSOCIATION,**
(as successor in interest to CONGRESS
FINANCIAL CORPORATION)
individually and as Agent and Lender

By: _____
Name:
Title:

CITICORP USA, INC.,
individually and as Successor Agent

By: _____ /S/ THOMAS. M. HALSCH
Name: Thomas. M. Halsch
Title: Director

[SIGNATURE PAGE TO MASTER ASSIGNMENT AND RESIGNATION AGREEMENT]

Acknowledged and accepted as of the date first written above:

BORROWERS

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.

By: _____ /S/ JAMES S. SCULLY
Name: James S. Scully
Title: Chief Financial Officer

GUARANTORS

J. CREW GROUP, INC.

By: _____ /S/ JAMES S. SCULLY
Name: James S. Scully
Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: _____ /S/ NICHOLAS P. LAMBERTI
Name: Nicholas P. Lamberti
Title: Vice President and Controller

Existing Amounts

	<u>Amount</u>
Principal	\$882,381.05
Interest	\$202.21
Unused Line Fee	\$4,280.07
Monthly Service Fee	\$4,000.00
L/C Fees	\$5,171.88
Assignment Fee	\$5,000.00
Legal Reserve	\$60,000.00
Early Termination Fee	\$137,500.00
Total Amount Owed under the Credit Agreement:	\$1,098,535.21

Wire Transfer Information for the Payoff

Amount: _____
Credit Bank: _____
ABA# _____
For Credit To: _____
Account No. _____
For Further Credit To: _____
Account No. _____
Att: _____
Ref: _____

Assignment and Acceptance Agreement

ASSIGNMENT AND ACCEPTANCE AGREEMENT

This ASSIGNMENT AND ACCEPTANCE AGREEMENT (this "Assignment and Acceptance") dated as of May 4, 2007 is made between Wachovia Bank, National Association (the "Assignor") and Citicorp USA, Inc. (the "Assignee").

W I T N E S S E T H:

WHEREAS, Wachovia Bank, National Association, in its capacity as administrative agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Administrative Agent"), Bank of America, N.A., in its capacity as syndication agent pursuant to the Loan Agreement acting for and on behalf of the parties thereto as lenders (in such capacity, "Syndication Agent"), Assignor, successor by merger to Congress Financial Corporation, in its capacity as collateral agent pursuant to the Loan Agreement acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), Wachovia Capital Markets, LLC, in its capacity as sole lead arranger and sole bookrunner (in such capacity, "Arranger"), and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered into financing arrangements pursuant to which Administrative Agent, Syndication Agent, Agent and Lenders may make loans and advances and provide other financial accommodations to J. Crew Operating Corp., J. Crew, Inc., Grace Holmes, Inc. d/b/a J. Crew Retail, and HFD No. 55, Inc. d/b/a J. Crew Factory (collectively, "Borrowers") as set forth in the Amended and Restated Loan and Security Agreement, dated December 23, 2004, by and among Borrowers, certain of their affiliates, Administrative Agent, Syndication Agent, Agent, Arranger and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements");

WHEREAS, as provided under the Loan Agreement, Assignor committed to making Revolving Loans (the "Committed Loans") to Borrowers in an aggregate amount not to exceed \$170,000,000 (the "Commitment");

WHEREAS, Assignor wishes to assign to Assignee all rights and obligations of Assignor under the Loan Agreement in respect of its Commitment in an amount equal to \$170,000,000 (the "Assigned Commitment Amount") on the terms and subject to the conditions set forth herein and in the Master Assignment and Resignation Agreement, dated of even date herewith (the "Master Assignment Agreement") to which the undersigned are parties, and Assignee wishes to accept assignment of such rights and to assume such obligations from Assignor on such terms and subject to such conditions;

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

1. Assignment and Acceptance.

(a) Subject to the terms and conditions of this Assignment and Acceptance, Assignor hereby sells, transfers and assigns to Assignee, and Assignee hereby purchases, assumes and undertakes from Assignor, without recourse and without representation or warranty (except as provided in this Assignment and Acceptance) an interest in (i) the Commitment and each of the Committed Loans of Assignor and (ii) all related rights, benefits, obligations, liabilities and indemnities of the Assignor under and in connection with the Loan Agreement and the other Financing Agreements, so that after giving effect thereto, the Commitment of Assignee shall be as set forth below and the Pro Rata Share of Assignee shall be one hundred (100%) percent.

(b) With effect on and after the Effective Date (as defined in Section 5 hereof), Assignee shall be a party to the Loan Agreement and succeed to all of the rights and be obligated to perform all of the obligations of a Lender under the Loan Agreement, including the requirements concerning confidentiality and the payment of indemnification, with a Commitment in an amount equal to the Assigned Commitment Amount. It is the intent of the parties hereto that the Commitment of Assignor shall, as of the Effective Date, be reduced by an amount equal to the Assigned Commitment Amount and Assignor shall relinquish its rights and be released from its obligations under the Loan Agreement to the extent such obligations have been assumed by Assignee; provided, that, Assignor shall not relinquish its rights under Sections 2.1, 6.4, 6.8 and 6.9 of the Loan Agreement to the extent such rights relate to the time prior to the Effective Date.

(c) After giving effect to the assignment and assumption set forth herein, on the Effective Date Assignee's Commitment will be \$170,000,000.

(d) After giving effect to the assignment and assumption set forth herein, on the Effective Date Assignor's Commitment will be \$0 (as such amount may be further reduced by any other assignments by Assignor on or after the date hereof).

2. Payments.

(a) In connection with the sale, assignment and transfer contemplated in Section 1 hereof, Borrowers have repaid to Agent the sum of \$1,098,535.21, representing Assignee's Pro Rata Share of the amounts set forth on Schedule 1 of the Master Assignment Agreement immediately prior to giving effect to such payment.

(b) Assignee shall pay to Agent the processing fee in the amount specified in Section 14.7(a) of the Loan Agreement.

3. Reallocation of Payments. Any interest, fees and other payments accrued to the Effective Date with respect to the Commitment, Committed Loans and outstanding Letter of Credit Accommodations shall be for the account of Assignor. Any interest, fees and other payments accrued on and after the Effective Date with respect to the Assigned Commitment

Amount shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other party any interest, fees and other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and pay to the other party any such amounts which it may receive promptly upon receipt.

4. Independent Credit Decision. Assignee acknowledges that it has received a copy of the Loan Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements of J. Crew Group, Inc. and its Subsidiaries, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Assignment and Acceptance and agrees that it will, independently and without reliance upon Assignor, Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Loan Agreement.

5. Effective Date; Notices.

(a) As between Assignor and Assignee, the effective date for this Assignment and Acceptance shall be May 4, 2007 (the "Effective Date"); provided, that, the following conditions precedent have been satisfied on or before the Effective Date:

(i) this Assignment and Acceptance shall be executed and delivered by Assignor and Assignee;

(ii) the consent of Agent as required for an effective assignment of the Assigned Commitment Amount by Assignor to Assignee shall have been duly obtained and shall be in full force and effect as of the Effective Date;

(iii) written notice of such assignment, together with payment instructions, addresses and related information with respect to Assignee, shall have been given to Borrower Agent and Agent;

(iv) Assignee shall pay to Assignor all amounts due to Assignor under this Assignment and Acceptance; and

(v) the processing fee referred to in Section 2(b) hereof shall have been paid to Agent.

(b) Promptly following the execution of this Assignment and Acceptance, Assignor shall deliver to Borrower Agent and Agent for acknowledgment by Agent, a Notice of Assignment in the form attached hereto as Schedule 1.

6. Withholding Tax. Assignee (a) represents and warrants to Assignor, Agent and Borrowers that under applicable law and treaties no tax will be required to be withheld by Assignee, Agent or Borrowers with respect to any payments to be made to Assignee hereunder or under any of the Financing Agreements, (b) agrees to furnish (if it is not a "United States Person" as such term is defined in Section 7701(a)(30) of the Code) to Agent and Borrowers prior to the time that Agent or Borrowers are required to make any payment of principal, interest or fees hereunder, duplicate executed originals of either U.S. Internal Revenue Service Form W-8

ECI or U.S. Internal Revenue Service Form W-8 BEN (wherein Assignee claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) and agrees to provide new Forms W-8 ECI or W-8 BEN upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by Assignee, and (c) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

7. Representations and Warranties.

(a) Assignor represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any security interest, lien, encumbrance or other adverse claim, (ii) it is duly organized and existing and it has the full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance and to fulfill its obligations hereunder, (iii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance, and apart from any agreements or undertakings or filings required by the Loan Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance, and (iv) this Assignment and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of Assignor, enforceable against Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles.

(b) Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or any of the other Financing Agreements or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other instrument or document furnished pursuant thereto. Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of Borrowers, Guarantors or any of their respective Affiliates, or the performance or observance by Borrowers, Guarantors or any other Person, of any of its respective obligations under the Loan Agreement or any other instrument or document furnished in connection therewith.

(c) Assignee represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance, and to fulfill its obligations hereunder, (ii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance, and apart from any agreements or undertakings or filings required by the Loan Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; and (iii) this Assignment

and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of Assignee, enforceable against Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights to general equitable principles.

8. Further Assurances. Assignor and Assignee each hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Assignment and Acceptance, including the delivery of any notices or other documents or instruments to Borrowers or Agent, which may be required in connection with the assignment and assumption contemplated hereby.

9. Miscellaneous.

(a) Any amendment or waiver of any provision of this Assignment and Acceptance shall be in writing and signed by the parties hereto. No failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof and any waiver of any breach of the provisions of this Assignment and Acceptance shall be without prejudice to any rights with respect to any other for further breach thereof.

(b) All payments made hereunder shall be made without any set-off or counterclaim.

(c) Assignor and Assignee shall each pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Assignment and Acceptance.

(d) This Assignment and Acceptance may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

(e) THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. Assignor and Assignee each irrevocably submits to the non-exclusive jurisdiction of any State or Federal court sitting in New York County, New York over any suit, action or proceeding arising out of or relating to this Assignment and Acceptance and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court. Each party to this Assignment and Acceptance hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

(f) ASSIGNOR AND ASSIGNEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ASSIGNMENT AND ACCEPTANCE, THE LOAN AGREEMENT, ANY OF THE OTHER FINANCING AGREEMENTS OR ANY RELATED DOCUMENTS AND AGREEMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING, OR STATEMENTS (WHETHER ORAL OR WRITTEN).

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment and Acceptance to be executed and delivered by their duly authorized officers as of the date first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Sang Kim

Title: Vice President

CITICORP USA, INC.

By: _____

Title: _____

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment and Acceptance to be executed and delivered by their duly authorized officers as of the date first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____

Title: _____

CITICORP USA, INC.

By: /s/ Marcus Wunderlich

MARCUS WUNDERLICH

Title: Vice President

SCHEDULE 1

NOTICE OF ASSIGNMENT AND ACCEPTANCE

May 4, 2007

Wachovia Bank, National Association
1133 Avenue of the Americas
New York, New York 10036
Attn.: Portfolio Manager

Re: J. Crew

Ladies and Gentlemen:

Wachovia Bank, National Association, successor to Congress Financial Corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Agent"), Wachovia Bank, National Association, in its capacity as arranger pursuant to the Loan Agreement (in such capacity, "Arranger") and the financial institutions which are parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered into financing arrangements pursuant to which Agent and Lenders may make loans and advances and provide other financial accommodations to J. Crew Operating Corp., J. Crew, Inc., Grace Holmes, Inc. d/b/a J. Crew Retail, and HFD No. 55, Inc. d/b/a J. Crew Factory (collectively, "Borrowers") as set forth in the Amended and Restated Loan and Security Agreement, dated December 23, 2004, by and among Borrowers, certain of their affiliates, Agent and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement.

1. We hereby give you notice of, and request your consent to, the assignment by Wachovia Bank, National Association (the "Assignor") to Citicorp USA, Inc. (the "Assignee") such that after giving effect to the assignment Assignee shall have an interest equal to one hundred (100%) percent of the total Commitments pursuant to the Assignment and Acceptance Agreement attached hereto (the "Assignment and Acceptance"). We understand that the Assignor's Commitment shall be reduced by \$170,000,000 to zero (0).

2. Assignee agrees that, upon receiving the consent of Agent to such assignment, Assignee will be bound by the terms of the Loan Agreement as fully and to the same extent as if the Assignee were the Lender originally holding such interest under the Loan Agreement.

3. The following administrative details apply to Assignee:

- (A) Notice address:
Wachovia Bank, National Association
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telephone No.: 212-840-2000
Telecopy No.: 212-545-4283
- (B) Payment instructions:
Account No.: 5000000030279
ABA No.: 053-000-219
Account Name: Wachovia Capital Finance
At: Wachovia Bank, N.A., Charlotte, N.C.
Reference: J. Crew Group, Inc.

4. You are entitled to rely upon the representations, warranties and covenants of each of Assignor and Assignee contained in the Assignment and Acceptance.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Notice of Assignment and Acceptance to be executed by their respective duly authorized officials, officers or agents as of the date first above mentioned.

Very truly yours,

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Sang Kim

Title: Vice President

CITICORP USA, INC.

By: _____

Title: _____

ACKNOWLEDGED AND ASSIGNMENT CONSENTED
TO:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent

By: /s/ Sang Kim

Title: Vice President

IN WITNESS WHEREOF, Assignor and Assignee have caused this Notice of Assignment and Acceptance to be executed by their respective duly authorized officials, officers or agents as of the date first above mentioned.

Very truly yours,

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Sang Kim

Title: Vice President

CITICORP USA, INC.

By: /s/ Marcus Wunderlich

MARCUS WUNDERLICH

Title: Vice President

ACKNOWLEDGED AND ASSIGNMENT CONSENTED
TO:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent

By: /s/ Sang Kim

Title: Vice President

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Dated as of May 4, 2007

among

**J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC. D/B/A J. CREW RETAIL
H.F.D. NO. 55, INC. D/B/A J. CREW FACTORY
MADEWELL INC.
J. CREW GROUP, INC.
J. CREW INTERNATIONAL, INC.**

as Grantors

and

**Each Other Grantor
From Time to Time Party Hereto**

and

**CITICORP USA, INC.
*as Administrative Agent***

**WEIL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NEW YORK 10153-0119**

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AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT, dated as of May 4, 2007, by J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("J. Crew"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP INC. ("*Holdings*"), J. CREW INTERNATIONAL, INC. ("*JCI*"), a "*Guarantor*" and together with Holdings, the "*Guarantors*") and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 7.11 (Additional Grantors)* (each a "*Grantor*" and, collectively, with the Borrowers and the Guarantors, the "*Grantors*"), in favor of Citicorp USA, Inc. ("*CUSA*"), as agent (in such capacity, the "*Administrative Agent*") for the Secured Parties (as defined in the Credit Agreement referred to below).

WITNESSETH:

WHEREAS, the Borrowers, the Guarantors, the lenders and issuers from time to time party thereto, Wachovia Bank, National Association, as administrative agent (the "*Existing Agent*"), Congress Financial Corporation, as collateral agent (the "*Existing Collateral Agent*"), Bank of America, as the syndication agent and certain other parties thereto, are parties to the Amended and Restated Loan and Security Agreement, dated as of December 23, 2004 (as amended, modified, or supplemented prior to the Effective Date (as defined below), the "*Existing Credit Agreement*");

WHEREAS, the Existing Agent and the Existing Collateral Agent desire to resign from each of their respective capacities as administrative agent and collateral agent under the Existing Credit Agreement, and Citicorp desires to be appointed as the successor Administrative Agent and as Swing Loan Lender and as Collateral Agent under the Credit Agreement, each effective as of the Effective Date (as defined below), pursuant to a master assignment and resignation agreement dated on or prior to the date hereof (the "*Master Assignment and Resignation Agreement*"), among the Existing Agent, the Existing Collateral Agent, Citicorp, the Borrowers and the other Loan Parties; and

WHEREAS, the Borrowers, the Guarantors, the Lenders and the Issuers have entered into the Second Amended and Restated Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, modified, increased, renewed, refunded, replaced or refinanced from time to time, the "*Credit Agreement*") which amends and restates, together with this Agreement, the Existing Credit Agreement in its entirety;

WHEREAS, the Grantors are party to the Guaranty pursuant to which they have guaranteed the Obligations;

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent;

WHEREAS, the Loan Parties hereby reaffirm the Liens granted pursuant to the Financing Agreements (as defined in the Existing Credit Agreement) to the Existing Agent for the benefit of the Secured Parties (as defined in the Existing Credit Agreement), which Liens shall continue in full force and effect during the term of this Agreement and any renewals thereof and

shall cover the collateral securing the Obligations (as defined in the Existing Credit Agreement) under the Financing Agreements (as defined under the Existing Credit Agreement) and shall continue to secure the Secured Obligations; and

WHEREAS, each Grantor will receive substantial direct and indirect benefits from the making of the Loans, the issuance of the Letters of Credit and the granting of the other financial accommodations to the Borrowers under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the Issuers and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders and the Issuers to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

ARTICLE I DEFINED TERMS

Section 1.1 Definitions

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein have the meanings given to them in the Credit Agreement.

(b) Terms used herein without definition that are defined in the UCC have the meanings given to them in the UCC, including the following terms (which are capitalized herein):

“Account Debtor”
“Account”
“Certificated Security”
“Chattel Paper”
“Commercial Tort Claim”
“Commodity Account”
“Deposit Account”
“Documents”
“Entitlement Holder”
“Entitlement Order”
“Equipment”
“Financial Asset”
“General Intangible”
“Goods”
“Instruments”
“Inventory”
“Investment Property”
“Letter-of-Credit Right”
“Proceeds”
“Securities Account”
“Securities Intermediary”
“Security”
“Security Entitlement”
“Supporting Obligation”

(c) The following terms shall have the following meanings:

“Additional Pledged Collateral” means any Pledged Collateral acquired by any Grantor after the date hereof (subject to *Section 7.11 (Additional Collateral and Guaranties)* of the Credit Agreement) and in which a security interest is granted pursuant to *Section 2.2 (Grant of Security Interest in Collateral)*, including, to the extent a security interest is granted therein pursuant to *Section 2.2 (Grant of Security Interest in Collateral)*, (i) all Stock and Stock Equivalents of any Person that are acquired by any Grantor after the date hereof, together with all certificates, instruments or other documents representing any of the foregoing and all Security Entitlements of any Grantor in respect of any of the foregoing, (ii) all additional Indebtedness from time to time owed to any Grantor by any obligor on the Pledged Debt Instruments and the Instruments evidencing such Indebtedness and (iii) all interest, cash, Instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the foregoing. *“Additional Pledged Collateral”* may be General Intangibles, Instruments or Investment Property.

“Agreement” means this Pledge and Security Agreement.

“Collateral” has the meaning specified in *Section 2.1 (Collateral)*.

“Deposit Account Control Agreement” means a letter agreement, substantially in the form of *Annex 1 (Form of Deposit Account Control Agreement)* (with such changes as may be agreed to by the Administrative Agent), executed by the Grantor, the Administrative Agent and the relevant financial institution; *provided, however*, that the deposit account control agreements executed and delivered in connection with the Existing Credit Agreement shall also be included in this definition.

“Excluded Property” means, collectively, (i) any rights or interests in any contract, lease, permit, license, charter or license agreement covering real or personal property, as such, if under the terms of such contract, lease, permit, license, charter or license agreement, or applicable law with respect thereto, the valid grant of a security interest or lien therein to Administrative Agent is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, lease, permit, license, charter or license agreement has not been or is not otherwise obtained or under applicable law such prohibition cannot be waived; *provided*, that, the foregoing exclusion shall in no way be construed (A) to apply if any such prohibition is unenforceable under Sections 9-406, 9-407 or 9-408 of the UCC or other applicable law or (B) so as to limit, impair or otherwise affect Administrative Agent’s unconditional continuing security interests in and liens upon any rights or interests of a Grantor in or to monies due or to become due under any such contract, lease, permit, license, charter or license agreement (including any Receivables) and (ii) the Stock of J. Crew Japan, Inc. (*“ J. Crew Japan ”*).

“Intellectual Property” shall mean, as to each Grantor, such Grantor’s now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright registrations, trademarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or the license of any trademark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

“*LLC*” means each limited liability company in which a Grantor has an interest, including those set forth on *Schedule 2 (Pledged Collateral)*.

“*LLC Agreement*” means each operating agreement with respect to a LLC, as each agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified from time to time.

“*Material Intellectual Property*” means Intellectual Property owned by or licensed to a Grantor and material to the conduct of any Grantor’s business.

“*Partnership*” means each partnership in which a Grantor has an interest, including those set forth on *Schedule 2 (Pledged Collateral)*.

“*Partnership Agreement*” means each partnership agreement governing a Partnership, as each such agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified.

“*Pledged Certificated Stock*” means all Certificated Securities and any other Stock and Stock Equivalent of a Person evidenced by a certificate, Instrument or other equivalent document, in each case owned by any Grantor, including all Stock listed on *Schedule 2 (Pledged Collateral)*.

“*Pledged Collateral*” means, collectively, the Pledged Stock, Pledged Debt Instruments, any other Investment Property of any Grantor, all Chattel Paper, certificates or other Instruments representing any of the foregoing and all Security Entitlements of any Grantor in respect of any of the foregoing. Pledged Collateral may be General Intangibles, Instruments or Investment Property.

“*Pledged Debt Instruments*” means all right, title and interest of any Grantor in Instruments evidencing any Indebtedness owed to such Grantor, including all Indebtedness described on *Schedule 2 (Pledged Collateral)*, issued by the obligors named therein.

“*Pledged Stock*” means all Pledged Certificated Stock and all Pledged Uncertificated Stock. For purposes of this Agreement, the term “*Pledged Stock*” shall not include any Excluded Equity.

“*Pledged Uncertificated Stock*” means any Stock or Stock Equivalent of any Person that is not a Pledged Certificated Stock, including all right, title and interest of any Grantor as a limited or general partner in any Partnership or as a member of any LLC and all right, title and interest of any Grantor in, to and under any Partnership Agreement or LLC Agreement to which it is a party.

“*Receivables*” means all of the following now owned or hereafter arising or acquired property of each Grantor: (a) all Accounts; (b) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (c) all payment intangibles of such Grantor; (d) letters of credit, indemnities, guarantees, security or other deposits and proceeds thereof issued payable to any Grantor or

otherwise in favor of or delivered to any Grantor in connection with any Account or any Credit Card Receivables; or (e) all other Accounts, contract rights, Chattel Paper, Instruments, notes, General Intangibles and other forms of obligations owing to any Grantor, whether from the sale and lease of goods or other property, licensing of any property (including Intellectual Property or other General Intangibles), rendition of services or from loans or advances by any Grantor or to or for the benefit of any third person (including loans or advances to any Affiliates or Subsidiaries of any Grantor) or otherwise associated with any Accounts, Inventory or General Intangibles of any Grantor (including, without limitation, choses in action, causes of action, tax refunds, tax refund claims, any funds which may become payable to any Grantor in connection with the termination of any Title IV Plan or other employee benefit plan and any other amounts payable to any Grantor from any Title IV Plan or other employee benefit plan, rights and claims against carriers and shippers, rights to indemnification, business interruption insurance and proceeds thereof, casualty or any similar types of insurance and any proceeds thereof and proceeds of insurance covering the lives of employees on which any Grantor is a beneficiary).

“*Records*” means, as to each Grantor, all of such Grantor’s present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Grantor with respect to the foregoing maintained with or by any other person).

“*Securities Account Control Agreement*” means a letter agreement, substantially in the form of *Annex 2 (Form of Securities Account Control Agreement)* (with such changes as may be agreed to by the Administrative Agent), executed by the relevant Grantor, the Administrative Agent and the relevant Approved Securities Intermediary; *provided, however*, that the securities account control agreements executed and delivered in connection with the Existing Credit Agreement shall also be included in this definition.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*UCC*” means the Uniform Commercial Code as from time to time in effect in the State of New York; *provided, however*, that, in the event that, by reason of mandatory provisions of law, any of the attachment, perfection or priority of the Administrative Agent’s and the Secured Parties’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “*UCC*” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

Section 1.2 Certain Other Terms

(a) 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 mean “to but excluding” and the word “*through*” means “to and including.”

(b) The terms “*herein*,” “*hereof*,” “*hereto*” and “*hereunder*” and similar terms refer to this Agreement as a whole and not to any particular Article, Section, subsection or clause in this Agreement.

(c) References herein to an Annex, Schedule, Article, Section, subsection or clause refer to the appropriate Annex or Schedule to, or Article, Section, subsection or clause in this Agreement.

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

(e) Where the context requires, provisions relating to any Collateral, when used in relation to a Grantor, shall refer to such Grantor's Collateral or any relevant part thereof.

(f) Any reference in this Agreement to a Financing Agreement shall include all appendices, exhibits and schedules thereto, and, unless specifically stated otherwise all amendments, restatements, supplements or other modifications thereto, and as the same may be in effect at any time such reference becomes operative.

(g) The term "*including*" means "including without limitation" except when used in the computation of time periods.

(h) The terms "*Lender*," "*Issuer*" "*Administrative Agent*" and "*Secured Party*" include their respective successors.

(i) References in this Agreement to any statute shall be to such statute as amended or modified and in effect from time to time.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.1 Collateral

For the purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "*Collateral*":

- (a) all Accounts;
- (b) all General Intangibles, including, without limitation, all Intellectual Property;
- (c) all Goods, including, without limitation, Inventory and Equipment;
- (d) all Real Property subject to the Mortgages and fixtures;
- (e) all Chattel Paper, including, without limitation, all tangible and electronic chattel paper;
- (f) all Instruments, including, without limitation, all promissory notes;
- (g) all Documents;
- (h) all Deposit Accounts;

(i) all letters of credit, banker's acceptances and similar instruments and including all Letter-of-Credit Rights;

(j) all Supporting Obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Receivables and other Collateral, including (A) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (B) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (C) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Receivables or other Collateral, including returned, repossessed and reclaimed goods, and (D) deposits by and property of Account Debtors or other persons securing the obligations of Account Debtors;

(k) all (A) Investment Property (including Securities, whether Certificated Securities or uncertificated Securities, Securities Accounts, Security Entitlements, commodity contracts or Commodity Accounts) and (B) monies, credit balances, deposits and other property of any Grantor now or hereafter held or received by or in transit to Administrative Agent, any Lender or its Affiliates or at any other depository or other institution from or for the account of any Grantor, whether for safekeeping, pledge, custody, transmission, collection or otherwise;

(l) all Commercial Tort Claims, including, without limitation, those described on *Schedule 7 (Commercial Tort Claims)* and on any supplement thereto received by the Administrative Agent pursuant to *Section 4.9 (Notice of Commercial Tort Claims)*;

(m) to the extent not otherwise described above, all Receivables;

(n) all Records; and

(o) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral;

provided, however, that "Collateral" shall not include any Excluded Property; and *provided, further*, that if and when any property shall cease to be Excluded Property, such property shall be deemed at all times from and after the date hereof to constitute Collateral.

Section 2.2 Grant of Security Interest in Collateral

To secure payment and performance of all Obligations, each Grantor hereby grants to Administrative Agent, for itself and the benefit of Lenders, a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to the Administrative Agent, for itself and the benefit of Lenders, as security (and hereby confirms, reaffirms and restates the prior grant thereof to the Existing Agent, for itself and Lenders, pursuant to the Existing Credit Agreement in favor of the Administrative Agent and the Secured Parties), the Collateral.

Section 2.3 Cash Collateral Accounts

The Administrative Agent has established a Deposit Account at Citibank, N.A., designated as "Citicorp USA, Inc. – J. Crew Cash Collateral Account". Such Deposit Account shall be a Cash Collateral Account.

ARTICLE III REPRESENTATIONS AND WARRANTIES

To induce the Lenders, the Issuers and the Administrative Agent to enter into the Credit Agreement, each Grantor hereby represents and warrants each of the following to the Administrative Agent, the Lenders, the Issuers and the other Secured Parties:

Section 3.1 Title; No Other Liens

Except for the Lien granted to the Administrative Agent pursuant to this Agreement and the other Liens permitted to exist on the Collateral under the Credit Agreement, such Grantor (a) is the record and beneficial owner of the Pledged Collateral pledged by it hereunder constituting Instruments or Certificated Securities, (b) is the Entitlement Holder of all such Pledged Collateral constituting Investment Property held in a Securities Account and (c) has rights in or the power to transfer each other item of Collateral in which a Lien is granted by it hereunder, free and clear of any other Lien, other than Liens permitted by *Section 8.2 (Liens, Etc.)* of the Credit Agreement.

Section 3.2 Perfection and Priority

The security interest granted pursuant to this Agreement shall constitute a valid and continuing perfected security interest in favor of the Administrative Agent in the Collateral for which perfection is governed by the UCC or filing with the United States Copyright Office upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion of the filings and other actions specified on *Schedule 3 (Filings)* (which, in the case of all filings and other documents referred to on such schedule, have been delivered to the Administrative Agent in completed and duly executed form), (ii) the delivery to the Administrative Agent of all Collateral consisting of Instruments and Certificated Securities, in each case properly endorsed for transfer to the Administrative Agent or in blank (it being acknowledged by the Administrative Agent that delivery of the Pledged Stock constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement), (iii) the execution of the Master Assignment and Resignation Agreement, (A) the assignment of existing Securities Account Control Agreements with respect to Investment Property not in certificated form that have been executed and delivered in connection with the Existing Credit Agreement and (B) the assignment of existing Deposit Account Control Agreements with respect to each Deposit Account of a Grantor with respect to which a Deposit Account Control Agreement is required by *Section 7.12 (Control Accounts; Approved Deposit Accounts)* of the Credit Agreement that have been executed and delivered in connection with the Existing Credit Agreement, and (iv) all appropriate filings having been made with the United States Copyright Office. Subject to the Intercreditor Agreement, such security interest shall be prior to all other Liens on the Collateral.

Section 3.3 Jurisdiction of Organization; Chief Executive Office

Such Grantor's jurisdiction of organization, legal name, organizational identification number, if any, and the location of such Grantor's chief executive office or sole place of business, in each case as of the date hereof, is specified on *Schedule 1 (Jurisdiction of Organization; Principal Executive Office)* and such *Schedule 1 (Jurisdiction of Organization; Principal Executive Office)* also lists all jurisdictions of incorporation, legal names and locations of such Grantor's chief executive office or sole place of business for the five years preceding the date hereof.

Section 3.4 Inventory and Equipment

On the date hereof, such Grantor's Inventory and Equipment (other than mobile goods and Inventory or Equipment in transit) are kept at the locations listed on *Schedule 4 (Location of Inventory and Equipment)* and such *Schedule 4 (Location of Inventory and Equipment)* also list the locations of such Inventory and Equipment for the five years preceding the date hereof.

Section 3.5 Pledged Collateral

(a) The Pledged Stock pledged hereunder by such Grantor is listed on *Schedule 2 (Pledged Collateral)* and constitutes that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on *Schedule 2 (Pledged Collateral)*.

(b) All of the Pledged Stock (other than Pledged Stock in limited liability companies and partnerships) has been duly authorized, validly issued and is fully paid and nonassessable.

(c) Subject to the Intercreditor Agreement, each of the Pledged Debt Instruments constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

(d) All Pledged Collateral and, if applicable, any Additional Pledged Collateral, consisting of Certificated Securities or Instruments has been delivered to the Administrative Agent in accordance with *Section 4.3(a) (Pledged Collateral)* and *Section 7.11* of the Credit Agreement (it being acknowledged by the Administrative Agent that delivery of all Certificated Securities constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement).

(e) All Pledged Collateral held by a Securities Intermediary in a Securities Account is subject to a Securities Account Control Account.

(f) Subject to the Intercreditor Agreement, other than Pledged Stock constituting General Intangibles, there is no Pledged Collateral other than that represented by Certificated Securities or Instruments in the possession of the Administrative Agent or that consist of Financial Assets held in a Securities Account that is subject to a Securities Account Control Agreement.

Section 3.6 Accounts

No amount payable to such Grantor under or in connection with any Account is evidenced by any Instrument or Chattel Paper that has not been delivered to the Administrative Agent, properly endorsed for transfer, to the extent delivery is required by *Section 4.3 (Pledged Collateral)*.

Section 3.7 Intellectual Property

(a) Each Grantor owns all right, title and interest in and to, or has valid and continuing rights to use, sell and license, all Intellectual Property used in the conduct of its business. *Schedule 5 (Intellectual Property)* lists all Intellectual Property owned by such Grantor that is the subject of a registration or application for registration in the United States or any foreign jurisdiction, and all other Material Intellectual Property of such Grantor on the date hereof, separately identifying that owned by such Grantor and that licensed to such Grantor. The Intellectual Property set forth on *Schedule 5 (Intellectual Property)* for such Grantor constitutes all of the intellectual property rights necessary to conduct its business.

(b) All Material Intellectual Property owned by such Grantor is valid, subsisting, unexpired and enforceable, has not been adjudged invalid and has not been abandoned, and to the knowledge of such Grantor, no third party is infringing, misappropriating, diluting or otherwise violating such Material Intellectual Property.

(c) Except as set forth in *Schedule 5 (Intellectual Property)*, none of the Material Intellectual Property owned by such Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) The operation and conduct of the business of such Grantor does not infringe, misappropriate, dilute or violate the intellectual property rights of any other Person.

(e) No holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of, or such Grantor's rights in, any Material Intellectual Property.

(f) No actions or proceedings seeking to limit, cancel or question the validity of any Intellectual Property owned by such Grantor or such Grantor's ownership interest therein is pending or, to the knowledge of such Grantor, threatened, that, in the aggregate, could reasonably be expected to have a Material Adverse Effect. There are no claims, judgments or settlements to be paid by such Grantor relating to the Intellectual Property that, in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 3.8 Deposit Accounts; Securities Accounts

The only Deposit Accounts or Securities Accounts maintained by any Grantor on the date hereof are those listed on Schedule 6 (*Bank Accounts; Control Accounts*).

Section 3.9 Commercial Tort Claims

The only Commercial Tort Claims in excess of \$1,000,000 of any Grantor existing on the date hereof (regardless of whether the amount, defendant or other material facts can be determined and regardless of whether such Commercial Tort Claim has been asserted, threatened or has otherwise been made known to the obligee thereof or whether litigation has been commenced for such claims) are those listed on *Schedule 7 (Commercial Tort Claims)*, which sets forth such information separately for each Grantor.

Section 3.10 Letters of Credit

[Intentionally Omitted].

Section 3.11 Collateral Access Agreements, Bailee Letters, etc.

Schedule 3.11 (Collateral Access Agreements, Bailee Letters, etc.) sets forth all collateral access agreements, bailee letters, third party agreements relating to the location of the Collateral, or equivalent documents of each Loan Party as of the date hereof. In the event that any Collateral is at any time after the date hereof located on premises (other than a store location or a factory store location) for which a collateral access agreement, bailee letter, third party agreement relating to the location of the Collateral, or equivalent document has not been obtained, Grantors shall promptly notify the Administrative Agent thereof in writing. Within 30 days of Administrative Agent's request, Grantors shall deliver to Administrative Agent a collateral access agreement, bailee letter, third party agreement relating to the location of the Collateral or equivalent document duly authorized, executed and delivered by such person and the Grantors that is the owner of such Collateral.

ARTICLE IV COVENANTS

Each Grantor agrees with the Administrative Agent to the following, as long as any Obligation or Revolving Credit Commitment remains outstanding and, in each case, unless the Requisite Lenders otherwise consent in writing:

Section 4.1 Maintenance of Perfected Security Interest; Further Documentation

(a) Such Grantor shall maintain the security interest created by this Agreement as a first priority perfected security interest, subject to the Intercreditor Agreement and shall defend such security interest and such priority against the claims and demands of all Persons.

(b) Such Grantor shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail and in form and substance reasonably satisfactory to the Administrative Agent.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further action as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including the filing of any financing or continuation statement under the UCC (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Deposit Account Control Agreements and Securities Account Control Agreements (other than with respect to those deposit accounts and securities accounts that are subject to existing Deposit Account Control Agreements and Securities Account Control Agreements as of the date hereof).

Section 4.2 Changes in Locations, Name, Etc.

(a) Except upon 30 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (i) all additional financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (ii) if applicable, a written supplement to *Schedule 4 (Location of Inventory and Equipment)* showing (A) any additional locations at which Inventory or Equipment shall be kept or (B) any changes in any location where Inventory or Equipment shall be kept that would require the Administrative Agent to take any action to maintain a perfected security interest in such Collateral, such Grantor shall not do any of the following:

(i) permit any Inventory or Equipment that, in the aggregate, has a Fair Market Value in excess of \$100,000, to be kept at a location other than those listed on *Schedule 4 (Location of Inventory and Equipment)*, except for: (a) Inventory or Equipment in transit, (b) Inventory sold in the ordinary course of such Grantor's business, (c) Equipment that is undergoing repairs or maintenance in the ordinary course of such Grantor's business and (d) Inventory or Equipment located at a store location or factory store location;

(ii) change its jurisdiction of organization or its location, in each case from that referred to in *Section 3.3 (Jurisdiction of Organization; Chief Executive Office)*; or

(iii) change its legal name or organizational identification number, if any, or corporation, limited liability company or other organizational structure to such an extent that any financing statement filed in connection with this Agreement would become seriously misleading.

Section 4.3 Pledged Collateral

Subject to the Intercreditor Agreement:

(a) Such Grantor shall (i) deliver to the Administrative Agent, all certificates and Instruments representing or evidencing any Pledged Collateral (including Additional Pledged Collateral), whether now existing or hereafter acquired, in suitable form for transfer by delivery or, as applicable, accompanied by such Grantor's endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent, together, in respect of any Additional Pledged Collateral, with a Pledge Amendment, duly executed by the Grantor, in substantially the form of *Annex 3 (Form of Pledge Amendment)*, an acknowledgment and agreement to a Joinder Agreement duly executed by the Grantor, in substantially the form in the form of *Annex 4 (Form of Joinder Agreement)*, or such other documentation acceptable to the Administrative Agent (it being acknowledged by the Administrative Agent that delivery of the Pledged Collateral constituting Term Loan Primary Collateral (as defined in the Intercreditor Agreement) is subject to the terms of the Intercreditor Agreement) and (ii) maintain all other Pledged Collateral constituting Investment Property in a Control Account. Such Grantor authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement. After the occurrence and during the continuation of an Event of Default, the Administrative Agent shall have the right, at any time in its discretion and without notice to the Grantor, to transfer to or to register in its name or in the name of its nominees any Pledged Collateral. The Administrative Agent shall have the right at any time to exchange any certificate or instrument representing or evidencing any Pledged Collateral for certificates or instruments of smaller or larger denominations.

(b) Except as provided in *Article V (Remedial Provisions)*, such Grantor shall be entitled to receive all cash dividends paid in respect of the Pledged Collateral (other than liquidating or distributing dividends) with respect to the Pledged Collateral. After the occurrence and during the continuation of an Event of Default, any sums paid upon or in respect of any Pledged Collateral upon the liquidation or dissolution of any issuer of any Pledged Collateral, any distribution of capital made on or in respect of any Pledged Collateral or any property distributed upon or with respect to any Pledged Collateral pursuant to the recapitalization or reclassification of the capital of any issuer of Pledged Collateral or pursuant to the reorganization thereof shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Secured Obligations. If any sum of money or property paid or distributed as described in the immediately preceding sentence in respect of any Pledged Collateral shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent, segregated from other funds of such Grantor, as additional security for the Secured Obligations.

(c) Except as provided in *Article V (Remedial Provisions)*, such Grantor shall be entitled to exercise all voting, consent and corporate, partnership, limited liability company and similar rights with respect to the Pledged Collateral; *provided, however*, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor that would impair the Collateral, be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Financing Agreement or, without prior notice to the Administrative Agent, enable or permit any issuer of Pledged Collateral to issue any Stock or other equity Securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Stock or other equity Securities of any nature of any issuer of Pledged Collateral.

(d) Such Grantor shall not grant “control” (within the meaning of such term under Article 9-106 of the UCC) over any Investment Property to any Person other than the Administrative Agent, subject to the Interecreditor Agreement; *provided, however*, that the mere establishment of a Control Account shall not be deemed a violation of this clause (d).

(e) In the case of each Grantor that is an issuer of Pledged Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and shall comply with such terms insofar as such terms are applicable to it. In the case of any Grantor that is a holder of any Stock or Stock Equivalent in any Person that is an issuer of Pledged Collateral, such Grantor consents to (i) the exercise of the rights granted to the Administrative Agent hereunder (including those described in *Section 5.3 (Pledged Collateral)*), and (ii) the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Stock in such Person and to the transfer of such Pledged Stock to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a holder of such Pledged Stock with all the rights, powers and duties of other holders of Pledged Stock of the same class and, if the Grantor having pledged such Pledged Stock hereunder had any right, power or duty at the time of such pledge or at the time of such substitution beyond that of such other holders, with all such additional rights, powers and duties. Such Grantor agrees to execute and deliver to the Administrative Agent such certificates, agreements and other documents as may be necessary to evidence, formalize or otherwise give effect to the consents given in this *clause (e)*.

Section 4.4 Accounts

Except as permitted by the Credit Agreement, such Grantor shall not, other than in the ordinary course of business consistent with its past practice, settle, adjust or compromise any claim, offset, counterclaim or dispute with any Account Debtor, Credit Card Issuer or Credit Card Processor.

Section 4.5 Delivery of Instruments and Chattel Paper

If any amount in excess of \$250,000 payable under or in connection with any Collateral owned by such Grantor shall be or become evidenced by an Instrument or Chattel Paper, such Grantor shall immediately deliver such Instrument or Chattel Paper to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, or, if consented to by the Administrative Agent, shall mark all such Instruments and Chattel Paper with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Citicorp USA, Inc., as Administrative Agent".

Section 4.6 Intellectual Property

(a) Such Grantor (either itself or through licensees) shall (i) continue to use each trademark that is Material Intellectual Property in order to maintain such trademark in full force and effect with respect to each class of goods for which such trademark is currently used, free from any claim of abandonment for non-use, (ii) use such trademark that is Material Intellectual Property with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law and (iii) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such trademark that is Material Intellectual Property (or any goodwill associated therewith) may become destroyed, invalidated, impaired or harmed in any way.

(b) Such Grantor (either itself or through licensees) shall not do any act, or omit to do any act, whereby any patent that is Material Intellectual Property may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) shall not (and shall not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any portion of the copyrights that is Material Intellectual Property may become invalidated or otherwise impaired and (ii) shall not (either itself or through licensees) do any act whereby any portion of the copyrights that is Material Intellectual Property may fall into the public domain.

(d) Such Grantor (either itself or through licensees) shall not do any act that knowingly infringes, misappropriates, or violates the intellectual property rights of any other Person.

(e) Such Grantor shall notify the Administrative Agent immediately if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, right to use, interest in, or the validity of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, licensee or designee, shall file an application for the registration of any Material Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States, such Grantor shall report such filing to the Administrative Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's security interest in any such Material Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor shall take all reasonable actions necessary or requested by the Administrative Agent, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of Material Intellectual Property, including filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition and interference and cancellation proceedings.

(h) In the event that any Material Intellectual Property is or has been infringed upon or misappropriated or diluted by a third party, such Grantor shall notify the Administrative Agent promptly after such Grantor learns thereof. Such Grantor shall take appropriate action in response to such infringement, misappropriation or dilution, including promptly bringing suit for infringement, misappropriation or dilution and to recover all damages for such infringement, misappropriation or dilution, and shall take such other actions may be appropriate in its reasonable judgment under the circumstances to protect such Material Intellectual Property.

(i) Unless otherwise agreed to by the Administrative Agent, such Grantor shall execute and deliver to the Administrative Agent for filing in (i) the United States Copyright Office a short-form copyright security agreement in the form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)*, (ii) in the United States Patent and Trademark Office and with the Secretary of State of all appropriate States of the United States a short-form patent security agreement in the form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)* and (iii) the United States Patent and Trademark Office a short-form trademark security agreement in form attached hereto as *Annex 5 (Form of Short Form Intellectual Property Security Agreement)* (together with appropriate supporting documentation as may be requested by the Administrative Agent) in form and substance reasonably acceptable to the Administrative Agent.

Section 4.7 License Agreements

(a) With respect to a License Agreement applicable to Material Intellectual Property that is owned by a third party and licensed to a Grantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, each Grantor shall (i) give the Administrative Agent not less than ninety (90) days prior written notice of its intention to not renew or to terminate, cancel, surrender or release its rights under any such

License Agreement, or to amend any such License Agreement or related arrangements to limit the scope of the right of such Grantor to use the Material Intellectual Property subject to such License Agreement, either with respect to product, territory, term or otherwise, or to increase the amounts to be paid by such Grantor thereunder or in connection therewith (and the Administrative Agent may establish such Reserves as a result of any of the foregoing as the Administrative Agent may reasonably determine), (ii) give the Administrative Agent prompt written notice of any such License Agreement entered into by such Grantor after the date hereof, or any material amendment to any such License Agreement existing on the date hereof, in each case together with a true, correct and complete copy thereof and such other information with respect thereto as the Administrative Agent may reasonably request, (iii) give the Administrative Agent prompt written notice of any material breach of any obligation, or any default, by the third party that is the licensor or by the Grantor that is the licensee or any other party under any such License Agreement, and deliver to the Administrative Agent (promptly upon the receipt thereof by such Grantor in the case of a notice to such Grantor and concurrently with the sending thereof in the case of a notice from such Grantor) a copy of each notice of default and any other notice received or delivered by such Grantor in connection with any such a License Agreement that relates to the scope of the right, or the continuation of the right, of such Grantor to use the Material Intellectual Property subject to such License Agreement or the amounts required to be paid thereunder.

(b) With respect to a License Agreement applicable to Material Intellectual Property that is owned by a third party and licensed to a Grantor and that is affixed to or otherwise used in connection with the manufacture, sale or distribution of any Inventory, at any time an Event of Default shall exist or have occurred and be continuing or if after giving effect to any Reserves, or the reduction in the applicable Borrowing Base as a result of Eligible Inventory using such licensed Material Intellectual Property ceasing to be Eligible Inventory, the Administrative Agent shall have, and is hereby granted, the irrevocable right and authority, at its option, to renew or extend the term of such License Agreement, whether in its own name and behalf, or in the name and behalf of a designee or nominee of the Administrative Agent or in the name and behalf of such Grantor, subject to and in accordance with the terms of such License Agreement. The Administrative Agent may, but shall not be required to, perform any or all of such obligations of such Grantor under any of the License Agreements, including, but not limited to, the payment of any or all sums due from such Grantor thereunder. Any sums so paid by the Administrative Agent shall constitute part of the Secured Obligations.

Section 4.8 Insurance

[Intentionally Omitted]

Section 4.9 Notice of Commercial Tort Claims

Such Grantor agrees that, if it shall acquire any interest in any Commercial Tort Claim in excess of \$ 1,000,000 (whether from another Person or because such Commercial Tort Claim shall have come into existence), (i) such Grantor shall, immediately upon such acquisition, deliver to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent, a notice of the existence and nature of such Commercial Tort Claim and deliver a supplement to *Schedule 7 (Commercial Tort Claims)* containing a specific description of such Commercial Tort Claim, (ii) the provision of *Section 2.1 (Collateral)* shall apply to such Commercial Tort Claim and (iii) such Grantor shall execute and deliver to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent, any certificate, agreement and other document, and take all other action,

deemed by the Administrative Agent to be reasonably necessary or appropriate for the Administrative Agent to obtain, on behalf of the Lenders, subject to the Intercreditor Agreement, a first-priority, perfected security interest in all such Commercial Tort Claims. Any supplement to *Schedule 7 (Commercial Tort Claims)* delivered pursuant to this *Section 4.9 (Notice of Commercial Tort Claims)* shall, after the receipt thereof by the Administrative Agent, become part of *Schedule 7 (Commercial Tort Claims)* for all purposes hereunder other than in respect of representations and warranties made prior to the date of such receipt.

Section 4.10 Credit Card Agreements

Each Grantor shall (a) observe and perform all material terms, covenants, conditions and provisions of the Credit Card Agreements to be observed and performed by it at the times set forth therein; and (b) at all times maintain in full force and effect the Credit Card Agreements and not terminate, cancel, surrender, modify, amend, waive or release any of the Credit Card Agreements, or consent to or permit to occur any of the foregoing; except, that, (i) any Grantor may terminate or cancel any of the Credit Card Agreements in the ordinary course of the business of such Grantor; *provided*, that, such Grantor shall give the Administrative Agent not less than fifteen (15) days prior written notice of its intention to so terminate or cancel any of the Credit Card Agreements; (c) not enter into any new Credit Card Agreements with any new Credit Card Issuer unless (i) the Administrative Agent shall have received not less than thirty (30) days prior written notice of the intention of such Grantor to enter into such agreement (together with such other information with respect thereto as the Administrative Agent may request) and (ii) such Grantor delivers, or causes to be delivered to the Administrative Agent, a Credit Card Acknowledgment in favor of the Administrative Agent, (d) give the Administrative Agent immediate written notice of any Credit Card Agreement entered into by such Grantor after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as the Administrative Agent may request; and (e) furnish to the Administrative Agent, promptly upon the request of the Administrative Agent, such information and evidence as the Administrative Agent may require from time to time concerning the observance, performance and compliance by such Grantor or the other party or parties thereto with the terms, covenants or provisions of the Credit Card Agreements.

Section 4.11 Inventory Covenants

(a) Such Grantor shall at all times maintain Inventory records reasonably satisfactory to the Administrative Agent, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, such Grantor's cost therefor and daily withdrawals therefrom and additions thereto;

(b) Such Grantor shall produce, use, store and maintain the Inventory, with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws (including the requirements of the Federal Fair Labor Standards Act of 1938, as amended and all rules, regulations and orders related thereto);

(c) Such Grantor assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory;

(d) Such Grantor shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate any Grantor to repurchase such Inventory except for the right of return given to retail customers of such Grantor in the ordinary course of the business of such Grantor in accordance with the then current return policy of such Grantor;

(e) Such Grantor shall keep the Inventory in good and marketable condition;

(f) Such Grantor shall not, without prior written notice to the Administrative Agent or the specific identification of such Inventory in a report with respect thereto provided by Borrower Agent to Administrative Agent, acquire or accept any Inventory on consignment or approval.

ARTICLE V REMEDIAL PROVISIONS

Section 5.1 Code and Other Remedies

During the continuance of an Event of Default, the Administrative Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon any Collateral, and may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver any Collateral (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent shall have the right upon any such public sale or sales, and, to the extent permitted by the UCC and other applicable law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places that the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this *Section 5.1*, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and any other Secured Party hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as the Credit Agreement shall prescribe, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

Section 5.2 Accounts and Payments in Respect of General Intangibles

(a) In addition to, and not in substitution for, any similar requirement in the Credit Agreement, if required by the Administrative Agent at any time during the continuance of an Event of Default, any payment of Accounts or payment in respect of General Intangibles, when collected by any Grantor, shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent, in an Approved Deposit Account or a Cash Collateral Account, subject to withdrawal, and shall be applied by the Administrative Agent in respect of any Obligations as provided in *Section 5.4 (Proceeds to be Turned Over To Administrative Agent)*. Until so turned over or turned over, such payment shall be held by such Grantor in trust for the Administrative Agent, segregated from other funds of such Grantor. Such deposits of Proceeds of Accounts and payments in respect of General Intangibles shall, at the request of the Administrative Agent after the occurrence and during the continuation of an Event of Default, be summarized by a report identifying in reasonable detail the nature and source of the payments included in such deposits.

(b) At the Administrative Agent's request, during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions that gave rise to the Accounts or payments in respect of General Intangibles, including all original orders, invoices and shipping receipts (other than with respect to the sale of Inventory in the ordinary course, which shall be summarized in a report at the request of the Administrative Agent).

(c) The Administrative Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Grantor to collect its Accounts or amounts due under General Intangibles or any thereof.

(d) The Administrative Agent in its own name or in the name of others may at any time during the continuance of an Event of Default communicate with Account Debtors to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Account or amounts due under any General Intangible.

(e) Upon the request of the Administrative Agent at any time during the continuance of an Event of Default, each Grantor shall notify Account Debtors that the Accounts or General Intangibles have been collaterally assigned to the Administrative Agent and that payments in respect thereof shall be made directly to the Administrative Agent. In addition, the Administrative Agent may at any time during the continuance of an Event of Default enforce such Grantor's rights against such Account Debtors and obligors of General Intangibles.

(f) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts and payments in respect, of General Intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any agreement giving rise to an Account or a payment in respect of a General Intangible by reason of or arising out of this Agreement or the receipt by the Administrative Agent nor any other Secured Party of any payment relating thereto, nor shall the Administrative Agent nor any other Secured Party be obligated in any manner to perform any obligation of any Grantor under or pursuant to any agreement giving rise to an Account or a payment in respect of a General Intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by

it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 5.3 Pledged Collateral

Subject to the Intercreditor Agreement:

(a) During the continuance of an Event of Default, upon notice by the Administrative Agent to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any Proceeds of the Pledged Collateral and make application thereof to the Obligations in the order set forth in the Credit Agreement and (ii) the Administrative Agent or its nominee may exercise (A) any voting, consent, corporate and other right pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuer or issuers of Pledged Collateral or otherwise and (B) any right of conversion, exchange and subscription and any other right, privilege or option pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any of the Pledged Collateral upon the merger, amalgamation, consolidation, reorganization, recapitalization or other fundamental change in the corporate or equivalent structure of any issuer of Pledged Stock, the right to deposit and deliver any Pledged Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it; *provided, however*, that the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) In order to permit the Administrative Agent to exercise the voting and other consensual rights that it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions that it may be entitled to receive hereunder, in each case after the occurrence and during the continuation of an Event of Default, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Administrative Agent all such proxies, dividend payment orders and other instruments as the Administrative Agent may from time to time reasonably request and (ii) without limiting the effect of *clause (i)* above, such Grantor hereby grants to the Administrative Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations.

(c) Each Grantor hereby expressly authorizes and instructs each issuer of any Pledged Collateral pledged hereunder by such Grantor to (i) comply with any instruction received by it from the Administrative Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that such issuer shall be fully protected in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividend or other payment with respect to the Pledged Collateral directly to the Administrative Agent.

Section 5.4 Proceeds to be Turned Over To Administrative Agent

Upon the occurrence and during the continuance of an Event of Default, unless otherwise expressly provided in the Credit Agreement, all Proceeds received by the Administrative Agent hereunder in cash or Cash Equivalents shall be held by the Administrative Agent in a Cash Collateral Account. All Proceeds while held by the Administrative Agent in a Cash Collateral Account (or by such Grantor in trust for the Administrative Agent) shall continue to be held as collateral security for the Secured Obligations and shall not constitute payment thereof until applied as provided in the Credit Agreement.

Section 5.5 Registration Rights

[Intentionally Omitted]

Section 5.6 Deficiency

Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorney employed by the Administrative Agent or any other Secured Party to collect such deficiency.

ARTICLE VI THE ADMINISTRATIVE AGENT

Section 6.1 Administrative Agent's Appointment as Attorney-in-Fact

(a) Subject to the Intercreditor Agreement, each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any appropriate action and to execute any document or instrument that may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any check, draft, note, acceptance or other instrument for the payment of moneys due under any Account or General Intangible or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any such moneys due under any Account or General Intangible or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any agreement, instrument, document or paper as the Administrative Agent may request to evidence the Administrative Agent's security interest in such Intellectual Property and the goodwill and General Intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repair or pay any insurance called for by the terms of this Agreement (including all or any part of the premiums therefor and the costs thereof);

(iv) execute, in connection with any sale provided for in *Section 5.1 (Code and Other Remedies)*, any endorsement, assignment or other instrument of conveyance or transfer with respect to the Collateral; or

(v) (A) direct any party liable for any payment under any Collateral to make payment of any moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct, (B) ask or demand for, collect, and receive payment of and receipt for, any moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (C) sign and indorse any invoice, freight or express bill, bill of lading, storage or warehouse receipt, draft against debtors, assignment, verification, notice and other document in connection with any Collateral, (D) commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect any Collateral and to enforce any other right in respect of any Collateral, (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral, (F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate, (G) assign any Intellectual Property (along with the goodwill of the business related thereto) throughout the world for such term or terms, on such conditions, and in such manner as the Administrative Agent shall in its sole discretion determine, including the execution and filing of any document necessary to effectuate or record such assignment and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things that the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the other Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this *clause (a)* to the contrary notwithstanding, the Administrative Agent agrees that it shall not exercise any right under the power of attorney provided for in this *clause (a)* unless an Event of Default shall be continuing.

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

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this *Section 6.1*, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

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

Section 6.2 Duty of Administrative Agent

The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any other Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to any Collateral. The powers conferred on the Administrative Agent hereunder are solely to protect the Administrative Agent's interest in the Collateral and shall not impose any duty upon the Administrative Agent or any other Secured Party to exercise any such powers. The Administrative Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 6.3 Authorization of Financing Statements

Each Grantor authorizes the Administrative Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file or record financing statements, amendments to financing statements, and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Each Grantor hereby also authorizes the Administrative Agent and its Affiliates, counsel and other representatives, at any time and from time to time, to file continuation statements with respect to previously filed financing statements. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

Section 6.4 Authority of Administrative Agent

Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Administrative Agent and the other Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

ARTICLE VII MISCELLANEOUS

Section 7.1 Amendments in Writing

None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with *Section 11.1 (Amendments, Waivers, Etc.)* of the Credit Agreement; *provided, however*, that annexes to this Agreement may be supplemented (but no existing provisions may be modified and no Collateral may be released) through Pledge Amendments and Joinder Agreements, in substantially the form of *Annex 3 (Form of Pledge Amendment)* and *Annex 4 (Form of Joinder Agreement)* respectively, in each case duly executed by the Administrative Agent and each Grantor directly affected thereby.

Section 7.2 Notices

All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in *Section 11.8 (Notices, Etc.)* of the Credit Agreement; *provided, however*, that any such notice, request or demand to or upon any Grantor shall be addressed to the Grantor's notice address set forth in such *Section 11.8*.

Section 7.3 No Waiver by Course of Conduct; Cumulative Remedies

Neither the Administrative Agent nor any other Secured Party shall by any act (except by a written instrument pursuant to *Section 7.1 (Amendments in Writing)*), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any other Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any other Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Administrative Agent or such other Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

Section 7.4 Amendment and Restatement; Effectiveness

(a) This Agreement shall become effective on the Effective Date.

(b) On the Effective Date, the Existing Credit Agreement shall be amended and restated by the Credit Agreement together with this Agreement, and the Existing Credit Agreement (as amended and restated by the Credit Agreement and this Agreement) shall continue to evidence the Liens granted thereunder and the incurrence by the Grantors of obligations thereunder (whether or not such obligations are contingent as of the Effective Date). This Agreement is not in any way intended to constitute a novation of the Liens, interests or any obligations or liabilities existing under or granted pursuant to the Existing Credit Agreement or evidence payment or performance of all or any portion of such obligations and liabilities or the release of any lien under the Existing Credit Agreement.

(c) The terms and conditions of this Agreement and the Administrative Agent's, the Lenders' and the Issuers' rights and remedies under this Agreement and the other Financing Agreements shall apply to (i) all of the Obligations incurred under the Credit Agreement and the Revolving Credit Notes issued thereunder and all Obligations of the Grantors incurred under the Financing Agreements and (ii) all of the obligations incurred under the Existing Credit Agreement and all obligations of the Grantors incurred under the "Financing Agreements" (as defined in the Existing Credit Agreement) (the "*Existing Financing Agreements*").

(d) Each Grantor hereby reaffirms the liens granted pursuant to the Existing Financing Agreements to the Existing Agent for the benefit of the secured parties thereunder, which Liens shall continue in full force and effect during the term of this Agreement and any renewals thereof and shall continue to secure the Secured Obligations.

(e) This amendment and restatement is limited as written and is not a consent to any other amendment, restatement, waiver or other modification, whether or not similar, and, except as expressly provided herein or in any other Financing Agreement, all terms and conditions of the Financing Agreements remain in full force and effect unless otherwise specifically amended by this Agreement or any other Financing Agreement.

Section 7.5 Successors and Assigns

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and each other Secured Party and their successors and assigns; *provided, however*, that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

Section 7.6 Counterparts

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy shall be effective as delivery of a manually executed counterpart.

Section 7.7 Severability

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

Section 7.8 Section Headings

The Article and Section titles contained in this Agreement are, and shall be, without substantive meaning or content of any kind whatsoever and are not part of the agreement of the parties hereto.

Section 7.9 Entire Agreement

This Agreement together with the other Financing Agreements represents the entire agreement of the parties and supersedes all prior agreements and understandings relating to the subject matter hereof.

Section 7.10 Governing Law

This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 7.11 Additional Grantors

If, pursuant to *Section 7.11 (Additional Collateral and Guaranties)* of the Credit Agreement, the Borrowers shall be required to cause any Subsidiary that is not a Grantor to become a Grantor hereunder, such Subsidiary shall execute and deliver to the Administrative Agent a Joinder Agreement substantially in the form of *Annex 4 (Form of Joinder Agreement)* and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Grantor party hereto on the Effective Date.

Section 7.12 Release of Collateral

(a) At the time provided in *Section 10.8(b)(i) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement, the Collateral shall be released from the Lien created hereby and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral of such Grantor held by the Administrative Agent hereunder and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If the Administrative Agent shall be directed or permitted pursuant to *Section 10.8(b)(ii) or (iii) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement to release any Lien created hereby upon any Collateral (including any Collateral sold or disposed of by any Grantor in a transaction permitted by the Credit Agreement), such Collateral shall be released from the Lien created hereby to the extent provided under, and subject to the terms and conditions set forth in, *Section 10.8(b)(ii) or (iii) (Concerning the Collateral and the Collateral Documents)* of the Credit Agreement. In connection therewith, the Administrative Agent, at the request and sole expense of the Grantors, shall execute and deliver to the Grantors all releases or other documents, including, without limitation, UCC termination statements, reasonably necessary or desirable for the release of the Lien created hereby on such Collateral. At the request and sole expense of the Grantors, a Grantor shall be released from its obligations

hereunder in the event that all the Stock of such Grantor shall be so sold or disposed; *provided, however*, that the Grantors shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Grantors in form and substance reasonably satisfactory to the Administrative Agent stating that such transaction is in compliance with the Credit Agreement and the other Financing Agreements.

Section 7.13 Reinstatement

Each Grantor further agrees that, if any payment made by any Loan Party or other Person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, or the proceeds of Collateral are required to be returned by any Secured Party to such Loan Party, its estate, trustee, receiver or any other party, including any Grantor, under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, any Lien or other Collateral securing such liability shall be and remain in full force and effect, as fully as if such payment had never been made or, if prior thereto the Lien granted hereby or other Collateral securing such liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), such Lien or other Collateral shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect any Lien or other Collateral securing the obligations of any Grantor in respect of the amount of such payment.

[SIGNATURE PAGES FOLLOW]

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

Grantors:

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.
J. CREW GROUP, INC.

^{BY} /s/ James S. Scully

Name: James S. Scully
Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

^{BY} /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti
Title: Vice President and Controller

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: _____

Name:
Title:

[SIGNATURE PAGE TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT]

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

Grantors:

J. CREW OPERATING CORP.
J. CREW INC.
GRACE HOLMES, INC.
H.F.D. NO. 55, INC.
MADEWELL INC.
J. CREW GROUP, INC.

By:

Name: James S. Scully
Title: Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By:

Name: Nicholas P. Lamberti
Title: Vice President and Controller

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: /s/ Thomas M. Halsch

Name: **Thomas M. Halsch**
Title: Director

[SIGNATURE PAGE TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT]

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

J. CREW OPERATING CORP.
J. CREW INC.
J. CREW GROUP, INC.
GRACE HOLMES, INC. d/b/a J.CREW RETAIL
H.F.D. NO. 55, INC. d/b/a J. CREW FACTORY
J. CREW INTERNATIONAL, INC.
MADEWELL INC.
as Grantors

By: _____
Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: _____
Name:
Title:

[SIGNATURE PAGE TO PLEDGE AND SECURITY AGREEMENT FOR'S CREDIT AGREEMENT]

ANNEX 1
TO
PLEDGE AND SECURITY AGREEMENT
FORM OF DEPOSIT ACCOUNT CONTROL AGREEMENT

[Financial Institution]
[Address]

Ladies and Gentlemen:

Reference is made to account no. [_____] maintained with you (the "Bank") by [_____] (the "Company"), [as borrower] [as guarantor] into which funds are deposited from time to time (the "Account"). The Company has entered into a Pledge and Security Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Pledge and Security Agreement"), among the Company, J. CREW OPERATING CORP., a Delaware corporation ("Operating"), J. CREW INC., a New Jersey corporation ("J. Crew"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("Retail"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("Factory"), Madewell Inc., a Delaware corporation ("Madewell"), J. CREW GROUP INC. ("Holdings") and J. CREW INTERNATIONAL, INC. ("JCI") (each a "Grantor" and collectively the "Grantors") and Citicorp USA, Inc., as agent for the Secured Parties referred to therein (in such capacity the "Administrative Agent").

Pursuant to the Pledge and Security Agreement and related documents, the Company has granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in certain property of the Company, including, among other things, accounts, inventory, equipment, instruments, general intangibles and all proceeds thereof (the "Collateral"). Payments with respect to the Collateral are or hereafter may be made to the Account. You, the Company and the Administrative Agent are entering into this letter agreement to perfect the security interest of the Administrative Agent in the Account.

The Company hereby transfers to the Administrative Agent exclusive control of the Account and all funds and other property on deposit therein. By your execution of this letter agreement, you (i) agree that you shall comply with instructions originated by the Administrative Agent directing disposition of the funds in the Account without further consent of the Company and (ii) acknowledge and agree that the Administrative Agent now has exclusive control of the Account, that all funds and other property on deposit in the Account shall be transferred to the Administrative Agent as provided herein, that the Account is being maintained by you for the benefit of the Administrative Agent and that all amounts and other property therein are held by you as custodian for the Administrative Agent.

Except as provided in *clauses (b)(iii) and (e)* below, the Account shall not be subject to deduction, set-off, banker's lien, counterclaim, defense, recoupment or any other right in favor of any person or entity other than the Administrative Agent. By your execution of this letter agreement you also acknowledge that, as of the date hereof, you have received no notice of any other pledge or assignment of the Account and have not executed any agreements with third parties covering the disposition of funds in the Account. You agree with the Administrative Agent as follows:

(a) Notwithstanding anything to the contrary or any other agreement relating to the Account, the Account is and shall be maintained for the benefit of the Administrative Agent shall be subject to written instructions only from an authorized officer of the Administrative Agent.

(b) [A post office box (the "Lockbox") has been rented in the name of the Company at the [_____] post office and the address to be used for such Lockbox is:

[Insert address]

Your authorized representatives shall have access to the Lockbox under the authority given by the Company to the post office and shall make regular pick-ups from the Lockbox timed to gain maximum benefit of early presentation and availability of funds. You shall endorse process all checks received in the Lockbox and deposit such checks (to the extent eligible) in the Account in accordance with the procedures set forth below.

(i) You shall follow your usual operating procedures for the handling of any [checks received from the Lockbox or other] remittance received in the Account that contains restrictive endorsements, irregularities (such as a variance between the written and numerical amounts), undated or postdated items, missing signatures, incorrect payees and the like.

(ii) You shall endorse and process all eligible checks and other remittance items not covered by *clause (iii)* below and deposit such checks and remittance items in the Account.

(iii) You shall mail all checks returned unpaid because of uncollected or insufficient funds under appropriate advice to the Company (with a copy of the notification of return to the Administrative Agent). You may charge the Account for the amounts of any returned check that has been previously credited to the Account. To the extent insufficient funds remain in the Account to cover any such returned check, the Company shall indemnify you for the uncollected amount of such returned check upon your demand.

(iv) You shall maintain a record of all checks and other remittance items received in the Account and, in addition to providing the Company with photostatic copies thereof, vouchers, enclosures and the like of such checks and remittance items on a daily basis, furnish to the Administrative Agent a monthly statement of the Account to Citicorp USA, Inc., as Administrative Agent at the following address: 388 Greenwich Street, New York, New York 10013, Attention: [_____], with a copy to the Company.]

[(c) Prior to the delivery to you of a written notice from the Administrative Agent in the form of Exhibit A hereto (a "Blockage Notice"), you are authorized to transfer to the Company, in same day funds, on each business day, the entire balance in the Account to the following account:

ABA Number: _____
[name and address of Company's bank]

Account Name: _____
Concentration Account
Account Number: _____
Reference: _____
Attn: _____

or to such other account as the Company may from time to time designate in writing.]

(d) [From and after the delivery to you of a Blockage Notice, you] [You] shall transfer (by wire transfer or other method of transfer mutually acceptable to you and the Administrative Agent) to the Administrative Agent, in same day funds, on each business day, the entire balance in the Account to the following account:

ABA Number: _____
Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Account Name: _____
Concentration Account
Account Number: _____
Reference: _____
Attn: _____

or to such other account as the Administrative Agent may from time to time designate in writing (the "*Administrative Agent Concentration Account*").

(e) All customary service charges and fees with respect to the Account shall be debited to the Account. In the event insufficient funds remain in the Account to cover such customary service charges and fees, the Company shall pay and indemnify you for the amounts of such customary service charges and fees.

This letter agreement shall be binding upon and shall inure to the benefit of you, the Company, the Administrative Agent, the Secured Parties referred to in the Pledge and Security Agreement and the respective successors, transferees and assigns of any of the foregoing. This letter agreement may not be modified except upon the mutual consent of the Administrative Agent, the Company and you. You may terminate the letter agreement only upon 30 days' prior written notice to the Company and the Administrative Agent. The Administrative Agent may terminate this letter agreement upon 10 days' prior written notice to you and the Company. Upon such termination you shall close the Account and transfer all funds in the Account to the Administrative Agent Concentration Account or as otherwise directed by the Administrative Agent. After any such termination, you shall nonetheless remain obligated promptly to transfer to the Administrative Agent Concentration Account or as the Administrative Agent may otherwise direct all funds and other property received in respect of the Account.

This letter 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. Delivery of an executed counterpart of a signature page to this letter agreement by telecopier shall be effective as delivery of a manually executed counterpart of this letter agreement.

This letter agreement supersedes all prior agreements, oral or written, with respect to the subject matter hereof and may not be amended, modified or supplemented except by a writing signed by the Administrative Agent, the Company and you. You have not, and, without the prior consent of the Administrative Agent and the Company, you shall not, agree with any third part to comply with instructions or other directions concerning the Account or the disposition of funds in the Account originated by such third party.

The Company hereby agrees to indemnify and hold you, your directors, officers, agents and employees harmless against all claims, causes of action, liabilities, lawsuits, demands and damages, including, without limitation, all court costs and reasonable attorney fees, in each case in any way related to or arising out of or in connection with this letter agreement or any action taken or not taken pursuant hereto, except to the extent caused by your gross negligence or willful misconduct.

This letter agreement shall be governed by, and construed in accordance with, the law of the State of New York.

Upon acceptance of this letter agreement it shall be the valid and binding obligation of the Company, the Administrative Agent, and you, in accordance with its terms.

Very truly yours,

[NAME OF COMPANY]

By: _____

Name:

Title:

CITICORP USA, INC.,
as Administrative Agent

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED
as of the date first above written:

[FINANCIAL INSTITUTION]

By: _____

Name:

Title:

[SIGNATURE PAGE TO DEPOSIT ACCOUNT CONTROL ACCOUNT AGREEMENT]

EXHIBIT A
TO
DEPOSIT ACCOUNT CONTROL AGREEMENT
Form of Administrative Agent Blockage Notice

[Financial Institution]
[Address]

Re: Account No. _____ (the "Account")

Ladies and Gentlemen:

Reference is made to the Account and that certain Deposit Account Control Agreement dated _____, 20__ among you, Citicorp USA, Inc., as Administrative Agent (the "Administrative Agent"), and [_____] (the "Deposit Account Control Agreement"). Capitalized terms used herein shall have the meanings given to them in the Deposit Account Control Agreement.

The Administrative Agent hereby notifies you that, from and after the date of this notice, you are hereby directed to transfer (by wire transfer or other method of transfer mutually acceptable to you and the Administrative Agent) to the Administrative Agent, in same day funds, on each business day, the entire balance in the Account to the Administrative Agent Concentration Account specified in *clause (d)* of the Deposit Account Control Agreement or to such other account as the Administrative Agent may from time to time designate in writing.

Very truly yours,

CITICORP USA, INC,
as Administrative Agent

By: _____

Name:

Title:

ANNEX 2
TO
PLEDGE AND SECURITY AGREEMENT
FORM OF SECURITIES ACCOUNT CONTROL AGREEMENT

[Name and Address
of Approved Securities
Intermediary]

_____, 20__

Ladies and Gentlemen:

The undersigned _____ (the "*Pledgor*") together with certain of its affiliates are party to a Pledge and Security Agreement dated May __, 2007 in favor of Citicorp USA, Inc., as agent for the Secured Parties referred to therein (the "*Pledgee*") and such agreement the "*Pledge and Security Agreement*") pursuant to which a security interest is granted by the Pledgor in all present and future Assets (hereinafter defined) in Account No. _____ of the Pledgor (the "*Pledge*").

In connection therewith, the Pledgor hereby instructs you (the "*Approved Securities Intermediary*") to do all of the following:

1. hold in the Account the assets, including, without limitation, all financial assets, securities, security entitlements and all other property and rights now or hereafter received in such Account (collectively the "*Assets*"), including, without limitation, those assets listed on *Schedule A (List of Assets)* attached hereto and made a part hereof;
2. provide to the Pledgee, with a duplicate copy to the Pledgor, a monthly statement of Assets and a confirmation statement of each transaction effected in the Account after such transaction is effected; and
3. honor only the instructions or entitlement orders (within the meaning of Section 8-102 of the UCC (as defined below) (the "*Entitlement Orders*") in regard to or in connection with the Account given by an Authorized Officer of the Pledgee, except as provided in the following sentence. Until such time as the Pledgee gives a written notice in the form of Exhibit A hereto to the Approved Securities Intermediary that the Pledgor's rights under this sentence have been terminated (on which notice the Approved Securities Intermediary may rely exclusively), the Pledgor acting through an Authorized Officer may (a) exercise any voting right that it may have with respect to any Asset, (b) give Entitlement Orders and otherwise give instructions to enter into purchase or sale transactions in the Account and (c) withdraw and receive for its own use all regularly scheduled interest [and dividends] paid with respect to the Assets [and all cash proceeds of any sale of Assets] ("*Permitted Withdrawals*"); provided, however, that, unless the Pledgee has consented to the specific transaction, the Pledgor shall not instruct the Approved Securities Intermediary to deliver and, except as

may be required by law or by court order, the Approved Securities Intermediary shall not deliver, cash, securities, or proceeds from the sale of, or distributions on, such securities out of the Account to the Pledgor or to any other person or entity other than Permitted Withdrawals.

By its signature below, the Approved Securities Intermediary agrees to comply with the Entitlement Orders and instructions of an Authorized Officer of the Pledgee (including, without limitation, any instruction with respect to sales, trades, transfers and withdrawals of cash or other of the Assets) without the further consent of the Pledgor or any other person (it being understood and agreed by the Pledgor that the Approved Securities Intermediary shall have no duty or obligation whatsoever to have knowledge of the terms of the Pledge and Security Agreement or to determine whether or not an event of default exists thereunder). The Pledgor hereby agrees to indemnify and hold harmless the Approved Securities Intermediary, its affiliates, officers and employees from and against all claims, causes of action, liabilities, lawsuits, demands and damages, including, without limitation, all court costs and reasonable attorney's fees, that may result by reason of the Approved Securities Intermediary complying with such instructions of the Pledgee.

The Authorized Officer of the Pledgee who shall give oral instructions hereunder shall confirm the same in writing to the Approved Securities Intermediary within five days after such oral instructions are given.

For the purpose of this Agreement, the term "*Authorized Officer of the Pledgor*" shall refer in the singular to each of the chairman, chief executive officer, chief financial officer, any president or vice president, or the controller, or any other director or officer identified by the Pledgor in a writing to the Pledgee and the Approved Securities Intermediary (each of whom is, on the date hereof, an officer or director of the Pledgor) and "*Authorized Officer of the Pledgee*" shall refer in the singular to any person who is a vice president or managing director of the Pledgee. In the event that the Pledgor shall find it advisable to designate a replacement for any of its Authorized Officers, written notice of any such replacement shall be given to the Approved Securities Intermediary and the Pledgee.

Except with respect to the obligations and duties as set forth herein, this Agreement shall not impose or create any obligation or duty upon the Approved Securities Intermediary greater than or in addition to the customary and usual obligations and duties of the Approved Securities Intermediary to the Pledgor.

As long as the Assets are pledged to the Pledgee, (i) the Approved Securities Intermediary shall not invade the Assets to cover margin debits or calls in any other account of the Pledgor and (ii) the Approved Securities Intermediary agrees that, except for liens resulting from customary commissions, fees, or charges based upon transactions in the Account, it subordinates in favor of the Pledgee any security interest, lien or right of setoff the Approved Securities Intermediary may have. The Approved Securities Intermediary acknowledges that it has not received notice of any other security interest in the Account or the Assets. In the event any such notice is received, the Approved Securities Intermediary shall promptly notify the Pledgee. The Pledgor herein represents that the Assets are free and clear of any lien or encumbrance and agrees that, with the exception of the security interest granted to the Pledgee, no lien or encumbrance shall be placed by it on the Assets without the express written consent of both the Pledgee and the Approved Securities Intermediary.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and it and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, and the law of the Approved Securities Intermediary's jurisdiction for the purposes of Section 8-110 of the Uniform Commercial Code in effect in the State of New York (the "UCC") shall be, the law of the State of New York.

The Approved Securities Intermediary shall treat all property at any time held by the Approved Securities Intermediary in the Account as Financial Assets within the meaning of the UCC. The Approved Securities Intermediary acknowledges that this Agreement constitutes written notification to the Approved Securities Intermediary, pursuant to the UCC and any applicable federal regulations for the Federal Reserve Book Entry System, of the Pledgee's security interest in the Assets. The Pledgor, Pledgee and Approved Securities Intermediary are entering into this Agreement to provide for the Pledgee's control of the Assets and to confirm the first priority of the Pledgee's security interest in the Assets.

If any term or provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall be construed in all respects as if the invalid or unenforceable term or provision were omitted. This Agreement may not be altered or amended in any manner without the express written consent of the Pledgor, the Pledgee and the Approved Securities Intermediary. This Agreement may be executed in any number of counterparts, all of which shall constitute one original agreement.

The Pledgor hereby agrees to indemnify and hold you, your directors, officers, agents and employees harmless against all claims, causes of action, liabilities, lawsuits, demands and damages, including, without limitation, all court costs and reasonable attorney fees, in each case in any way related to or arising out of or in connection with this letter agreement or any action taken or not taken pursuant hereto, except to the extent caused by your gross negligence or willful misconduct.

This Agreement may be terminated by the Approved Securities Intermediary upon 30 day's prior written notice to the Pledgor and the Pledgee. Upon expiration of such 30-day period, the Approved Securities Intermediary shall be under no further obligation except to hold the Assets in accordance with the terms of this Agreement, pending receipt of written instructions from the Pledgor and the Pledgee, jointly, regarding the further disposition of the pledged Assets.

The Pledgor acknowledges that this Agreement supplements any existing agreement of the Pledgor with the Approved Securities Intermediary and, except as expressly provided herein, is in no way intended to abridge any right that the Approved Securities Intermediary might otherwise have.

IN WITNESS WHEREOF, the Pledgor and the Pledgee have caused this Agreement to be executed by their duly authorized officers all as of the date first above written.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

CITICORP USA, INC.,
as Administrative Agent

By: _____
Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

[APPROVED FINANCIAL INTERMEDIARY]

By: _____
Name:
Title:

[SIGNATURE PAGE TO SECURITIES ACCOUNT CONTROL AGREEMENT]

**SCHEDULE A
TO
SECURITIES ACCOUNT CONTROL AGREEMENT**

PLEGGED COLLATERAL ACCOUNT NUMBER: _____

A2-5

EXHIBIT A
TO
SECURITIES ACCOUNT CONTROL AGREEMENT
Form of Administrative Agent Notice of Control

[Securities Intermediary]
[Address]

Re: Account No. _____ (the "Account")

Ladies and Gentlemen:

Reference is made to the Account and that certain Securities Account Control Agreement dated _____, 20__ among you, Citicorp USA, Inc., as Administrative Agent (the "*Administrative Agent*"), and [_____] (the "*Pledgor*") (such agreement, the "*Securities Account Control Agreement*"). Capitalized terms used herein shall have the meanings given to them in the Securities Account Control Agreement.

The Administrative Agent hereby notifies you that, from and after the date of this notice, the Pledgor's rights to give Entitlement Orders with respect to the Account and the other rights afforded to the Pledgor under paragraph 4 of the Securities Account Control Agreement are terminated. From and after the delivery of this notice to you, you shall honor only the Entitlement Orders in regard to or in connection with the Account and/or the financial assets contained therein given by an Authorized Officer of the Administrative Agent.

Very truly yours,

CITICORP USA, INC,
as Administrative Agent

By: _____

Name:

Title:

**ANNEX 3
TO
PLEDGE AND SECURITY AGREEMENT**

FORM OF PLEDGE AMENDMENT

This **PLEDGE AMENDMENT**, dated as of _____, 20 __, is delivered pursuant to *Section 4.3 (a) (Pledged Collateral)* of the Pledge and Security Agreement, dated as of May __, 2007, by J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), J. CREW GROUP INC. ("*Holdings*") and J. CREW INTERNATIONAL, INC. ("*JCI*") (each a "*Grantor*" and collectively the "*Grantors*") in favor of Citicorp USA, Inc., as agent for the Secured Parties referred to therein (the "*Pledge and Security Agreement*") and the undersigned hereby agrees that this Pledge Amendment may be attached to the Pledge and Security Agreement and that the Pledged Collateral listed on this Pledge Amendment shall be and become part of the Collateral referred to in the Pledge and Security Agreement and shall secure all Secured Obligations of the undersigned. Capitalized terms used herein but not defined herein are used herein with the meaning given them in the Pledge and Security Agreement.

[GRANTOR]

By: _____

Name:
Title:

Pledged Stock

<u>ISSUER</u>	<u>CLASS</u>	<u>CERTIFICATE NO(S)</u>	<u>PAR VALUE</u>	<u>NUMBER OF SHARES, UNITS OR INTERESTS</u>
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Pledged Debt Instruments

<u>ISSUER</u>	<u>DESCRIPTION OF DEBT</u>	<u>CERTIFICATE NO(S)</u>	<u>FINAL MATURITY</u>	<u>PRINCIPAL AMOUNT</u>
---------------	----------------------------	--------------------------	-----------------------	-----------------------------

ACKNOWLEDGED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: _____

Name:

Title:

ANNEX 4
TO
PLEDGE AND SECURITY AGREEMENT
FORM OF JOINDER AGREEMENT

This **JOINDER AGREEMENT**, dated as of _____, 20____, is delivered pursuant to *Section 7.11 (Additional Grantors)* of the Pledge and Security Agreement, dated as of May __, 2007, by J. CREW OPERATING CORP., a Delaware corporation (“*Operating*”), J. CREW INC., a New Jersey corporation (“*J. Crew*”), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL (“*Retail*”), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory (“*Factory*”), Madewell Inc., a Delaware corporation (“*Madewell*”), J. CREW GROUP INC. (“*Holdings*”), J. CREW INTERNATIONAL, INC. (“*JCP*”) (each a “*Grantor*” and collectively the “*Grantors*”) in favor of Citicorp USA, Inc., as agent for the Secured Parties referred to therein (the “*Pledge and Security Agreement*”), Capitalized terms used herein but not defined herein are used with the meanings given them in the Pledge and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in *Section 7.11 (Additional Grantors)* of the Pledge and Security Agreement, hereby becomes a party to the Pledge and Security Agreement as a Grantor thereunder with the same force and effect as if originally named as a Grantor therein and, without limiting the generality of the foregoing, hereby grants to the Administrative Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the undersigned, a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of the undersigned and expressly assumes all obligations and liabilities of a Grantor thereunder.

The information set forth in *Annex 1-A* is hereby added to the information set forth in *Schedules 1* through *7* to the Pledge and Security Agreement. By acknowledging and agreeing to this Joinder Agreement, the undersigned hereby agree that this Joinder Agreement may be attached to the Pledge and Security Agreement and that the Pledged Collateral listed on *Annex 1-A* to this Pledge Amendment shall be and become part of the Collateral referred to in the Pledge and Security Agreement and shall secure all Secured Obligations of the undersigned.

The undersigned hereby represents and warrants that each of the representations and warranties contained in *Article III (Representations and Warranties)* of the Pledge and Security Agreement applicable to it is true and correct on and as the date hereof as if made on and as of such date.

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

[ADDITIONAL GRANTOR]

By:

Name:

Title:

ACKNOWLEDGED AND AGREED
as of the date first above written:

[EACH GRANTOR PLEDGING
ADDITIONAL COLLATERAL]

By: _____
Name:
Title:

CITICORP USA, INC.,
as Administrative Agent

By: _____
Name:
Title:

ANNEX 5
TO
PLEDGE AND SECURITY AGREEMENT

FORM OF SHORT FORM INTELLECTUAL PROPERTY SECURITY AGREEMENT

[COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT, dated as of May __, 2007, by each of the entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 7.11 (Additional Grantors)* of the Security Agreement referred to below (each a "Grantor" and, collectively, the "Grantors"), in favor of Citicorp USA, Inc. ("CUSA"), as agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, pursuant to the Amended and Restated Credit Agreement, dated as of May __, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among J. CREW OPERATING CORP., a Delaware corporation ("*Operating*"), J. CREW INC., a New Jersey corporation ("*J. Crew*"), GRACE HOLMES, INC., a Delaware corporation doing business as J. CREW RETAIL ("*Retail*"), H.F.D. No. 55, INC., a Delaware corporation doing business as J. Crew Factory ("*Factory*"), Madewell Inc., a Delaware corporation ("*Madewell*"), and together with Factory, J. Crew, Retail, and Operating, each individually a "*Borrower*" and collectively, the "*Borrowers*"), J. CREW GROUP, INC., a Delaware corporation ("*Holdings*") and J. CREW INTERNATIONAL, INC., a Delaware corporation ("*JCI*") and together with Holdings, each individually a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders and Issuers party thereto and CUSA, as agent for the Lenders and Issuers, the Lenders and the Issuers have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantors are party to the Guaranty pursuant to which they have guaranteed the Obligations; and

WHEREAS, all the Grantors are party to a Pledge and Security Agreement of even date herewith in favor of the Administrative Agent (the "*Security Agreement*") pursuant to which the Grantors are required to execute and deliver this [Copyright] [Patent] [Trademark] Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the Issuers and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders and the Issuers to make their respective extensions of credit to the Borrowers thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

Section 2. Defined Terms

Unless otherwise defined herein, terms defined in the Credit Agreement or in the Security Agreement and used herein have the meaning given to them in the Credit Agreement or the Security Agreement.

Section 3. Grant of Security Interest in [Copyright] [Trademark] [Patent] Collateral

Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the

Secured Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the “[Copyright] [Patent] [Trademark] Collateral”):

(a) all of its Copyrights and Copyright Licenses to which it is a party, including, without limitation, those referred to on *Schedule I* hereto;

(b) all extensions of the foregoing; and

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Copyright or Copyright licensed under any Copyright License.]

or

(a) all of its Patents and Patent Licenses to which it is a party, including, without limitation, those referred to on *Schedule I* hereto;

(b) all reissues, continuations or continuations-in-part of the foregoing; and

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent or any Patent licensed under any Patent License.]

or

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on *Schedule I* hereto;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.]

Section 4. Security Agreement

The security interest granted pursuant to this [Copyright] [Patent] [Trademark] Security Agreement is granted in conjunction with the security interest granted to the Administrative Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the [Copyright] [Patent] [Trademark] Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this [Copyright] [Patent] [Trademark] Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[GRANTOR],
as Grantor

By: _____
Name:
Title:

ACCEPTED AND AGREED
as of the date first above written:

CITICORP USA, INC.,
as Administrative Agent

By: _____
Name:
Title:

[SIGNATURE PAGE TO [COPYRIGHT] [PATENT] [TRADEMARK] SECURITY AGREEMENT]

Schedule 1
(Jurisdiction of Organization; Principal Executive Office)

<u>Legal Name of Grantor</u>	<u>Jurisdiction of Formation</u>	<u>Organizational Identification Number</u>	<u>Chief Executive Office</u>
J. Crew Group, Inc.	Delaware	4043069	770 Broadway New York, NY 10003
J. Crew Operating Corp.	Delaware	2794492	770 Broadway New York, NY 10003
J. Crew Inc.	New Jersey	0100221886	770 Broadway New York, NY 10003
J. Crew International, Inc.	Delaware	2297963	802 West Street, Suite 102 Wilmington, DE 19801
Grace Holmes Inc.	Delaware	0577825	770 Broadway New York, NY 10003
H.F.D. No. 55, Inc.	Delaware	0720619	770 Broadway New York, NY 10003
Madewell Inc.	Delaware	4154779	770 Broadway New York, NY 10003

Schedule 1

Schedule 2
(Pledged Collateral)

Pledged Stock

<u>Grantor</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u>No. of Shares Owned</u>	<u>Total Shares Outstanding</u>	<u>Percentage Pledged</u>	<u>Certificate No.</u>
J. Crew Group, Inc.	J. Crew Operating Corp.	Corporation	100	100	100	C1
J. Crew Operating Corp.	J. Crew Inc.	Corporation	100	100	100	4
J. Crew Operating Corp.	Grace Holmes, Inc.	Corporation	10	10	100	3
J. Crew Operating Corp.	H.F.D. No. 55, Inc.	Corporation	10	10	100	3
J. Crew Operating Corp.	J. Crew Virginia, Inc.	Corporation	100	100	100	1
J. Crew Operating Corp.	Madewell Inc.	Corporation	10	10	100	1
J. Crew Inc.	J. Crew International, Inc.	Corporation	100	100	100	1
J. Crew International, Inc.	J. Crew Japan, Inc.	Corporation	60	60	65	Not certified

Pledged Debt Instruments

<u>Instrument</u>	<u>Holder</u>	<u>Maker</u>	<u>Maturity Date</u>
Global Intercompany Promissory Note	Each Grantor	Each Grantor	On Demand

Schedule 2

Schedule 3
(Filings)

<u>Debtor</u>	<u>UCC-1 Filing Number</u>	<u>Jurisdiction</u>	<u>Original Secured Party</u>	<u>Action</u>
J. Crew Group, Inc.	53163186	Delaware	Wachovia Bank, National Association (successor by merger to Congress Financial Corporation)	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent
J. Crew Operating Corp.	23244450	Delaware	Congress Financial Corporation	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent
J. Crew Inc.	21360176	New Jersey	Congress Financial Corporation	UCC-3 Financing Statement assignment to be filed with the Secretary of State of New Jersey to assign this existing Financing Statement to Administrative Agent
J. Crew International, Inc.	23244492	Delaware	Congress Financial Corporation	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent

Schedule 3

Grace Holmes Inc.	23244476	Delaware	Congress Financial Corporation	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent
H.F.D. No. 55, Inc.	23244484	Delaware	Congress Financial Corporation	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent
Madewell Inc.	64051736	Delaware	Wachovia Bank, National Association (successor by merger to Congress Financial Corporation)	UCC-3 Financing Statement assignment to be filed with the Secretary of State of Delaware to assign this existing Financing Statement to Administrative Agent

Schedule 2

Schedule 3.11
(Collateral Access Agreements, Bailee Letters, etc.)

Collateral Access Agreement

Address
770 Broadway New York,
County of New York
New York, 10003

Lessee
Leased by J. Crew Group, Inc.

Landlord
770 Broadway Company LLC
c/o Vornado Management
Company LLC
888 Seventh Avenue
New York, NY 10106

Customs Broker/Freight Forwarder Notification and Acknowledgment of Security Interest

W.M. Stone & Co., Inc.
Vandegrift
Worldwide Trade Logistics, Inc.
Rical Group.

Schedule 3.11

Schedule 4
(Location of Inventory and Equipment)

Owned and leased locations (other than store locations):

<u>Address</u>	<u>Owned/Leased</u>	<u>Landlord (if applicable)</u>
770 Broadway New York, County of New York New York, 10003	Leased by J. Crew Group, Inc.	770 Broadway Company LLC c/o Vornado Management Company LLC 888 Seventh Avenue New York, NY 10106
Two Penn Plaza New York, County of New York New York, 10121	Leased by J. Crew Group, Inc.	Vornado Two Penn Property LLC c/o Vornado Office Management LLC 888 Seventh Avenue New York, NY 10106
25 Mills Race Drive Lynchburg, Virginia 24502	Leased by J. Crew Inc.	Mae Holding Company 5145 Fischer Place Cincinnati, OH
One Clifford Way Asheville, County of Buncombe North Carolina, 28810	Owned by Grace Holmes, Inc.	N/A
One Ivy Crescent Lynchburg, Virginia, 24506	Owned by J. Crew Inc.	N/A

Store Locations

<u>Location</u>	<u>City</u>	<u>State</u>
Kenosha	Pleasant Prairie	WI
Pigeon	Pigeon Forge	TN
Williamsburg	Williamsburg	VA
Hilton Head	Bluffton	SC
N. Conway	North Conway	NH
Freeport	Freeport	ME
Birch Run	Birch Run	MI
Kittery	Kittery	ME
Silverthorne	Silverthorne	CO
Foley	Foley	AL

Schedule 4

<u>Location</u>	<u>City</u>	<u>State</u>
Michigan City	Michigan City	IN
Manchester	Manchester Center	VT
Destin	Destin	FL
Lancaster	Lancaster	PA
Woodbury	Central Valley	NY
Tannersville	Tannersville	PA
San Marcos	San Marcos	TX
Gilroy	Gilroy	CA
St Augustine	St. Augustine	FL
Tilton	Tilton	NH
Napa	Napa	CA
Cabazon	Cabazon	CA
Commerce	Commerce	GA
Loveland	Loveland	CO
Rehoboth	Rehoboth Beach	DE
Sawgrass	Sunrise	FL
Niagara	Niagara Falls	NY
Westbrook	Westbrook	CT
Fingerlakes	Waterloo	NY
Grove City	Grove City	PA
Lee	Lee	MA
Riverhead	Riverhead	NY
Jackson	Jackson	NJ
Myrtle Beach	Myrtle Beach	SC
Hagerstown	Hagerstown	MD
Leesburg	Leesburg	VA
Wrentham	Wrentham	MA
Seattle	Marysville	WA
Chicago	Aurora	IL
Dawsonville	Dawsonville	GA
San Diego	San Diego	CA
Edinburgh	Edinburgh	IN
Miromar	Estero	FL
Howell	Howell	MI
Round Rock	Round Rock	TX
Allen	Allen	TX
Osage	Osage Beach	MO
Clinton	Clinton	CT
Vacaville	Vacaville	CA
Liberty Village	Flemington	NJ
Katy Mills	Katy	TX
Las Vegas	Primm	NV
The Outlets at Vero Beach	Vero Beach, FL	FL
Northpark Madewell	Dallas	TX
Century City Madewell	Los Angeles	CA

Schedule 4

<u>Location</u>	<u>City</u>	<u>State</u>
The Domain- Madewell	Austin	TX
Northpark Crewcuts	Dallas	TX
Westchester Crewcuts	White Plains	NY
The Gardens Mall	Palm Beach Gardens	FL
South Street Seaport	New York	NY
San Francisco Shopping Center	San Francisco	CA
Atrium	Chestnut Hill	MA
South Coast Plaza	Costa Mesa	CA
The Shops at Liberty Place	Philadelphia	PA
Pioneer Place	Portland	OR
Cambridgeside Galleria	Cambridge	MA
The Shops at Georgetown Park	Washington	DC
Montgomery Mall	Bethesda	MD
Northpark Center	Dallas	TX
Oakbrook Center	Oakbrook	IL
Northbrook Court	Northbrook	IL
North Michigan Ave	Chicago	IL
Somerset Collection	Troy	MI
Westport	Westport	CT
Scottsdale Fashion Square	Scottsdale	AZ
Lenox Square	Atlanta	GA
Roosevelt Field Mall	Garden City	NY
Pasadena	Pasadena	CA
Santa Fe	Santa Fe	NM
The Galleria	Houston	TX
Plaza Frontenac	St Louis	MO
Northshore Mall	Peabody	MA
Downtown Plaza	Sacramento	CA
The Fashion Mall at Keystone C	Indianapolis	IN
Southdale Mall	Edina	MN
Bellevue Square	Bellevue	WA
The Plaza at King of Prussia	King of Prussia	PA
Crabtree Valley	Raleigh	NC
Tysons Galleria	McLean	VA
Park Meadows Center	Littleton	CO
Woodfield Shopping Center	Schaumburg	IL
Garden State Plaza	Paramus	NJ
Stanford Shopping Center	Palo Alto	CA
Prince	New York	NY
Fifth Avenue	New York	NY
Boca	Boca Raton	FL
Copley Place	Boston	MA
Short Hills Mall	Short Hills	NJ
South Park	Charlotte	NC
Danbury Fair Mall	Danbury	CT

<u>Location</u>	<u>City</u>	<u>State</u>
Century City Shopping Center	Los Angeles	CA
Westfarms Mall	Farmington	CT
Fashion Valley	San Diego	CA
Beachwood Mall	Beachwood	OH
Aventura	Aventura	FL
South Shore Plaza	Braintree	MA
Riverside Square	Hackensack	NJ
Perimeter Mall	Atlanta	GA
Third Street Promenade	Santa Monica	CA
Village at Corte Madera	Corte Madera	CA
Burlingame	Burlingame	CA
Harbor Place	Baltimore	MD
The Westchester	White Plains	NY
Oak Park Mall	Overland Park	KS
Pacific Place	Seattle	WA
Walt Whitman Mall	Huntington Station	NY
Menlo Park	Edison	NJ
Briarwood Mall	Ann Arbor	MI
McArthur Center	Norfolk	VA
Easton Town Center	Columbus	OH
Cherry Creek Mall	Denver	CO
Riverchase Galleria	Birmingham	AL
Washington Square Mall	Portland	OR
Kenwood Center	Cincinnati	OH
Cape Cod Mall	Hyannis	MA
Mall of Georgia	Buford	GA
Providence Place	Providence	RI
Mission Viejo	Mission Viejo	CA
Brea Mall	Brea	CA
Rockefeller Center	New York	NY
Green Hills Mall	Nashville	TN
Old Orchard Center	Skokie	IL
Fashion Show	Las Vegas	NV
North Star Mall	San Antonio	TX
Tucson Mall	Tucson	AZ
Woodland Shopping Center	Grand Rapids	MI
Flatiron Crossing	Broomfield	CO
Galleria at Roseville	Roseville	CA
Lakeside Mall	Metarie	LA
Deer Park Town Center	Deer Park	IL
Avenue of the Peninsula	Rolling Hills Estates	CA
Saddle Creek	Germantown	TN
Walden Galleria	Buffalo	NY
Greenwich Avenue	Greenwich	CT
Stonebriar Center	Frisco	TX

<u>Location</u>	<u>City</u>	<u>State</u>
Ross Park	Pittsburgh	PA
Stonestown Galleria	San Francisco	CA
Mayfair Mall	Wauwatosa	WI
Pentagon City	Arlington	VA
Mall of America	Bloomington	MN
Haywood Mall	Greenville	SC
Carousel Center	Syracuse	NY
Country Club Plaza	Kansas City	MO
Brinton Lakes	Glen Mills	PA
Suburban Square	Ardmore	PA
The Grove	Los Angeles	CA
Valley Fair	Santa Clara	CA
The Gateway	Salt Lake City	UT
Marlton	Marlton	NJ
Tice's Comer	WoodcliffLake	NJ
International Plaza	Tampa	FL
Yale University	New Haven	CT
Twelve Oaks	Novi	MI
North Ave Collection	Chicago	IL
Burlington Town Center	Burlington	VT
Fayette Mall	Lexington	KY
Franklin Park	Toledo	OH
Polaris Fashion	Columbus	OH
Kierland Commons	Scottsdale	AZ
Peachtree	Norcross	GA
Columbia Mall	Columbia	MD
Willow Grove	Willow Grove	PA
Fashion Valley	Murray	UT
Sherman Oaks	Sherman Oaks	CA
Woodland Hills	Tulsa	OK
Short Pump	Richmond	VA
Fairfield Commons	Beavercreek	OH
West Town Mall	Knoxville	TN
Summit at Louisville	Louisville	KY
Crossgates Mall	Albany	NY
Chandler Fashion Sq	Chandler	AZ
Rockingham Park	Salem	NH
Aspen Grove	Littleton	CO
Penn Square	Oklahoma City	OK
University Village	Seattle	WA
King Street	Charleston	SC
Willow Bend	Plano	TX
South Hills Village	Upper St Clair	PA
Willowbrook Mall	Wayne	NJ
Princeton	Princeton	NJ

<u>Location</u>	<u>City</u>	<u>State</u>
Streets at Southpoint	Durham	NC
Charlottesville Square	Charlottesville	VA
Eastview Mall	Victor	NY
Madison & 45th	New York	NY
Eastwood Town	Lansing	MI
Village of Rochester Hills	Rochester Hills	MI
Arbor Lakes	Maple Grove	MN
Rockaway Town	Rockaway	NJ
Smithhaven Mall	Lake Grove	NY
Grand Place	St. Paul	MN
Stoneridge Center	Pleasanton	CA
Summit at Birmingham	Birmingham	AL
Orland Square	Orland Park	IL
Chevy Chase Pavillion	Washington	DC
Manhasset	Manhasset	NY
Walnut Street	Pittsburgh	PA
Evergreen Walk	South Windsor	CT
Jordan Creek	West Des Moines	IA
St. John's TC	Jacksonville	FL
Northlake	Charlotte	NC
Crocker Park	Westlake	OH
Bridgeport Village	Tigard	OR
The Gardens Mall	Palm Beach Gardens	FL
Southlake Town Square	Southlake	TX
Easthampton	East Hampton	NY
The Woodlands	The Woodlands	TX
Village Point	Omaha	NE
The Galleria-Ft.Lauderdale	Ft. Lauderdale	FL
Barton Creek	Austin	TX
The Domain	Austin	TX
Mall At Millenia	Orlando	FL
The Streets at Chester	Chester	NJ
Coconut Point	Estero	FL
North Point Mall	Alpharetta	GA
Broadway Plaza	Walnut Creek	CA
Carmel Plaza, CA	Carmel	CA
Friendly Center	Greensboro	NC
Topanga Plaza	Canoga Park	CA
The Summit Sierra	Reno	NV
Columbus Circle	New York	NY
West Towne Mall	Madison	WI
La Cumbre	Santa Barbara	CA
Waterside Shops at Pelican Bay	Naples	FL

Schedule 5
(Intellectual Property)

Copyrights

<u>Grantor</u>	<u>Copyrights</u>	<u>Status</u>	<u>Registration No.</u>
J. Crew International, Inc.	Henry standing patchworkplaid	Registered	VA 1260936
J. Crew International, Inc.	Hula girl	Registered	VA 1303448
J. Crew International, Inc.	Lobster	Registered	VA1303449
J. Crew International, Inc.	Palm tree	Registered	VA 1303450
J. Crew International, Inc.	Flamingo	Registered	VA1360268

Trademarks

Trademark Licenses:

J. Crew licenses the "J. Crew" trademark and related know-how to Itochu Fashion System Co., Ltd. and Itochu Corporation pursuant to a Trademark License Agreement among J. Crew International, Inc., Itochu Fashion System Co., Ltd and Itochu Corporation dated as of November 4, 1997, as amended., and a Know-How License Agreement among J. Crew Group, Inc., Itochu Fashion System Co., Ltd. and Itochu Corporation dated as of November 4, 1997, as amended.

Owned Trademarks: (see attached)

Note that the "Madewell" marks were assigned to J. Crew in January of 2007.

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN.NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Argentina	CREWCUTS	2008284	11-07-95	1615822	9/16/1996	REGISTERED

25: CLASS HEADING

Bermuda	CREWCUTS	27871	05-22-96	27871	5/22/1996	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Brazil	CREWCUTS	818908173	11-16-95	818908173	10/24/2000	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Canada	CREWCUTS	788044	07-20-95	498047	7/29/1998	REGISTERED
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BASED ON USE: WEARING APPAREL, NAMELY CHILDREN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SHIRTS, BLOUSES, DRESSES;

BASED ON INTENT TO USE: WEARING APPAREL, NAMELY SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Chile	CREWCUTS	325429	11-09-95	512783	5/19/1998	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC, SHOES AND BOOTS AND ALL OTHER PRODUCTS COMPRISED IN CLASS 25

J. Crew International, Inc.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
China (People's Republic Of)	CREWCUTS	5163371	02-17-06			FILED

18: ALL SUBCLASS HEADINGS THAT CONTAIN ANY TYPE OF BAGS

China (People's Republic Of)	CREWCUTS (ENGLISH AND CHINESE CHARACTERS)	950123345	09-29-95	997228	5/6/1997	REGISTERED
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25: CLOTHING, FOOTWEAR AND HEADGEAR

Colombia	CREWCUTS	95053339	11-10-95	184927	3/1/1996	REGISTERED
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25: CLOTHING, FOOTWEAR AND HEADGEAR

European Union	CREWCUTS	003431319	10-30-03	003431319	9/20/2005	REGISTERED
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18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, COIN CASES, KEY CASES AND EYEGLASS CASES

25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNAS TIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS

35: ADVERTISING; BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION; OFFICE FUNCTIONS; RETAIL SERVICES; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG.NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Hong Kong	CREWCUTS (ENGLISH AND CHINESE CHARACTERS)	95/11697	09-19-95	03758/1997	3/26/1997	REGISTER



25: CLOTHING, FOOTWEAR AND HEADGEAR

India	CREWCUTS	1414837	01-18-06			FILED
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25: CLOTHING, FOOTWEAR, HEADGEAR

Indonesia	CREWCUTS	D002006030540	09-15-06			FILED
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25: CLASS HEADING

Indonesia	CREWCUTS	D96/14673	07-15-96	391235	9/22/1997	REGISTER
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25: CLASS HEADING

Ireland	CREWCUTS	171095	09-22-95	171095	9/22/1995	REGISTER
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES, AND BOOTS

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Japan	CREWCUTS	2006-001235	01-11-06	5011494	12/15/2006	REGISTERED

18: BAGS/POUCHES AND THE LIKE; HANDBAG OR PURSE FRAMES; INDUSTRIAL PACKAGING CONTAINERS OF LEATHER; CLOTHING FOR DOMESTIC PETS; VANITY CASES (NOT FITTED); UMBRELLAS; WALKING STICKS, CANES, METAL PARTS/HANDLES OF CANES AND WALKING-STICKS; SADDLERY; LEATHER (UNWORKED AND SEMI-WORKED)

25: CLOTHING; GARTERS, SOCK SUSPENDERS, BRACES, WAISTBANDS AND BELTS FOR CLOTHING; FOOTWEAR; MASQUERADE COSTUMES; SPECIAL SPORTING/GYMNASTIC WEAR; SPECIAL SPORTING/GYMNASTIC FOOTWEAR

Japan	CREWCUTS	2006-111549	12-01-06			FILED
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9: SUNGLASSES AND OTHER SPECTACLES (EYEGASSES/GOGGLES); EYEGLOSS FRAMES, EYEGLOSS CASES, EYEGLOSS CHAINS, AND OTHER PARTS/ACCESSORIES FOR SPECTACLES

28: PLUSH TOYS, SOFT STACKABLE ANIMAL TOYS, ACCORDION MUSICAL PULL TOYS, SHAPE SORTERS, TOYS BUILDING BLOCKS, BABY RATTLES, CRIB MOBILES, BABY MULTIPLE ACTIVITY TOYS, JIGSAW PUZZLES AND MANIPULATIVE PUZZLES, CHRISTMAS TREE ORNAMENTS AND BELLS, TEDDY BEARS, TOY FIGURINES, AND OTHER TOYS; PORCELAIN DOLLAS AND OTHER DOLLS; GAME MACHINES AND APPARTUS; POOL CUES AND OTHER BILLARD EQUIPMENT; BOARD GAMES, CARD GAMES, GAME CARDS; DICE, DICE CUPS, DIAMOND GAMES, CHESS GAMES, CHECKERS, CONJURING APPARATUS, DOMINOS; PLAYING CARDS; TOYS FOR DOMESTIC PETS; CRICKET BALLS, FIELD HOCKEY BALLS, GOLF BALLS, LACROSSE BALLS, SOCCER BALLS, SPORT BALLS, FOOT BALLS, SPORTING/GYMNASTIC EQUIPMENT; FISHING TACKLES

Macao	CREWCUTS	N20682	01-19-06	N/20682	6/9/2006	REGISTERED
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25: CLOTHING, FOOTWEAR, HEADGEAR

Mauritius	CREWCUTS	MU/M/6/04144	01-31-06	02847/2006	12/28/2006	FILED
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25: CLOTHING, FOOTWEAR AND HEADGEAR

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Mexico	CREWCUTS	238457	07-26-95	502662	7/26/1995	REGISTERED

25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

New Zealand	CREWCUTS	255495	11-06-95	255495	11/6/1995	REGISTERED
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25: CLOTHING, FOOTWEAR AND HEADGEAR

Paraguay	CREWCUTS	13306-1999	06-30-99	223465	3/24/2000	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Peru	CREWCUTS	284701	11-15-95	023416	2/16/1996	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS, AND IN GENERAL ALL GOODS IN CLASS

Philippines	CREWCUTS	104170	11-21-95	106439	5/30/2003	REGISTERED
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25: CHILDREN'S SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, SHOES, ATHLETIC SHOES, AND BOOTS

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CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Singapore	CREWCUTS	8790/95	09-14-95	8790/95	9/14/1995	REGISTERED

25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDER SHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

South Korea	CREWCUTS (English And Korean Characters)	96/34994	08-09-96	388005	12/24/1997	REGISTERED
	CREWCUTS 크루컷					

12: TOILETRY CASES

South Korea	CREWCUTS (English And Korean Characters)	95/35304	09-15-95	368229	7/10/1997	REGISTERED
	CREWCUTS 크루컷					

NA 45: DRESS SHIRTS, SPORT SHIRTS, POLO SHIRTS, TEE SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS AND GLOVES

South Korea	CREWCUTS (English And Korean Characters)	95/35305	09-15-95	360966	4/28/1997	REGISTERED
	CREWCUTS 크루컷					

NA 27: LOW SHOES, BOOTS, LACE UP BOOTS, LEATHER SHOES, RUBBER SHOES, VINYL SHOES, RAIN SHOES, ARCTIC SHOES, BASEBALL SHOES, BASKETBALL SHOES, RUGBY SHOES, HANDBALL SHOES, FIELD AND TRACK SHOES, HOCKEY SHOES, GOLF SHOES, BOXING SHOES, HIKING SHOES, ANGLER SHOES, WORK BOOTS, OVERSHOES, STRAW SHOES, SLIPPERS, SANDALS, CLOGS, SOLES, INSOLES AND SHOE PROTECTION ACCESSORY

South Korea	CREWCUTS (English And Korean Characters)	96/25393	06-14-96	387995	12/24/1997	REGISTERED
	CREWCUTS 크루컷					

NA 25: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS, NAME CARD CASES, CREDIT CARD CASES, TOILETRY CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO</u>	<u>APPLN. DATE</u>	<u>REG. NO</u>	<u>REG. DATE</u>	<u>STATUS</u>
Switzerland	CREWCUTS	11254/1995	09-25-95	432432	9/25/1995	REGISTERED

25: CLOTHING, FOOTWEAR, HEADGEAR

Taiwan	CREWCUTS (ENGLISH AND CHINESE CHARACTERS)	84047363	09-19-95	00761644	5/16/1997	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES AND BOOTS

Thailand	CREWCUTS	295676	10-16-95	KOR50574	10/16/1995	REGISTERED
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25: SHIRTS, SWEATERS, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, UNDERSHIRTS, SHOES, ATHLETIC SHOES, AND BOOTS

United States	CREWCUTS	78/568692	02-16-05	3163866	10/24/2006	REGISTERED
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18: TOTE BAGS, BACKPACKS, WALLETS, SCHOOL BAGS, SCHOOL BOOK BAGS, SPORTS BAGS

26: HAIR ACCESSORIES, NAMELY TWISTERS, CLAW CLIPS; SNAP CLIPS; CLAM CLIPS FOR HAIR; BARRETTES; HAIR BANDS; HAIR BOWS; HAIR BUCKLES; HAIR CLIPS; HAIR ORNAMENTS IN THE FORM OF COMBS; HAIR RIBBONS; HAIR SCRUNCHIES

35: RETAIL STORES AND ON-LINE RETAIL STORE SERVICES ALL FEATURING CHILDREN'S CLOTHING

United States	CREWCUTS	78/417243	05-12-04	3107778	6/20/2006	REGISTERED
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25: SHIRTS, SWEATERS, SWEATSHIRTS, JACKETS, PANTS, SKIRTS, COATS, CAPS, HATS, SOCKS AND FOOTWEAR

J. Crew International, Inc.

CREWCUTS Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	CREWCUTS	76/240045	04-12-01	2929166	3/1/2005	REGISTERED

25: CHILDREN'S SHIRTS, SWEATERS, HATS, JACKETS

Venezuela	CREWCUTS	018712/95	11-23-95	195374-9	3/7/1997	REGISTERED
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25: CLASS HEADING

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J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Argentina	J. CREW	1833779	02-26-92	1732673	4/22/1999	REGISTERED

25: ALL GOODS UNDER THIS CLASS

Argentina	J. CREW	2163790	07-20-98	1770468	1/10/2000	REGISTERED
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9: LENSES, SUNGLASSES, EYEGLASSES, FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES, SPECIAL CASES FOR GLASSES AND LENSES, PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES, CORDS AND CHAINS FOR EYEGLASSES

Argentina	J. CREW	2163791	07-20-98	1770469	1/10/2000	REGISTERED
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16: PRINTED MATTER, MAGAZINES, AND CATALOGS

Argentina	J. CREW and Design (with oarsman and underline)	1833782	02-26-92	1676462	7/24/1998	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Australia	J. CREW	B598886	03-23-93	598886	11/14/1997	REGISTERED
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16: MAIL ORDER CATALOGUES AND ALL OTHER GOODS IN THIS CLASS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Australia	J. CREW and Design (with oarsman and no underline)	B598890	03-23-93	598890	11/14/1997	REGISTERED



16: MAIL ORDER CATALOGUES AND ALL OTHER GOODS IN THIS CLASS

Bahamas	J. CREW					DOCKETED
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25: ALL GOODS IN CLASS

Bangladesh	J. CREW	95889	12-14-05			FILED
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25: ALL GOODS IN CLASS

Benelux	J. CREW	713271	03-22-88	447085	3/22/1988	REGISTERED
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18: BELTS

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Bermuda	J. CREW	26724	02-22-95	B26724	2/22/1995	REGISTERED
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25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHT-GOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES AND THONGS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Bermuda	J. CREW & DESIGN	26449	10-05-94	26449	10/5/1994	REGISTERED

25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES AND THONGS

Brazil	J. CREW	816726361	05-19-92	816726361	10/28/1997	REGISTERED
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NA 25.10 AND 25.60: DESIGNING AND MERCHANDISING OF MEN'S AND WOMEN'S APPAREL, APPAREL-RELATED ACCESSORIES AND LUGGAGE AND SALES OF SUCH MERCHANDISE THROUGH RETAIL STORES AND MAIL ORDER

Brazil	J. CREW	817895256	06-16-94	817895256	9/17/1996	REGISTERED
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NA 40.15: RETAIL AND MAIL ORDER SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL, AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE

Brazil	J. CREW and Design (with oarsman and underline)	816727880	05-20-92	816727880	8/26/1997	REGISTERED
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NA 25.10 AND 25.60: DESIGNING AND MERCHANDISING OF MEN'S AND WOMEN'S APPAREL, APPAREL-RELATED ACCESSORIES AND LUGGAGE AND SALES OF SUCH MERCHANDISE THROUGH RETAIL STORES AND MAIL ORDER

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Canada	J. CREW	768042	11-08-94	469783	1/27/1997	REGISTERED

CLOTHING AND ACCESSORIES, NAMELY, SHIRTS, SWEATERS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, JEANS, BELTS, SOCKS, JACKETS, COATS, SLICKERS, SKIRTS, BLOUSES, DRESSES, CARDIGANS, VESTS, SCARVES, JUMPSUITS, T-SHIRTS, TIES, GLOVES, TANK TOPS, BLAZERS, LINGERIE, CAMISOLES, CHEMISES, UNDERWEAR, BRAS, BRA TOPS, SLEEPWEAR, HOSIERY, SWIMWEAR, SUITS, LEGGINGS, BODYSUITS, ROMPERS, ROBES, LEOTARDS, TUNICS; FOOTWEAR, NAMELY SHOES, SNEAKERS, BOOTS, ESPADRILLES, SANDALS, MOCCASINS, SLIPPERS, THONGS, MULES; HEADWEAR, NAMELY CAPS, HATS, HEAD BANDS; SUNGLASSES;
BACKPACKS, DUFFLE BAGS, TOTE BAGS;
MAIL ORDER SERVICES

Canada	J. CREW and Design (with oarsman and underline)	604038	04-05-88	375013	11/2/1990	REGISTERED
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MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES; LUGGAGE, UMBRELLAS, HANDBAGS AND DUFFEL BAGS; RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Chile	J.CREW	202590	03-18-92	653274	12/27/2002	REGISTERED
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42: RETAIL CATALOGUE SERVICES IN THE FIELD OF LEATHER AND IMITATION LEATHER, LUGGAGE, CLOTHING AND CLOTHING ACCESSORIES

Chile	J.CREW	420919	07-17-98	534478	7/17/1998	REGISTERED
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9: LENSES, SUNGLASSES, EYEGLASSES, FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES, SPECIAL CASES FOR GLASSES AND LENSES, PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES, CORDS AND CHAINS FOR EYEGLASSES
16: PRINTED MATTER, MAGAZINES, CATALOGS AND OTHER ARTICLES IN THIS CLASS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO</u>	<u>REG. DATE</u>	<u>STATUS</u>
Chile	J. CREW	202588	03-18-92	653273	12/27/2002	REGISTERED

18: TRUNKS, SUITCASES, SMALL SUITCASES, HANDBAGS, DUFFELBAGS, UMBRELLAS, LEATHER GOODS AND IMITATIONS OF LEATHER

Chile	J. CREW & DESIGN (WITH LINE)	279438	07-12-94	443245	4/12/1995	REGISTERED
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25: OUTER AND UNDER CLOTHING IN GENERAL AND OTHER ARTICLES OF CLASS 25

China (People's Republic Of)	J. CREW	9700128772	12-02-97	1281194	6/7/1999	REGISTERED
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9: EYEGLASSES, PINCE-NEZ, CONTACT LENSES, CORRECTION LENSES, EYEGLASSES CASES, PINCE-NEZ CASES, CHAINS FOR EYEGLASSES, BOXES FOR CONTACT LENSES, EYEGLASS FRAMES, CONTAINERS FOR CONTACT LENSES, CLEANING CLOTHS FOR EYEGLASSES, SPECTACLES, LENSES FOR EYEGLASSES, LENSES (OPTICS), CHAINS FOR PINCE-NEZ, STRINGS FOR PINCE-NEZ AND FRAMES FOR PINCE-NEZ

China (People's Republic Of)	J. CREW		12-07-05			FILED
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14: JEWELRY

18: LEATHER GOODS AND UMBRELLAS

China (People's Republic Of)	J. CREW & DESIGN (WITH LINE)	8832227	09-10-88	358993	8/29/1989	REGISTERED
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25: SHOES AND HATS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
China (People's Republic Of)	J. CREW (CHINESE CHARACTERS)	94111635	10-31-94	882248	10/14/1996	REGISTERED

25: CLOTHING; SHOES; HATS

China (People's Republic Of)	J. CREW (STYLIZED)	8836338	10-14-88	362359	9/29/1989	REGISTERED
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25: MEN'S AND WOMEN'S UNDERWEAR; ESTS; SHORTS; SWEATSHIRTS; PANTS; JACKETS; SLICKERS; SKIRTS; BLOUSES; SUITS FOR WOMEN

China (People's Republic Of)	J. CREW (STYLIZED)	8836340	10-14-88	362731	9/29/1989	REGISTERED
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24: SOCKS AND HANKERCHIEFS

China (People's Republic Of)	J. CREW (STYLIZED)	8836339	10-14-88	361137	9/9/1989	REGISTERED
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25: SHOES; HATS

China (People's Republic Of)	J. CREW and Design (with oarsman and underline)			384288	9/29/1989	REGISTERED
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24: BANDANNAS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
China (People's Republic Of)	J. CREW and Design (with oarsman and underline)	8832226	09-10-88	362742	9/29/1989	REGISTERED



25: SOCKS AND HANKERCHIEFS

Colombia	J. CREW	94.006.448	02-18-94			FILED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Colombia	J. CREW and Design (with oarsman and underline)	94.006.449	02-18-94			FILED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES

Ecuador	J. CREW	110172	12-27-00	1156501	5/15/2001	REGISTERED
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25: SHIRTS, POLO'S, BLOUSES, CAMISOLES, T-SHIRTS, SWEATERS, SWEATSHIRTS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, BLAZERS, SUITS, TANK TOPS, CLOTHING SETS FOR CHILDREN, SKI CLOTHES, PANTS, JEANS, SHORTS, OVERALLS, SKIRTS, DRESSES, WOMEN'S SHIRTS, PYJAMAS, NIGHTGOWNS, BELTS, SWIMSUITS, UNDERGARMENTS FOR WOMEN, KNEE-HI, BRAS, UNDERWEAR, SPORTSWEAR AND EXERCISE WEAR, HANKERCHIEFS, GLOVES, HATS, SHOES, SNEAKERS, SANDALS, MOCASSINS, THONGS AND ALL OTHER GOODS IN THIS CLASS

Egypt	J. CREW	180391	11-20-05			FILED
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: CLOTHING

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
European Union	J. CREW	3431103	10-30-03	003431103	10/30/2003	REGISTERED

18. LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, COIN CASES AND KEY CASES

25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNAS TIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS

35: ADVERTISING; BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION; OFFICE FUNCTIONS; RETAIL SERVICES; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

European Union	J. CREW	1561141	03-16-00	1561141	6/25/2001	REGISTERED
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14: PRECIOUS METALS AND THEIR ALLOYS AND GOODS IN PRECIOUS METALS OR COATED THEREWITH, NOT INCLUDED IN OTHER CLASSES; JEWELRY, PRECIOUS STONES; HOROLOGICAL AND CHRONOMETRIC INSTRUMENTS

European Union	J. CREW	173210	04-01-96	173210	3/9/1999	REGISTERED
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16: PRINTED MATTER, MAGAZINES, MAIL ORDER CATALOGS FOR ALL KINDS OF GOODS;

18: LEATHER AND IMITATION LEATHER AND GOODS MADE OF THESE MATERIALS; ANIMAL SKINS, HIDES, LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY) SHAVING KITS (SOLD EMPTY) BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGLASS CASES, CHECK BOOK CASES, TRUNKS AND TRAVELING BAGS; UMBRELLAS; PARASOLS; AND WALKING STICKS;

25: CLOTHING NAMELY SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNAS TIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, HANDKERCHIEFS, SCARVES, BANDANNAS; FOOTWEAR NAMELY SHOES. ATHLETIC SHOES, BOOTS; HEADWEAR NAMELY CAPS AND HATS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
European Union	J. CREW	1372903	11-04-99	1372903	2/9/2005	REGISTERED

4: INDUSTRIAL OILS AND GREASES; LUBRICANTS; DUST ABSORBING, WETTING AND BINDING COMPOSITIONS; FUELS (INCLUDING MOTOR SPIRIT) AND ILLUMINANTS; CANDLES, WICKS, SCENTED AND UNSCENTED CANDLES

24: TEXTILES AND TEXTILE GOODS, NOT INCLUDED IN OTHER CLASSES; BED AND TABLE COVERS; HOME FURNISHINGS NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACE MATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES.

European Union	J. CREW	1510601	02-16-00	1510601	3/14/2002	REGISTERED
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35: BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION; OFFICE FUNCTIONS; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

42: TECHNICAL CONSULTANCY AND ADVISING IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS

European Union	J. CREW	1659325	05-16-00	1659325	8/21/2001	REGISTERED
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9: SCIENTIFIC, NAUTICAL, SURVEYING, ELECTRIC, PHOTOGRAPHIC, CINEMATOGRAPHIC, OPTICAL, WEIGHING, MEASURING, SIGNALLING, CHECKING (SUPERVISION), LIFE SAVING AND TEACHING APPARATUS AND INSTRUMENTS; SUNGLASSES; APPARATUS FOR RECORDING, TRANSMISSION OR REPRODUCTION OF SOUND OR IMAGES; MAGNETIC DATA CARRIERS, RECORDING DISCS; AUTOMATIC VENDING MACHINES AND MECHANISMS FOR COIN OPERATED APPARATUS, CASH REGISTERS, CALCULATING MACHINES, DATA PROCESSING EQUIPMENT AND COMPUTERS; FIRE EXTINGUISHING APPARATUS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
European Union	J. CREW and Design (in box with oarsman)	3431806	10-30-03	003431806	10/30/2003	REGISTERED



18: LEATHER AND IMITATIONM LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; ANIMAL SKINS, HIDES, TRUNKS AND TRAVELLING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY; LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGLASS CASES, CHEQUE BOOK CASES.

25: CLOTHING, FOOTWEAR, HEADGEAR; SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, SWEATSHIRTS, UNDERWEAR, UNDERSHIRTS, SOCKS, BLOUSES, DRESSES, SKIRTS, KNIT TOPS, ROBES, SHORTS, SLACKS, TROUSERS, PANTS, BELTS, JACKETS, SUITS, VESTS, COATS, RAINCOATS, SLICKERS, NAUTICAL CLOTHING, GYMNAS TIC CLOTHING, SPORT AND LEISURE CLOTHING, PERSONAL LINENS AND ACCESSORIES, TIES, NECKTIES, HANDKERCHIEFS, SCARVES, BANDANNAS, ATHLETIC SHOES, BOOTS, CAPS AND HATS

35: ADVERTISING; BUSINESS MANAGEMENT; BUSINESS ADMINISTRATION; OFFICE FUNCTIONS; RETAIL SERVICES; RETAIL STORE SERVICES FOR APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS; BUSINESS MANAGEMENT CONSULTANCY, INCLUDING GIVING ASSISTANCE AND ADVICE IN THE ESTABLISHMENT OF RETAIL STORES IN THE FIELD OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, THE BRINGING TOGETHER FOR THE BENEFIT OF OTHERS, OF APPAREL, SHOES, ACCESSORIES, JEWELRY, COSMETICS, TOILETRIES, FRAGRANCES AND HOME FURNISHINGS, EXCLUDING THE TRANSPORT THEREOF, ENABLING CONSUMERS TO CONVENIENTLY VIEW AND PURCHASE THOSE GOODS

SENIORITY CLAIMED: AUSTRIA, BENELUX, FRANCE, GERMANY, GREECE, IRELAND, ITALY, PORTUGAL, SPAIN AND SWITZERLAND

France	J. CREW	916675	03-28-88	1504964	3/28/1988	REGISTERD
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25: SHIRTS, T-SHIRTS, JERSEYS, SWEATERS, FOOTWEAR, HATS, CAPS, NECKTIES, SHORTS, SWEATSHIRTS, TROUSERS, PANTS, BELTS, SOCKS, VESTS, RAINCOATS, SKIRTS, BLOUSES, ROBES

France	J. CREW	92/441116	11-09-92	92441116	5/21/1993	REGISTERED
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16: PRINTED MATTER, PROSPECTUS, MAGAZINES, CATALOGS, PAPER, CARDBOARD AND PRODUCTS MADE OUT OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES), PRODUCTS FOR PRINTERS, BOOKBINDING MATERIALS, PHOTOGRAPHS, STATIONERY, ADHESIVES FOR PAPER PRODUCTS OR HOUSEHOLD PRODUCTS, ARTISTS MATERIALS, PAINT BRUSHES, TYPEWRITER AND OFFICE REQUISITES (OTHER THAN FURNITURE), INSTRUCTIONAL AND TEACHING MATERIALS (OTHER THAN APPARATUS) PLASTICS (NOT INCLUDED IN OTHER CLASSES); PLAYING CARDS, PRINTERS TYPE AND CLICHES

18: LEATHER AND IMITATIONS OF LEATHER, AND GOODS MADE OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES); ANIMAL SKINS, HIDES, TRUNKS, AND TRAVELING BAGS; UMBRELLAS, PARASOLS, WALKING STICKS

24: TISSUES; BED AND TABLE COVERS; TEXTILE ARTICLES NOT INCLUDED IN OTHER CLASSES

25: CLOTHING, UNDERWEAR, HATS, HEADWEAR

J. Crew International, Inc.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
France	J. CREW and Design (with oarsman and underline)	92/440446	11-04-92	92440446	11/4/1992	REGISTERED



16: PRINTED MATTER, PROSPECT US, MAGAZINES, CATALOGS; PAPER, CARDBOARD AND PRODUCTS MADE OUT OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES); PRODUCTS FOR PRINTERS, BOOKBINDING MATERIALS, PHOTOGRAPHS, STATIONERY, ADHESIVES FOR PAPER PRODUCTS OR HOUSEHOLD PRODUCTS, ARTISTS MATERIALS, PAINT BRUSHES, TYPEWRITER AND OFFICE REQUISITES (OTHER THAN FURNITURE); INSTRUCTIONAL AND TEACHING MATERIALS (OTHER THAN APPARATUS); PLASTICS (NOT INCLUDED IN OTHER CLASSES); PLAYING CARDS, PRINTERS TYPE AND CLICHES

18: LEATHER AND IMITATIONS OF LEATHER AND GOODS MADE OF THESE MATERIALS (NOT INCLUDED IN OTHER CLASSES); ANIMAL SKINS, HIDES, TRUNKS, AND TRAVELING BAGS; UMBRELLAS, PARASOLS, WALKING STICKS

24: TISSUES; BED AND TABLE COVERS; TEXTILE ARTICLES NOT INCLUDED IN OTHER CLASSES

25: CLOTHING, UNDERWEAR, HATS, HEADWEAR

Germany	J. CREW	P 36 427/25 WZ	04-09-88	1187930	4/9/1988	REGISTERED
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[ILLEGIBLE] CLOTHES FOR MEN AND WOMEN, IN PARTICULAR SHIRTS, JACKETS, CAPS, HATS, SCARFS, PANTS, SWEATSHIRTS, BELTS, SOCKS, COATS, RAIN COATS, SKIRTS, BLOUSES, SUITS; FOOTWEAR

Hong Kong	J. CREW		04-13-88	B678 OF 1990	4/13/1988	REGISTERED
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25: CLOTHING, SHOES, CAPS, HATS, BANDANNAS, BELTS, SOCKS, BUT NOT INCLUDING ANY OF THE AFORE SAID GOODS ADAPTED FOR SAILING OR ROWING

Hong Kong	J. CREW (ENGLISH AND CHINESE CHARACTERS)	95/01057	01-27-95	13561	1/27/1995	REGISTERED
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25: CLOTHING, FOOTWEAR, HEADGEAR, BUT NOT INCLUDING ANY AFORESAID GOODS ADAPTED FOR SAILING OR ROWING

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Hong Kong	J. CREW (ENGLISH AND CHINESE CHARACTERS)	95/01058	01-27-95	13562	1/27/1995	REGISTERED

J. CREW 志高

42: RETAIL, WHOLESALE, OUTLET STORE SERVICES AND MAIL ORDER SERVICES OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY, SUITCASES, BRIEFCASES, HANDBAGS AND BAGS; ALL INCLUDED IN CLASS 42; BUT NOT INCLUDING RETAIL, WHOLESALE, OUTLET STORE SERVICES AND MAIL ORDER SERVICES OF CLOTHING, CLOTHING ACCESSORIES, SUITCASES, BRIEFCASES AND BAGS ADAPTED FOR SAILING OR ROWING

Hong Kong	J. CREW and Design (with oarsman and underline)	2392/88	03-07-88	B677 OF 1990	3/7/1988	REGISTERED
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J. CREW

25: CLOTHING, SHOES, CAPS, HATS, BANDANNAS, BELTS, SOCKS , BUT NOT INCLUDING ANY OF THE AFORE SAID GOODS ADAPTED FOR SAILING OR ROWING

India	J. CREW	1412546	01-09-06			FILED
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18. LEATHER AND IMITATION OF LEATHER AND GOODS MADE OF THESE MATERIALS AND NOT INCLUDED IN OTHER CLASSES; LEATHER JACKETS AND BAGS, ANIMAL SKINS, HIDES; TRUNKS AND TRAVELING BAGS; UMBRELLAS, PARASOLS AND WALKING STICKS; WHIPS, HARNESS AND SADDLERY

25: CLOTHING, FOOTWEAR, HEADGEAR

Indonesia	J. CREW	D9517581	09-26-95	360979	5/30/1996	REGISTERED
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25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISE-WEAR; SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR

Ireland	J. CREW	202791	07-09-93	202791	7/1/1996	REGISTERED
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39: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES AND HOME FURNISHINGS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Ireland	J. CREW	126811	03-25-88	B126811	3/25/1988	REGISTERED

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES ALL INCLUDED IN CLASS 25

Ireland	J. CREW	B159842	06-25-93	B159842	6/25/1993	REGISTERED
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9: SUNGLASSES, EYEGLOSS FRAMES, CARRYING CASES FOR SUNGLASSES AND EYEGASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGASSES

16: PRINTED MATTER, CATALOGUES, MAGAZINES

18: LUGGAGE, HANDBAGS, DUFFEL BAGS; TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COINCASES, KEY CASES, EYEGLOSS CASES, CHECKBOOK CASES, AND UMBRELLAS

24: HOME FURNISHINGS, NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES

Ireland	J. CREW and Design (in box with oarsman)	202792	07-09-93	202792	7/1/1996	REGISTERED
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39: TRANSPORTATION, DELIVERY AND STORAGE OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES AND HOME FURNISHINGS

Ireland	J. CREW and Design (in box with oarsman)	B159846	06-25-93	B159846	6/25/1993	REGISTERED
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9: SUNGLASSES, EYEGLOSS FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGASSES

16: PRINTED MATTER, CATALOGUES, MAGAZINES

18: LUGGAGE, HANDBAGS, DUFFEL BAGS; TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, EYEGLOSS CASES, CHECKBOOK CASES, AND UMBRELLAS

24: HOME FURNISHINGS, NAMELY PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BEDSPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES

25: SHIRTS, T-SHIRTS, BLOUSES, SWEATSHIRTS, SWEATERS, VESTS, COATS, JACKETS, BLAZERS, PARKAS, SLICKERS, APRONS, SUITS, JUMPSUITS, PANTS, SKI-PANTS, JEANS, SHORTS, BOXER SHORTS, SKIRTS, DRESSES, ROBES, PAJAMAS, NIGHTGOWNS, SLIPS, BELTS, SWIMWEAR, SOCKS, LEGGINGS, TIES, BANDANNAS, SCARVES, GLOVES, HEADBANDS, CAPS, HATS, FOOTWEAR

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Italy	J. CREW	19818/C88	04-19-88	838874	3/8/2001	REGISTERED

25: MEN'S AND WOMEN'S CLOTHING CONSISTING OF NAUTICAL, GYMNASTIC, SPORT AND LEISURE ARTICLES, PANTS, PERSONAL LINENS AND ACCESSORIES; MISCELLANEOUS ACCESSORIES INCLUDING TIES, HATS, SHOES, BELTS, HANDKER CHIEFS, SCARVES;

42: CATALOG SALES OF ARTICLES OF TRAVEL AND RELATED ACCESSORIES

Japan	J. CREW	2000-037936	03-22-00	4560661	4/19/2002	REGISTERED
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24: WOVEN FABRICS; KNITTED FABRICS; FELT AND NON-WOVEN TEXTILE FABRICS; OIL CLOTHS; GUMMED CLOTHS; VINYL CLOTHS; RUBBERIZED CLOTHS; LEATHER CLOTHS; FILTER CLOTHS; TOWELS AND OTHER FABRIC APPAREL ACCESSORIES; TEXTILE NAPKINS; DISH CLOTHS; MOSQUITO NETS; BEDSHEETS; BEDQUILTS & COTTON-STUFFED MATTRESSES; COMFORTERS; BED QUILT/MATTRESS CASES, COMFORTER COVERS; TICKS; PILLOWCASES/PILLOW SHAMS; BLANKETS; BLANKET COVERS; DUST RUFFLES; BED SKIRTS; BEDSPREADS; QUILTING BED COVER, AND OTHER BED COVERS; TEXTILE CHAIR COVERS; WALL HANGINGS OF TEXTILE; BLINDS OF TEXTILE; CURTAINS; SHOWER CURTAINS; TEXTILE BED MATS; TABLE CLOTHS/TABLE LINENS; TEXTILE PLACE MATS; THICK STAGE CURTAINS; TEXTILE TOILET SHEET COVERS; SHROUDS; KYOKATABIRA (JAPANESE SHROUDS); BLACK-AND-WHITE STRIPED CLOTH SCREENS; RED-AND-WHITE STRIPED CLOTH SCREENS; LABELS OF CLOTH; BILLIARD CLOTHS; BANNERS & FLAGS (NOT OF PAPER)

Japan	J. CREW	S63-048756	04-26-88	2709227	8/31/1995	REGISTERED
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NA 21: PERSONAL ORNAMENTS; BUTTONS; BAGS/POUCHES AND THE LIKE; JEWELRY AND IMITATION JEWELRY; ARTIFICIAL FLOWERS; COSMETIC UTENSILS AND TOILETRIES

Japan	J. CREW	10063/4	02-04-92	2705939	4/28/1995	REGISTERED
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NA 23: CLOCKS/WATCHES, EYEGLASSES AND THEIR PARTS AND ACCESSORIES

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Japan	J. CREW	HI1-105229	11-18-99	4481740	6/15/2001	REGISTERED

3: SOAPS & THE LIKE; POTPOURRI, ESSENTIAL OILS AND OTHER PERFUMERY & INCENSES; COSMETICS & TOILETRIES; ANTI-PERSPIRANT/DEODORANT; ADHESIVES FOR AFFIXING FALSE HAIR; FALSE NAILS; FALSE EYELASHES; ADHESIVES FOR AFFIXING FALSE EYELASHES; DENTRIFICE; HOUSEHOLD ANTI-STATIC AGENTS; HOUSEHOLD DEGREASING AGENTS; RUST REMOVING PREPARATIONS; STAIN REMOVING BENZINE; FABRIC SOFTNER; LAUNDRY STARCHES, LAUNDRY BLEACHES, FUNORI (SEAWEED GELATIN USED FOR WASHING AND STRETCHING CLOTHES); POLISHING PREPARATIONS; ABRASIVE PAPERS; ABRASIVE CLOTHS; ABRASIVE SANDS; ARTIFICIAL PUMICE; POLISHING PAPERS; POLISHING CLOTHS; SHOE CREAMS & BOOT CREAMS; SHOE POLISHES/SHOE BLACKINGS; PAINT STRIPPING PREPARATIONS.

4: INDUSTRIAL OILS/GREASES/FATS; FUELS; WAXES; GREASES FOR SHOES/BOOTS; SOLID LUBRICANTS; LEATHER OILS/GREASES; LAMP WICKS; SCENTED CANDLES AND OTHER CANDLES

Japan	J. CREW	10065/4	02-04-92	4050142	8/29/1997	REGISTERED
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4: TOYS; DOLLS; RECREATIONAL EQUIPMENT; SPORTING GOODS; FISHING TACKLES; MUSICAL INSTRUMENTS; MUSICAL PERFORMANCE AUXILIARY INSTRUMENTS; GRAMOPHONES (EXCLUDING ELECTRIC PHONOGRAPH PLAYERS); RECORDS; THEIR PARTS AND ACCESSORIES

Japan	J. CREW & DESIGN	S63-048759	04-26-88	2713432	4/30/1996	REGISTERED
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18: PARASOLS AND UMBRELLAS; WALKING STICKS AND CANES

25: FOOTWEAR

Japan	J. CREW & DESIGN	S63-048757	04-26-88	2715288	7/31/1996	REGISTERED
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NA 21: PERSONAL ORNAMENTS; BUTTONS; BAGS/POUCHES AND THE LIKE; JEWELRY AND IMITATION JEWELRY; ARTIFICIAL FLOWERS; TOILETRIES

J. Crew International, Inc.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Japan	J. CREW & DESIGN	S63-038486	04-04-88	4081550	11/14/1997	REGISTERED

NA 17: CLOTHING (EXCLUDING SPECIAL SPORTING/GYMNASTIC WEAR); FABRIC APPAREL ACCESSORIES (EXCLUDING THOSE BELONGING TO OTHER CLASSES); BEDDING (EXCLUDING BEDS)

Japan	J. CREW & DESIGN (WITH LINE)	10068/4	02-04-92	2723636	11/21/1997	REGISTERED
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NA 25: PAPERS; STATIONERY

Japan	J. CREW & DESIGN (WITH LINE)	10066/4	02-04-92	4050143	8/29/1997	REGISTERED
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NA 24: TOYS; DOLLS; RECREATIONAL EQUIPMENT; SPORTING GOODS; FISHING TACKLES; MUSICAL INSTRUMENTS; MUSICAL PERFORMANCE AUXILIARY INSTRUMENTS; GRAMOPHONES (EXCLUDING ELECTRIC PHONOGRAPH PLAYERS); RECORDS; THEIR PARTS AND ACCESSORIES

Japan	J. CREW & DESIGN (WITH LINE)	10064/4	02-04-92	2705940	4/28/1995	REGISTERED
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NA 23: CLOCKS/WATCHES, EYEGLASSES AND THEIR PARTS AND ACCESSORIES

Japan	J. CREW + KATAKANA CHARACTERS	2000-087382	07-24-00	4505612	9/14/2001	REGISTERED
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25: CLOTHING; GARTERS; STOCKING SUSPENDERS; BRACES; WAISTBANDS; BELTS; FOOTWEAR; COSTUMES; SPECIAL SPORTING/GYMNASTIC WEAR; SPECIAL SPORTING/GYMNASTIC FOOTWEAR

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Japan	J. CREW IN KATAKANA CHARACTERS			3318924	6/6/1997	REGISTERED

14: PRECIOUS METALS, TABLEWARE AND THE LIKE OF PRECIOUS METAL, NUTCRACKERS, PEPPER POTS, SUGAR BOWLS, SALT SHAKERS, EGG CUPS, NAPKIN HOLDERS, NAPKIN RINGS, TRAYS AND TOOTHPICK HOLDERS OF PRECIOUS METAL; VASES/FLOWER BOWLES OF PRECIOUS METAL; BOXES OF PRECIOUS METAL FOR NEEDLES; JEWEL CASES OF PRECIOUS METAL; CANDLE EXTINGUISHERS/CANDLESTICKS OF PRECIOUS METAL; POUCHES/PURSES OF PRECIOUS METAL; SHOE ORNAMENTS OF PRECIOUS METAL; COMPACTS OF PRECIOUS METAL; SMOKERS' ARTICLES OF PRECIOUS METAL; PERSONAL ORNAMENTS; JEWELRY AND IMITATION JEWELRY; ROUGH GEMSTONES; CLOCKS/WATCHES

Japan	J. CREW IN KATAKANA CHARACTERS	HO6-090670	09-08-94	4046705	8/22/1997	REGISTERED
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16: PAPERS; PACKAGING CONTAINERS OF PAPER; GARBAGE BAGS OF PAPER; HYGIENIC PAPER; TOWELS, HANDKERCHIEFS, TABLE CLOTHS AND BLINDS OF PAPER; DRESSMAKING PATTERNS; PAPER BANNERS AND FLAGS; BABIES' DIAPERS OF PAPER; BAGGAGE LABELS; PRINTED MATTER; CALLIGRAPHY AND PAINTINGS; PHOTOGRAPH STANDS; KARUTA, UTAGARUTA AND HANAFUDA (JAPANESE PLAYING CARDS); PLAYING CARDS; STATIONERY (EXCLUDING INSECT COLLECTING EQUIPMENT); ADHESIVES FOR STATIONERY OR HOUSEHOLD PURPOSES; INKING RIBBONS, TYPEWRITER RIBBONS; AUTOMATIC STAMP APPLYING MACHINES; ELECTRIC STAPLERS; ENVELOPE SEALING MACHINES FOR OFFICES; DRAWING INSTRUMENTS, MATERIALS; TYPEWRITERS; PAPER SHREDDERS; SEALING WAX

Japan	J. CREW IN KATAKANA CHARACTERS	HO6-090672	09-09-94	4102031	1/16/1998	REGISTERED
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25: NON-JAPANESE STYLE CLOTHING; COATS; SWEATERS AND THE LIKE; SHIRTS AND THE LIKE; NIGHTWEAR; UNDERWEAR; SWIMSUITS; BATHING CAPS; JAPANESE STYLE CLOTHING; APRONS; COLLAR PROTECTORS; SOCKS AND STOCKINGS; GAITERS; FUR STOLES; SHAWLS; SCARVES; TABI (JAPANESE SOCKS) AND TABI COVERS; GLOVES; TEXTILE DIAPERS FOR BABIES; NECKTIES; NECKERCHIEFS; MUFFLERS; EAR MUFFS; HOODS; NIGHT CAPS; HATS AND CAPS; GARTERS; STOCKING SUSPENDERS; SUSPENDERS; WAISTBANDS; BELTS; SHOES AND BOOTS; SHOE DOWELS, SHOE PEGS, SHOE HANDLES, HOBNAI LS, METAL PIECES FOR PREVENTION OF SHOE SOLE WEARING; JAPANESE CLOGS AND SANDALS; SPECIAL SPORTING, GYMNAS TIC WEAR; SPECIAL SPORTING, GYMNAS TIC FOOTWEAR (EXCLUDING HORSE RIDING BOOTS)

Japan	J. CREW IN KATAKANA CHARACTERS			3318925	6/6/1997	REGISTERED
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18: BAGS/POUCHES AND THE LIKE; HANDY TOILET CASES, METAL FITTING FOR BAGS OR POUCHES; PURSE CLASPS; PARASOLS AND UMBRELLAS; WALKING STICKS; CANES; METAL FITTINGS FOR CANES; CANE HANDLES

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Japan	SO J. CREW + KATAKANA CHARACTERS	2000-063014	05-19-00	4480098	6/8/2001	REGISTERED

3: SOAPS & THE LIKE; POTPOURRI, ESSENTIAL OILS AND OTHER PERFUMERY & INCENSES; COSMETICS & TOILETRIES; ANTI-PERSPIRANT/DEODORANT; ADHESIVES FOR AFFIXING FALSE HAIR; FALSE NAILS; FALSE EYELASHES; ADHESIVES FOR AFFIXING FALSE EYELASHES; DENTRIFICE; HOUSEHOLD ANTI-STATIC AGENTS; HOUSEHOLD DEGREASING AGENTS; RUST REMOVING PREPARATIONS; STAIN REMOVING BENZINE; FABRIC SOFTNER; LAUNDRY STARCHES, LAUNDRY BLEACHES, FUNORI (SEAWEED GELATIN USED FOR WASHING AND STRETCHING CLOTHES); POLISHING PREPARATIONS; ABRASIVE PAPERS; ABRASIVE CLOTHS; ABRASIVE SANDS; ARTIFICIAL PUMICE; POLISHING PAPERS; POLISHING CLOTHS; SHOE CREAMS & BOOT CREAMS; SHOE POLISHES/SHOE BLACKINGS; PAINT STRIPPING PREPARATIONS.

4: INDUSTRIAL OILS/GREASES/FATS; FUELS; WAXES; GREASES FOR SHOES/BOOTS; SOLID LUBRICANTS; LEATHER OILS/GREASES; LAMP WICKS; SCENTED CANDLES AND OTHER CANDLES

Jordan	J. CREW	82488	11-14-05	82488	11/14/2005	REGISTERED
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25: ALL GOODS IN CLASS

Macao	J. CREW	N/20015	11-22-05	N/20015	4/7/2006	REGISTERED
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25: CLOTHING, FOOTWEAR AND HEADGEAR

Malaysia	J. CREW	88/03810	07-30-88			FILED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Mauritius	J.CREW	MUM0503957	12-02-05	02782/2006	12/19/2006	FILED

25: CLOTHING, FOOTWEAR AND HEADGEAR

Mexico	J. CREW	134213	03-04-92	427648	12/14/1992	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND ALL OTHER ARTICLES OF CLASS 25

Mexico	J.CREW	134212	03-04-92	427647	12/14/1992	REGISTERED
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18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFEL BAGS AND ALL OTHER ARTICLES OF CLASS 18

New Zealand	J. CREW	178507	03-29-88	B178507	3/29/1988	REGISTERED
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25: ARTICLES OF CLOTHING AND FOOTWEAR AND HEADGEAR; MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

New Zealand	J. CREW	236676	05-06-94	B236676	5/6/1994	REGISTERED
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42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELDS OF CLOTHING, CLOTHING ACCESSORIES, HABERDASHERY, JEWELLERY, WATCHES, TIME PIECES, LEATHER GOODS, PARASOLS, UMBRELLAS, WALKING STICKS, AND LUGGAGE; RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FILED OF CLOTHING, CLOTHING ACCESSORIES, HABERDASHERY, JEWELLERY, WATCHES, TIME PIECES, LEATHER GOODS, PARASOLS, UMBRELLAS, WALKING STICKS, AND LUGGAGE

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	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
New Zealand	J. CREW	236675	05-06-94	B236675	5/6/1994	REGISTERED

25: ARTICLES OF CLOTHING, FOOTWEAR AND HEADGEAR; SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES, AND THONGS

Panama	J. CREW	069848	02-25-94	69848	2/25/1994	REGISTERED
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25: MEN'S AND WOMEN'S SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Paraguay	J. CREW	7821-94	05-03-94	278052	12/21/1994	REGISTERED
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25: ALL GOODS IN CLASS INCLUDING, SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANKTOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SHIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISE WEAR, SCARVES, BANDANNAS, GLOVES, HATS AND FOOTWEAR

Peru	J. CREW	067163	07-24-98	49416	10/9/1998	REGISTERED
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9: CLASS HEADING

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J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Peru	J. CREW	242018	05-10-94	021518	7/20/1995	REGISTERED

25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, SCARVES, BANDANNAS, GLOVES, HATS AND FOOTWEAR

Peru	J. CREW	067164	07-24-98	49453	10/13/1998	REGISTERED
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16: CLASS HEADING

Peru	J. CREW	067166	07-24-98	16044	10/30/1998	REGISTERED
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42: PROVIDING OF FOOD AND DRINK; TEMPORARY ACCOMODATION, MEDICAL, HYGIENIC AND BEAUTY CARE; VETERINARY AND AGRICULTURAL SERVICES; LEGAL SERVICES; SCIENTIFIC AND INDUSTRIAL RESEARCH; COMPUTER PROGRAMMING AND IN GENERAL ALL THE SERVICES OF THE CLASS

Peru	J. CREW	067165	07-24-98	49417	10/9/1998	REGISTERED
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18: CLASS HEADING

Philippines	J. CREW	4-2005-011301	12-01-05			FILED
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GLOVES, SWIMWEAR AND LOUNGEWEAR

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J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Philippines	J. CREW	64503	04-21-88	53979	11/16/1992	REGISTERED

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Puerto Rico	J. CREW		11-23-93	8030	12/1/1984	REGISTERED
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42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Puerto Rico	J. CREW		11-23-93	8029	12/11/1984	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Puerto Rico	J. CREW		11-23-93	8015	12/11/1984	REGISTERED
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14: WATCHES

Puerto Rico	J. CREW		11-23-93	8028	12/1/1994	REGISTERED
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18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFEL-BAGS

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Puerto Rico	J. CREW and Design (with oarsman and underline)		07-02-93	8016	9/19/1989	REGISTERED



18: LUGGAGE, UMBRELLAS, HANDBAGS AND DUFFEL BAGS

Puerto Rico	J. CREW and Design (with oarsman and underline)		08-27-93	8031	9/19/1989	REGISTERED
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42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Puerto Rico	J. CREW and Design (with oarsman and underline)		11-23-93	8032	9/19/1989	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Singapore	J. CREW	3580/94	05-06-94	3580/94	5/6/1994	REGISTERED
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35: DIRECT MAIL ADVERTISING, COMPILATION OF MAILING LISTS

Singapore	J. CREW	3448/88	07-06-88	3448/88	7/6/1988	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, RAINCOATS, SKIRTS, BLOUSES AND DRESSES

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Singapore	J. CREW and Design (with oarsman and no underline)	3443/94	04-29-94	3443/94	4/29/1994	REGISTERED



25: SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, PAJAMAS, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, HOSIERY, SOCKS, LEGGINGS, EXERCISEWEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, SCARVES, BANDANNAS, GLOVES, HATS, FOOTWEAR, SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES, AND THONGS

South Korea	J. CREW	96/34993	08-09-96	388004	12/24/1997	REGISTERED
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12: TOILETRY CASES

South Korea	J. CREW	88-10151	05-02-88	179205	9/19/1989	REGISTERED
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NA 45: MEN'S AND WOMEN'S SHIRTS, SWEATERS, CAPS AND HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND GLOVES

South Korea	J. CREW	96/25392	06-14-96	421728	9/18/1998	REGISTERED
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18: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS. NAME CARD CASES, CREDIT CARD CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS

South Korea	J. CREW	94/3637	05-06-94	29728	12/22/1995	REGISTERED
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35-: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE.

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
South Korea	J. CREW (Korean characters)	94/32517	08-12-94	344259	7/29/1996	REGISTERED

제이. 크루

25: SHIRTS, T-SHIRTS, DRESS SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, PARKAS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANKTOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, SKIRTS, DRESSES, CHEMISES, ROBES, PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIES, SCARVES, BANDANNAS, GLOVES, (INCLUDING, WEDDING GLOVES, DRIVING GLOVES, WINTER GLOVES AND MITTENS) NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, APRONS, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, CAPS, HATS, AND HEADBANDS

South Korea	J. CREW (Korean Characters)	94/6435	08-12-94	32389	7/22/1996	REGISTERED
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제이. 크루

35: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE

South Korea	J. CREW and Design (with oarsman and underline)	96/25394	06-14-96	421727	9/18/1998	REGISTERED
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J.CREW

18: HANDBAGS, OPERA BAGS, KNAPSACKS, DUFFEL BAGS, WALLETS, NAME CARD CASES, CREDIT CARD CASES, TOILETRY CASES, CARDBOARD BOXES, PAPER BAGS AND PLASTIC PACKING BAGS

South Korea	J. CREW and Design (with oarsman and underline)	96/34995	08-09-96	400578	3/26/1998	REGISTERED
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J.CREW

12: TOILETRY CASES

South Korea	J. CREW and Design (with oarsman and underline)	88-11564	05-24-88	179206	9/19/1989	REGISTERED
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J.CREW

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, CAPS AND HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES AND GLOVES

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J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO</u>	<u>REG. DATE</u>	<u>STATUS</u>
Sri Lanka	J. CREW & DESIGN (WITH LINE)	56666	12-29-88	56666	12/29/1998	REGISTERED



25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Sri Lanka	J. CREW (STYLIZED)	56665	12-29-88	56665	12/29/1998	REGISTERED
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25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Switzerland	J. CREW	9598/1993.4	08-04-93	416467	8/4/1993	REGISTERED
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9: SUNGLASSES, EYEGLASS FRAMES; CARRYING CASES FOR SUN-GLASSES AND EYEGLASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES, EYEGLASS CASES; 16: RETAIL AND MAIL ORDER CATALOGS IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES; 18: LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETICS CASES (SOLD EMPTY), SHAVING KITS (SOLD EMPTY), BILLFOLDS, PASSPORT CASES, COIN CASES, KEY CASES, CHECKBOOK CASES, AND UMBRELLAS;

21: DUST RUFFLES;

24: HOME FURNISHINGS, INCLUDING PILLOW CASES, PILLOW SHAMS, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, CONFORTER COVERS, BLANKETS, BED SPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, BATH MATS, PLACEMATS, TABLECLOTHS, NAPKINS, TABLE LINENS, WINDOW CURTAINS, AND DRAPERIES;

25: SHIRTS, T-SHIRTS, BLOUSES, SWEATSHIRTS, SWEATERS, VESTS, COATS, JACKETS, TEXT TYPE: GD2 BLAZERS, PARKAS, SLICKERS, APRONS, SUITS, JUMPSUITS, PANTS, SKI-PANTS, JEANS, SHORTS, BOXER SHORTS, SKIRTS, DRESSES, ROBES, PAJAMAS, NIGHTGOWNS, SLIPS, BELTS, SWIMWEAR, SOCKS, LEGGINGS, TIES, BANDANNAS, SCARVES, GLOVES, HEADBANDS, CAPS, HATS, AND FOOTWEAR;

42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES, AND HOME FURNISHINGS; RETAIL SERVICES IN THE FIELD OF CLOTHING, LUGGAGE, CLOTHING ACCESSORIES AND HOME FURNISHINGS

Taiwan	J. CREW	88023663	05-18-99	00901593	8/16/2000	REGISTERED
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24:TOWELS

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J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Taiwan	J. CREW	88023665	05-18-99	00917471	1/1/2001	REGISTERED

25: BANDANAS, NECKTIES, SOCKS, BOOTS, SHOES, HOSIERY AND BELTS; CAPS, NECKTIES, GLOVES, HOSIERY, SOCKS AND PANTYHOSE

Taiwan	J. CREW	83032577	05-09-94	00079957	12/15/1995	REGISTERED
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42: ACTING AS AGENCY FOR DISTRIBUTION OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE, MAIL ORDER SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; SERVICES IN IMPORT-EXPORT TRADING AND AGENT FOR QUOTATIONS, TENDERS AND SALES OF VARIOUS PRODUCTS FOR DOMESTIC AND FOREIGN MANUFACTURES

Taiwan	J. CREW	77/44943	09-30-88	00524921	6/1/1991	REGISTERED
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40: MEN'S AND WOMEN'S SHIRTS, PANTS, SHORTS, SKIRTS, JACKETS, SWEATERS, SWEAT SHIRTS, SLICKERS AND BLOUSES

Taiwan	J. CREW (ENGLISH AND CHINESE CHARACTERS)	83063797	10-14-94	78559	9/16/1995	REGISTERED
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J. CREW 志高

42: RETAIL AND MAIL ORDER CATALOG SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE; FACTORY, RETAIL AND WHOLESALE OUTLET STORE SERVICES IN THE FIELD OF CLOTHING, CLOTHING ACCESSORIES, JEWELRY AND LUGGAGE

Taiwan	J. CREW (ENGLISH AND CHINESE CHARACTERS)	83063798	10-14-94	00711340	5/31/1991	REGISTERED
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J. CREW 志高

25: CLOTHING; NAMELY SHIRTS, T-SHIRTS, BLOUSES, CAMISOLES, SWEATSHIRTS, SWEATERS, CARDIGANS, VESTS, TUNICS, COATS, JACKETS, PARKAS, SLICKERS, BLAZERS, SUITS, BODYSUITS, TANKTOPS, ROMPERS, JUMPSUITS, PANTS, JEANS, SHORTS, STIRRUPS, SKIRTS, DRESSES, CHEMISES, ROBES, PAJAMAS, HOSIERY, SOCKS, LEGGINGS, TIES, SCARVES, BANDANNAS, GLOVES, NIGHTGOWNS, BELTS, SWIMWEAR, LINGERIE, PANTIES, BRAS, SLIPS, APRONS, EXERCISE WEAR (LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS) HEADGEAR (CAPS, HATS, HEADBANDS); FOOTWEAR (SLIPPERS, SHOES, SNEAKERS, MULES, SANDALS, MOCASSINS, ESPADRILLES, AND THONGS) (FORMERLY LOCAL CLASS 40)

J. Crew International, Inc.

J. CREW Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Taiwan	J. CREW and Design (with oarsman and underline)	88023666	05-18-99	00920845	12/16/2000	REGISTERED



25: BANDANAS, NECKTIES, SOCKS, BOOTS, SHOES, HOSIERY AND BELTS; CAPS, NECKTIES, GLOVES, HOSIERY, SOCKS AND PANTYHOSE

Taiwan	J. CREW and Design (with oarsman and underline)	88023664	05-18-99	00908257	9/30/2000	REGISTERED
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24: TOWELS

Thailand	J. CREW	609945	11-15-05	Kor248756	11/15/2005	REGISTERED
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25: SHIRTS, T'SHIRTS, SWEATERS, CARDIGANS, TUNICS, SCARVES, TIES, BANDANNAS, HEADBANDS, SHORTS, BOXER SHORTS, PANTS (EXCEPT UNDERPANTS AND SPORTS PANTS), JEAN TROUSERS, JEAN SHIRTS, JEAN JACKETS, STIRRUPS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS, BLAZERS, SUITS, RAINCOATS, SLICKERS, PARKAS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES, KNIT TOPS, PAJAMAS, LEGGINGS, TIGHTS, GLOVES, NIGHTGOWNS. LINGERIE, PANTIES, BRAS, SLIPS, APRONS, SPORTSWEAR, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, SKI PANTS, EXERCISE WEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, JOGGING SUITS, SWIMWEAR, STOCKING AND UNDERWEAR, CAPS, HATS, SLIPPERS, SHOES, SPORT SHOES, BOOTS, SNEAKERS, MULES, SANDALS, MOCCASINS, ESPADRILLES, THONGS

Thailand	J. CREW and Design (with oarsman and underline)	359724	05-12-98	73859	5/12/1988	REGISTERED
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NA 38: ARTICLES OF CLOTHING; GOODS AS RECLASSIFIED IN INTERNATIONAL CLASS 25: SHIRTS, T-SHIRTS, SWEATERS, CARDIGANS, TUNICS, CAPS, HATS, SCARVES, TIES, BANDANNAS, HEADBANDS, SHORTS, BOXER SHORTS, PANTS (EXCEPT UNDERPANTS AND SPORT PANTS), JEANS, STIRRUPS, SWEATSHIRTS, SWEATPANTS, BELTS, SOCKS, COATS, JACKETS, VESTS, BLAZERS, SUITS, COATS, RAINCOATS, SLICKERS, PARKAS, SKIRTS, BLOUSES, CHEMISES, CAMISOLES, ROBES, DRESSES, KNIT TOPS, PAJAMAS, SOCKS, LEGGINGS, TIGHTS, GLOVES, NIGHTGOWNS, LINGERIE, PANTIES, BRAS, SLIPS, APRONS, SPORTSWEAR, BODYSUITS, TANK TOPS, ROMPERS, JUMPSUITS, SKI-PANTS, EXERCISE WEAR, LEOTARDS, UNITARDS, BICYCLE SHORTS, BRA TOPS, JOGGING SUITS, SLIPPERS, SHOES (EXCEPT SPORT SHOES), SPORTSHOES, BOOTS, SNEAKERS, MULES, (CONTINUED GDS 2) TEXT TYPE: GD2 SANDALS, MOCCASINS, ESPADRILLES AND THONGS, SWIMWEAR

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Turkey	J. CREW	2005/049702	11-21-05	2005 49702	11/21/2005	REGISTERED

24: WOVEN AND NON-WOVEN FABRICS; CURTAINS; QUILTS; COARSE GLOVES AND CLOTHES FOR SOAPING, TOWELS; WALL COVERINGS OF TEXTILE, HANKERCHIEFS OF TEXTILE; FLAGS OF TEXTILE, SADDLEBAGS

25: CLOTHING MADE OF ALL KINDS OF MATERIALS (INNERWEAR AND OUTERWEAR); HOSIERY, FOOTWEAR, HEADGEAR, SPECIAL ARTICLES FOR BABIES, INCLUDED IN THIS CLASS; TIES, BELTS

Turkey	J. CREW	97/11849	08-14-97	1997011849	8/14/1997	REGISTERED
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18: ANIMAL SKINS, HIDES, UMBRELLAS, PARASOLS AND WALKING STICKS

United Kingdom	J. CREW and Design (with oarsman)	B1340825	04-08-88	B1340825	4/8/1988	REGISTERED
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25: SHIRTS FOR MEN AND WOMEN; SHOES, CAPS, HATS, BANDANNAS, SHORTS, PANTS, TROUSERS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

United Kingdom	J. CREW and Design (with oarsman)	B1545162	08-17-93	B1545162	8/17/1993	REGISTERED
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9: SUNGLASSES, SUNGLASS AND EYEGLASS FRAMES; CARRYING CASES FOR SUNGLASSES AND EYEGLASSES; PARTS AND FITTINGS FOR SUNGLASSES AND EYEGLASSES

18: LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, WEEKENDER BAGS, BACKPACKS, PURSES, COSMETIC CASES AND SHAVING CASES, ALL BEING SOLD EMPTY; BILLFOLDS, PASSPORTS CASES, COINCASES, KEY CASES, CHECKBOOK CASES AND UMBRELLAS

24: PILLOW CASES, PILLOW SHAMS, DUST RUFFLES, SHEETS, BED SKIRTS, COMFORTERS, BLANKET COVERS, DUVET COVERS, COMFORTER COVERS, BLANKETS, BED SPREADS, QUILTS, TOWELS, WASH CLOTHS, SHOWER CURTAINS, TEXTILE BATH MATS, TEXTILE PLACEMATS, TEXTILE TABLE CLOTHS, TEXTILE NAPKINS, TABLE LINEN, WINDOW CURTAINS AND DRAPERIES

J. Crew International, Inc.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	J. CREW	73/411551	01-31-83	1308888	12/11/1984	REGISTERED

18: LUGGAGE, UMBRELLAS, HANDBAGS, DUFFEL BAGS; 25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES; 42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

United States	J. CREW	74/710155	08-02-95	2169873	6/30/1998	REGISTERED
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25: WOMEN'S INTIMATE APPAREL, NAMELY, BRAS, BRA TOPS, TANKTOPS, BRIEFS, BIKINI BOTTOMS AND THONGS

United States	J. CREW	75/706289	05-14-99	2462509	6/19/2001	REGISTERED
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14: NECKLACES, BRACELETS, EARRINGS AND RINGS

United States	J. CREW	78/652,755	06-17-05	3,098,101	5/30/2006	REGISTERED
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35: ON LINE CATALOG SERVICES FEATURING CLOTHING AND ACCESSORIES DISTRIBUTED BY MEANS OF A GLOBAL COMPUTER INFORMATION NETWORK

United States	J. CREW	75/676905	04-08-99	2351667	5/23/2000	REGISTERED
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35: RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND ACCESSORIES

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	J. CREW KID	75/841909	11-05-99	2525857	1/1/2002	REGISTERED

25: CHILDREN'S CLOTHING, NAMELY, SHIRTS, SWEATERS, CAPS, HATS, SHORTS, SWEATSHIRTS, PANTS, BELTS FOR CLOTHING, SOCKS, JACKETS, BLOUSES, DRESSES AND HOSIERY

United States	J. CREW UNTUCKED	78/496989	10-08-04			FILED
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25: SHIRTS, T-SHIRTS, BLOUSES, SWEATERS, SWEAT SHIRTS, SWEAT PANTS, COATS, JACKETS, SHORTS, PANTS, SUITS, DRESSES, SKIRTS, SWIMWEAR, UNDERWEAR, SLEEPWEAR, LOUNGEWEAR, TIGHTS, CAPS, HATS, GLOVES, SCARVES, TIES, POCKET SQUARES, BELTS, SOCKS AND FOOTWEAR

United States	J. CREW UNTUCKED	78/563993	02-09-05			FILED
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35: RETAIL STORES AND ON-LINE RETAIL STORE SERVICES ALL FEATURING CLOTHING AND ACCESSORIES

United States	SO J. CREW	76/051252	05-18-00	2735138	7/8/2003	REGISTERED
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4: SCENTED AND UNSCENTED CANDLES

Uruguay	J. CREW	293323	02-17-97	293323	1/10/2002	REGISTERED
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18: ALL GOODS IN CLASS

25: ALL GOODS IN CLASS

42: ALL SERVICES IN CLASS

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Venezuela	J. CREW	005839	03-25-92	572	7/10/1994	REGISTERED

42: RETAIL CATALOG SERVICES

Venezuela	J. CREW	005841	03-25-92			FILED
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NA 39: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Venezuela	J. CREW and Design (with oarsman and underline)	005838	03-25-92			FILED
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NA 39: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES AND DRESSES

Vietnam	J. CREW	4-2006-02620	02-27-06			FILED
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25: CLOTHING, FOOTWEAR, HEADGEAR

Virgin Islands (US)	J. CREW			6130	12/11/1984	REGISTERED
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18: LUGGAGE UMBRELLAS, HANDBAGS, DUFFEL BAGS,

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANNAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES

42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

J. Crew International, Inc.

J. Crew Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Virgin Islands (US)	J. CREW			6128	3/9/1993	REGISTERED

42: RETAIL OUTLET AND RETAIL STORE SERVICES IN THE FIELD OF CLOTHING AND ACCESSORIES

Virgin Islands (US)	J. CREW and Design (with oarsman and underline)			6129	9/19/1989	REGISTERED
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18: LUGGAGE UMBRELLAS, HANDBAGS, DUFFEL BAGS,

25: MEN'S AND WOMEN'S SHIRTS, SWEATERS, SHOES, CAPS, HATS, BANDANAS, SHORTS, SWEATSHIRTS, PANTS, BELTS, SOCKS, JACKETS, SLICKERS, SKIRTS, BLOUSES, DRESSES;

42: RETAIL CATALOG SERVICES IN THE FIELD OF CLOTHING, LUGGAGE AND CLOTHING ACCESSORIES

Millard S. Drexler, Inc.

MADEWELL Worldwide Registrations and Applications

<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Brazil	MADEWELL	828795207	10-11-06			FILED

25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

China (People's Republic Of)	MADEWELL	FORTHCOMING	11-15-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Colombia	MADEWELL	0700851	01-04-07			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Ecuador	MADEWELL	176365	10-06-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Egypt	MADEWELL	194001	11-19-06			FILED

25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Hong Kong	MADEWELL	300737406	10-10-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

India	MADEWELL	1495002	10-19-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Indonesia	MADEWELL	D00 2006 037392	11-17-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Japan	MADEWELL	T2004-56130	06-17-04	4858862		REGISTERED
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<u>COUNTRY</u>	<u>MARK</u>	<u>APPL. NO.</u>	<u>APPL. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Macao	MADEWELL	N/24595	10-17-06			FILED

25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Malaysia	MADEWELL	06019224	10-19-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Mexico	MADEWELL	811973	10-10-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Pakistan	MADEWELL	228240	10-11-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Paraguay	MADEWELL	30746/2006	10-13-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
Philippines	MADEWELL	4-2006-011162	10-11-06			FILED

25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Russian Federation	MADEWELL	2006729869	10-17-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Thailand	MADEWELL	645574	11-21-06			FILED
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25: PANTS (NOT BEING UNDER PANTS OR SPORTS PANTS); SPORT PANTS; SHORTS; SLACKS; JEAN TROUSERS; SWEATPANTS; OVERALLS; SHIRTS; BLOUSES; JACKETS; UPPER OUTER GARMENTS (NOT BEING UNDER GARMENTS OR SPORTS GARMENTS); SPORT UPPER GARMENTS; SWEATERS; VESTS; BLAZERS; SKIRTS; DRESSES; HAT/CAPS; BANDANAS; T-SHIRTS; SWEATSHIRTS; SOCKS; SLICKERS; SWIMWEAR; LOUNGEWEAR; SLEEPWEAR; ROBES; SCARVES; BELTS; GLOVES; SHOES AND SPORT SHOES

Turkey	MADEWELL	2006/048767	10-10-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

United States	MADEWELL	72/416485	02-24-72	968685	9/18/1973	REGISTERED
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25: MEN'S, WOMEN'S AND CHILDREN'S CLOTHING-NAMELY, WORK-WEAR, PANTS, SLACKS, JEANS, SHIRTS AND JACKETS

Millard S. Drexler, Inc.

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<u>COUNTRY</u>	<u>MARK</u>	<u>APPLN. NO.</u>	<u>APPLN. DATE</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>STATUS</u>
United States	MADEWELL	77/015932	10-06-06			FILED

18: LUGGAGE, HANDBAGS, DUFFEL BAGS, TOTE BAGS, LEATHER BELTS, SMALL LEATHER GOODS SUCH AS WALLETS, KEY CHAINS, POUCHES, LEATHER GLOVES AND UMBRELLAS;

25: CLOTHING, NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SKIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS AND FLIP FLOPS;

35: ON-LINE AND IN STORE RETAIL STORE SERVICES AND CATALOG SERVICES IN THE FIELDS OF CLOTHING, FOOTWEAR, HANDBAGS, UMBRELLAS, LUGGAGE AND BAGS, SMALL LEATHER ACCESSORIES, KEY CHAINS AND JEWELRY

Venezuela	MADEWELL	22918-06				FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Vietnam	MADEWELL	4-2006-19994	11-17-06			FILED
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25: CLOTHING NAMELY, PANTS, SHORTS, SLACKS, JEANS, SWEATPANTS, OVERALLS, SHIRTS, BLOUSES, JACKETS, OUTERWEAR, SWEATERS, VESTS, BLAZERS, SKIRTS, DRESSES, HATS, CAPS, BANDANAS, SHORTS, T-SHIRTS, SWEATSHIRTS, SOCKS, SLICKERS, SWIMWEAR, LOUNGEWEAR, ROBES, PAJAMAS, SCARVES, BELTS, GLOVES, FOOTWEAR, SHOES, BOOTS, SNEAKERS, AND FLIP FLOPS

Schedule 6
(Bank Accounts; Securities Accounts)

Securities Account (subject to an account control agreement):

Grantor	Broker	Account No.
J. Crew Operating Corp.	Evergreen Service Company, LLC	4941009351661

Bank Accounts (subject to a deposit account control agreement):

Grantor	Depository Bank	Account No.
J. Crew Group, Inc.	Wachovia Bank, National Association	2000015151816
J. Crew Inc.	SunTrust Bank	201334585
J. Crew Inc.	SunTrust Bank	201334097
J. Crew Inc.	SunTrust Bank	2017172873

Schedule 6

Deposit Accounts

<u>Store Number</u>	<u>Bank Name</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
2	First Banking Center	40034496	
3	Citizens National Bank	33840	
5	South Carolina B&T	120198650	
6	Northway Bank	29830	
8	Key Bank	29203660	
9	National City	3333100033	
10	BankNorth, NA	27266437	
14	1st Bank of Silverthorne	4065502802	
16	AMSouth Bank	87245388	
17	National City	189209	
18	Factory Point National	1128698	
19	AMSouth Bank	46594523	
21	Sovereign Bank	81033435	
22	Bank of America	9366179990	
23	Citizens Bank	6100169545	
27	Wachovia	2090000803749	
28	Northway Bank	613231	
31	Wells Fargo	610106155	
33	Community Bank & Trust	155093	
37	Compass Bank	809001381	
38	Wilmington Trust	27614736	
42	Citizens Bank	2202532670	
44	Five Star Bank	277788358	
45	National City	71761401	
46	Legacy Banks	1115003632	
48	Wachovia	2000009172403	
51	The Fidelity Bank	168400104	
52	Wachovia	2000014597617	
53	Wrentham Co-Operative	16005373	
54	Key Bank	479681059701	
55	Old Second National Bank	1705045365	
56	United Community Bank	2036127344	
58	Irwin Union Bank	39926886	
60	Chase	718102643	
61	Chase	722621638	
62	American National Bank of Texas	700019722	
63	First Bank of the Lake	101074301	
64	Bank of America	898005961961	
66	Bank of the West	254055080	
66	Wells Fargo	1939413843	

Store Number	Bank Name	Account Number	Sub-Account Numbers
72	Wachovia	2000035307899	
	Bank of America (factory)	5486854671	
4			5486851959
24			5493629970
25			5486851946
30			5486851933
39			5486851920
49			5486854668
57			5505524112
	HSBC	834147599	
40			
47			
	Bank of America	5562560795	
	Wells Fargo	5763555637	
	Bank of America	898005962387	
	Wachovia	2000709726214	
570			
660			
	SunTrust	8801964167	
519			
632			
	Citibank	800374758	
511			800374715
512			800374723
583			800374731
	Key	479681021222	
594			479681021230
604			479681021248
617			479681021255
634			479681021016
	Bank of America	9429133405	
503			23972964
507			9429135240
520			9429135232
537			4007009342
542			9429135224
547			9429133405
552			71986123
560			9429135275

Store Number	Bank Name	Account Number	Sub-Account Numbers
574			9429135267
576			9429133405
595			2000006158543
614			9429137967
636			9429133376
653			9429133384
655			9429133392
672			9429133405
	US Bank	823312079	
528			153910034484
573			488836172
582			190918474
600			754880292
656			
677			823312079
	Chase	633498019	
513			631050366
527			705001244940
535			622713972
549			633498043
568			633498050
590			1589015849
591			622714012
616			631050424
620			643950413
625			901064807
631			633549084
637			192493995
651			363669634
661			627216534
	Wells Fargo	4944051168	
506			4944093780
521			4944093798
522			4944093806
546			4944093822
548			4944093830
555			4944093848
558			4944093863
592			4944093913
608			4944177971
610			4944224807
621			4944289867
652			4944247717

Schedule 6

Store Number	Bank Name	Account Number	Sub-Account Numbers
659			4944177989
673			4944265289
67	Wachovia	2000006158543	
505			
530			
531			
543			
544			
545			
553			
565			
575			
595			
603			
606			
607			
611			
612			
622			
624			
640			
645			
662			
676			
683			
691			
696	Bank of America (retail)	5486854684	
59			5562559078
68			556256740
69			8981720896
306			5562560494
307			5562560724
502			5486852589
504			5486854642
508			5486854639
510			5486854626
517			5486854613
523			5486854600
524			5486854590
526			5486852259
529			5486852246

<u>Store Number</u>	<u>Bank Name</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
532			5507477018
538			5486852233
541			5486852220
550			5486852217
554			5486852204
557			5486852194
559			5486852181
562			5486852178
567			5507478855
572			5486852165
577			5486852152
578			5486852149
584			5486852123
585			5486852110
586			5486852107
589			5486852097
596			5486852084
599			5486852068
605			5486852055
609			5486852042
613			5486852039
623			5487721538
627			5486852026
628			5486852013
630			5488743065
635			5486852000
638			5486851991
639			5495582170
641			5486851988
646			5486851975
647			5486851962
675			5505520158
679			5507484182
680			5562559175
685			5562559191
688			5562559201
689			5562561846
690			898005960360
693			898003801900
697			898003801845
703			898005960373

Chase

323187536

Schedule 6

<u>Store Number</u>	<u>Bank Name</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
501			323187536
516			323187536
539			323187536
540			323187536
581			323187536
649			323187536
668			323187536
682			323187536
700			323187536
587	LaSalle Bank Midwest	5893069517	
514		5893069517	
615		5893069517	
701	Wells Fargo	5763556353	
679	Wells Fargo	5763556353	
308	Wachovia Bank	2000036887059	
509	Chevy Chase Bank	1624300740	
525	Banknorth	138003661	
532	BB&T	5135715427	
533	Bank of the West	898004825	
561	Hillcrest Bank	10026654	
563	HSBC	148018211	
565	Citibank	759178285	
566	LaSalle Bank	5405484436	
588	First National Bank of CO	242421	
593	AMSouth Bank	1004078561	
597	Citizens Bank	6101281055	
601	Chevy Chase Bank	1074303857	
602	Highland Bank	3010014677	
618	National City	96463682	
619	Sky Bank	6700020464	
633	BB&T	5182873294	
643	National City	967011017	
644	Valley National Bank	40744841	
648	Canandaigua National B&T	1101037872	
650	Fifth Third Bank	7160916800	
671	National City	649900484	
681	Captiol One	3620209138	
684	Mid City Bank	71196	
686	Compass Bank	29688133	
687	Bank of America	898005962371	

Schedule 6

<u>Store Number</u>	<u>Bank Name</u>	<u>Account Number</u>	<u>Sub-Account Numbers</u>
694	Bank of America	898005962067	
695	Wells Fargo	5763556338	
699	Bank of America	5562569767	
707	Wachovia Bank	2000036893069	
	Chase - Corp Concentration	22073673	
	Wachovia - Corp Concentration	2000015151816	
	Bank of America - Payroll (Corp)	213010119	
	Suntrust Payroll Account	201334607	
	Suntrust Concentration Account	201334585	
	Suntrust Refund	200825763	
	Checks		
	Suntrust Outlet Store	201712873	
	Suntrust Depository		
	Account	201334097	

Schedule 6

Schedule 7
(Commercial Tort Claims)

None.

Schedule 7

PLEDGE AND SECURITY AGREEMENT

Term Loan Collateral
dated as of May 15, 2006

between

EACH OF THE GRANTORS PARTY HERETO

and

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Collateral Agent

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This **PLEDGE AND SECURITY AGREEMENT**, dated as of May 15, 2006 (this “**Agreement**”), between **EACH OF THE UNDERSIGNED**, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (each, a “**Grantor**”), and **GOLDMAN SACHS CREDIT PARTNERS L.P.**, (“**GSCP**”) as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, including its successors and assigns from time to time, the “**Collateral Agent**”).

RECITALS:

WHEREAS, reference is made to that certain Credit and Guaranty Agreement, dated as of the date hereof (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), by and among **J. CREW OPERATING CORP.** (“**Company**”), **J. CREW GROUP, INC.** (“**Holdings**”), **CERTAIN SUBSIDIARIES OF COMPANY**, as Guarantors, the Lenders party thereto from time to time, **GSCP** and **Bear, Stearns & Co. Inc.** (“**Bear Stearns**”), as Joint Lead Arrangers and Joint Bookrunners, **Bear Stearns Corporate Lending Inc.**, as Syndication Agent, **GSCP**, (in such capacity as administrative agent, including its successors and assigns from time to time, the “**Administrative Agent**”) and as Collateral Agent and **WACHOVIA BANK, NATIONAL ASSOCIATION** (“**Wachovia**”), as Documentation Agent;

WHEREAS, subject to the terms and conditions of the Credit Agreement, certain Grantors may enter into one or more Hedge Agreements with one or more Lender Counterparties; and

WHEREAS, in consideration of the extensions of credit and other accommodations of Lenders and Lender Counterparties as set forth in the Credit Agreement and the Hedge Agreements, respectively, each Grantor has agreed to secure such Grantor’s obligations under the Credit Documents and the Hedge Agreements as set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, each Grantor and the Collateral Agent agree as follows:

SECTION 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

“**Account Debtor**” shall mean each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

“**Accounts**” shall mean all “accounts” as defined in Article 9 of the UCC and shall include, without limitation, Credit Card Receivables.

“**Additional Grantors**” shall have the meaning assigned in Section 5.3.

“Agreement” shall have the meaning set forth in the preamble.

“Assigned Agreements” with respect to any Grantor shall mean all agreements and contracts to which such Grantor is a party as of the date hereof, or to which such Grantor becomes a party after the date hereof, including, without limitation, each Material Contract, as each such agreement may be amended, supplemented or otherwise modified from time to time.

“Bankruptcy Code” shall mean Title 11 of the United States Code entitled “Bankruptcy”, as now and hereafter in effect, or any successor statute.

“Capital Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

“Cash Proceeds” shall have the meaning assigned in Section 7.7.

“Chattel Paper” shall mean all “chattel paper” as defined in Article 9 of the UCC, including, without limitation, “electronic chattel paper” or “tangible chattel paper”, as each term is defined in Article 9 of the UCC.

“Collateral” shall have the meaning assigned in Section 2.1, subject to Section 2.2.

“Collateral Account” shall mean any account established by the Collateral Agent.

“Collateral Agent” shall have the meaning set forth in the preamble.

“Collateral Records” shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

“Collateral Support” shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

“Commercial Tort Claims” shall mean all “commercial tort claims” as defined in Article 9 of the UCC, including, without limitation, all commercial tort claims listed on Schedule 11 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Commodities Accounts” (i) shall mean all “commodity accounts” as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 5 annexed to the Collateral Questionnaire under the heading “Commodities Accounts” (as such schedule may be amended or supplemented from time to time).

“Company” shall have the meaning set forth in the recitals.

“Control Agreement” shall have the meaning set forth in Section 4.1(a)(vii).

“Controlled Deposit Account” shall mean each Deposit Account identified on Schedule 5 annexed to the Collateral Questionnaire under the heading “Controlled Deposit Accounts” (as such schedule may be amended or supplemented from time to time in accordance with this Agreement).

“Controlled Foreign Corporation” shall mean “controlled foreign corporation” as defined in the Tax Code.

“Copyright Licenses” shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(B) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Copyrights” shall mean all United States, and foreign copyrights (including Community designs), including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications referred to in Schedule 10(A) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Credit Agreement” shall have the meaning set forth in the recitals.

“Credit Card Acknowledgment” shall mean an agreement by a Credit Card Issuer or Credit Card Processor who are parties to a Credit Card Agreement in favor of Collateral Agent’s security interest, subject to the Intercreditor Agreement, in the monies held on behalf of or due and to become due to a Grantor (including, without limitation, credits and reserves) under the Credit Card Agreements, and agreeing to transfer all such amounts to a Controlled Deposit Account, as the same now exist or may hereafter be amended, modified, supplemented from time to time.

“Credit Card Agreements” means all agreements now or hereafter entered into by Company or any of its Subsidiaries (and, to the extent permitted by Section 6.1(g) of the Credit Agreement, Holdings) for the benefit of Company or any such Subsidiary, in each case with any Credit Card Issuer or any Credit Card Processor, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, including, but not limited to, the agreements set forth on Schedule 4.28 to the Credit Agreement (as such schedule may be amended or supplemented from time to time).

“Credit Card Issuer” means any person (other than Holdings or any of its Subsidiaries) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit (including prepaid debit) cards or other bank credit or debit (including prepaid debit) cards issued through MasterCard International, Inc., VISA, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit (including prepaid debit) cards, including, without limitation, credit or debit (including prepaid debit) cards issued by or through American Express Travel Related Services Company, Inc., Novus Services, Inc. and the J. Crew Credit Card.

“Credit Card Processor” means any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the authorization or settlement with respect to any of Company’s or its Subsidiaries’ sales transactions involving credit card or debit (including prepaid debit) card purchases by customers using credit cards or debit (including prepaid debit) cards issued by any Credit Card Issuer.

“Credit Card Receivables” shall mean collectively, (a) all present and future rights of any Grantor to payment from any Credit Card Issuer, Credit Card Processor or other third party arising from the sales of goods or rendition of services to customers who have purchased such goods or services using a credit card or debit (including prepaid debit) card and (b) all present and future rights of any Grantor to payment from any Credit Card Issuer, Credit Card Processor or other third party in connection with the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers who have purchased such goods or services using a credit card or a debit (including prepaid debit) card, including, but not limited to, all amounts at any time due or to become due from any Credit Card Issuer or Credit Card Processor under the Credit Card Agreements or otherwise.

“Credit Documents” means any of this Agreement, the Credit Agreement, the Notes, if any, the Collateral Documents, the Intercreditor Agreement, the Joinder Agreement and all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent or any Lender in connection herewith.

“Deposit Accounts” (i) shall mean all “deposit accounts” as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts in which Grantor customarily maintains in excess of \$10,000 listed on Schedule 5 annexed

to the Collateral Questionnaire under the heading “Deposit Accounts” (as such schedule may be amended or supplemented from time to time).

“**Documents**” shall mean all “documents” as defined in Article 9 of the UCC.

“**Equipment**” shall mean: (i) all “equipment” as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

“**GAAP**” means, subject to the limitations on the application thereof set forth in the Credit Agreement, United States generally accepted accounting principles in effect as of the date of determination thereof.

“**General Intangibles**” (i) shall mean all “general intangibles” as defined in Article 9 of the UCC, including “payment intangibles” also as defined in Article 9 of the UCC and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements and all Intellectual Property (in each case, regardless of whether characterized as general intangibles under the UCC).

“**Goods**” (i) shall mean all “goods” as defined in Article 9 of the UCC and (ii) shall include, without limitation, all Inventory and Equipment (in each case, regardless of whether characterized as goods under the UCC).

“**Grantors**” shall have the meaning set forth in the preamble.

“**Indemnitee**” shall mean the Collateral Agent, and its and its Affiliates’ officers, partners, directors, trustees, employees, agents and sub-agents.

“**Instruments**” shall mean all “instruments” as defined in Article 9 of the UCC.

“**Insurance**” shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

“**Intellectual Property**” shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

“Intercreditor Agreement” shall mean that certain Intercreditor Agreement, dated as of the date hereof, among each Grantor, the Collateral Agent, the Administrative Agent, the Revolving Collateral Agent and the Revolving Administrative Agent, as it may be amended, supplemented or otherwise modified from time to time.

“Inventory” shall mean (i) all “inventory” as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor’s business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

“Investment Accounts” shall mean Securities Accounts, Commodities Accounts, Deposit Accounts and Controlled Deposit Accounts.

“Investment Related Property” shall mean: (i) all “investment property” (as such term is defined in Article 9 of the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, the Investment Accounts and certificates of deposit.

“Lender” shall have the meaning set forth in the recitals.

“Letter of Credit Right” shall mean “letter-of-credit right” as defined in Article 9 of the UCC.

“Lien” shall mean (i) any lien, mortgage, pledge, assignment (whether absolute, conditional or contingent), security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Pledged Equity Interests, any purchase option, call or similar right of a third party with respect to such Pledged Equity Interests; provided, that in no event shall an operating lease of personal property entered into in the ordinary course of business be deemed to constitute a Lien.

“Material Adverse Effect” means a material adverse effect on (i) the business, operations, properties, assets or condition (financial or otherwise) of Holdings and its Subsidiaries taken as a whole; (ii) the ability of Holding and the other Credit Parties, taken as a whole, to perform their Obligations under this Agreement and any other Credit Document; (iii) the legality, validity, binding effect or enforceability against a Credit Party of a Credit Document to which it is a party; or (iv) the rights, remedies and benefits available to, or conferred upon, any Agent and any Lender or any Secured Party under any Credit Document.

“Material Contract” shall mean any contract or other arrangement to which any Grantor is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

“Money” shall mean “money” as defined in the UCC.

“Obligations” shall mean all obligations of every nature of each Grantor from time to time owed to the Secured Parties or any of them under any Credit Document, including obligations from time to time owed to the Agents (including former Agents), the Lenders or any of them and Lender Counterparties, under any Credit Document or Hedge Agreement whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), payments for early termination of Hedge Agreements, fees, expenses, indemnification or otherwise.

“Patent Licenses” shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(D) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Patents” shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 10(C) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all rights corresponding thereto throughout the world, (iv) all inventions and improvements described therein, (v) all rights to sue for past, present and future infringements thereof, (vi) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

“Person” shall mean and include natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governmental authorities.

“Permitted Liens” means each of the Liens permitted pursuant to Section 6.2 of the Credit Agreement.

“Pledge Supplement” shall mean any supplement to this agreement in substantially the form of Exhibit A.

“Pledged Debt” shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 4 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

“Pledged Equity Interests” shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

“Pledged LLC Interests” shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 3 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

“Pledged Partnership Interests” shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 3 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

“Pledged Stock” shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 3 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

“Pledged Trust Interests” shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 3 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust

interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

“Proceeds” shall mean: all “proceeds” as defined in Article 9 of the UCC, and in any event, shall include, without limitation (i) payments or distributions made with respect to any Investment Related Property and (ii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

“Receivables” shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor’s rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

“Receivables Records” shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or nonwritten forms of information related in any way to the foregoing or any Receivable.

“Record” shall have the meaning specified in Article 9 of the UCC.

“Secured Obligations” shall have the meaning assigned in Section 3.1.

“Secured Parties” shall mean the Agents, Lenders and Lender Counterparties and shall include, without limitation, all former Agents, Lenders and Lender Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Agents, Lenders or Lender Counterparties and such Obligations have not been paid or satisfied in full.

“Securities” shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or

arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“**Securities Accounts**” (i) shall mean all “securities accounts” as defined in Article 8 of the UCC and (ii) shall include, without limitation, all of the accounts in which Grantor customarily maintains in excess of \$10,000 listed on Schedule 5 annexed to the Collateral Questionnaire under the heading “Securities Accounts” (as such schedule may be amended or supplemented from time to time).

“**Store Accounts**” shall mean Deposit Accounts that are used solely for receiving store receipts from a retail store location of a Grantor.

“**Supporting Obligation**” shall mean all “supporting obligations” as defined in Article 9 of the UCC.

“**Tax Code**” shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

“**Trademark Licenses**” shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(F) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“**Trademarks**” shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 10(E) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

“**Trade Secret Licenses**” shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(G) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Trade Secrets” shall mean all trade secrets and all other confidential or proprietary information and know-how whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, including but not limited to: (i) the right to sue for past, present and future misappropriation or other violation of any Trade Secret, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

“United States” shall mean the United States of America.

1.2 Definitions; Interpretation. All capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement or, if not defined therein, in the UCC. References to “Sections,” “Exhibits” and “Schedules” shall be to Sections, Exhibits and Schedules, as the case may be, of this Agreement and the Collateral Questionnaire, as applicable, unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. If any conflict or inconsistency exists between this Agreement and the Credit Agreement, the Credit Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

SECTION 2. GRANT OF SECURITY.

2.1 Grant of Security. Each Grantor hereby grants to the Collateral Agent a security interest in and continuing lien on all of such Grantor’s right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the **“Collateral”**):

- (a) Accounts;
- (b) Chattel Paper;

-
- (c) Documents;
 - (d) General Intangibles;
 - (e) Goods;
 - (f) Instruments;
 - (g) Insurance;
 - (h) Intellectual Property;
 - (i) Investment Related Property;
 - (j) Letter of Credit Rights;
 - (k) Money;
 - (l) Receivables and Receivable Records;
 - (m) Commercial Tort Claims;
 - (n) to the extent not otherwise included above, all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing;
and
 - (o) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

2.2 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under Section 2.1 hereof attach to (a) any lease, license, contract, property rights or agreement to which any Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided however that the Collateral shall include and such security interest shall attach immediately at such time as the grant of a security interest would no longer cause such abandonment, invalidation or unenforceability and to the extent severable, shall attach immediately to any portion of such Lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above; or (b) in any of the outstanding capital stock of a Controlled Foreign Corporation in excess of 65% of the voting power of all classes of capital stock of such Controlled Foreign Corporation entitled to vote; provided that immediately upon the amendment of the Tax Code to allow the pledge of a greater percentage of the voting power of capital stock in a Controlled

Foreign Corporation without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of capital stock of each Controlled Foreign Corporation.

2.3 Intercreditor Agreement. The Collateral Agent acknowledges that its rights pursuant the Collateral pursuant to Section 2.1 shall be subject to certain other rights, priorities and interests as set forth in the Intercreditor Agreement. To the extent of any conflict or inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern.

2.4 Collateral Questionnaire. The Collateral Agent, each Secured Party and each Grantor agree that the Collateral Questionnaire and all descriptions of Collateral, schedules, amendments and supplements thereto are and shall at all times remain a part of this Agreement.

SECTION 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof)), of all Obligations with respect to every Grantor (the **“Secured Obligations”**).

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

SECTION 4. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

4.1 Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) it owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, will continue to own or have such rights in each item of the Collateral, in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limitation, liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person (other than Permitted Liens);

(ii) it has indicated on Schedule 1(a) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time): (w) the type of organization of such Grantor, (x) the jurisdiction of organization of such Grantor, (y) its organizational identification number and (z) the jurisdiction where the chief executive office or its sole place of business is (or the principal residence if such Grantor is a natural person), and for the one-year period preceding the date hereof has been, located.

(iii) the full legal name of such Grantor is as set forth on Schedule 1(a) annexed to the Collateral Questionnaire and it has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 1(b) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time);

(iv) except as provided on Schedule 1(c) annexed to the Collateral Questionnaire, it has not changed its name, jurisdiction of organization, chief executive office or sole place of business (or principal residence if such Grantor is a natural person) or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five (5) years;

(v) it has not within the last five (5) years become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated other than the agreements identified on Schedule 1(d) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time);

(vi) with respect to each agreement identified on Schedule 1(d) annexed to the Collateral Questionnaire, it has indicated on Schedule 1(a) annexed to the Collateral Questionnaire and Schedule 1(b) annexed to the Collateral Questionnaire the information required pursuant to Section 4.1(a)(ii), (iii) and (iv) with respect to the debtor under each such agreement;

(vii)(t) upon the filing of all UCC financing statements naming each Grantor as “debtor” and the Collateral Agent as “secured party” and describing the Collateral in the filing offices set forth opposite such Grantor’s name on Schedule l(e) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) and other filings delivered by each Grantor, (u) upon delivery of all Instruments, Chattel Paper and certificated Pledged Equity Interests and Pledged Debt to the Collateral Agent, (v) upon sufficient identification of Commercial Tort Claims, (w) upon execution of a control agreement establishing the Collateral Agent’s “control” (within the meaning of Section 8-106, 9-106 or 9-104 of the UCC, as applicable) with respect to any Securities Account, Commodities Account or Controlled Deposit Account (each, a “**Control Agreement**” and, collectively, the “**Control Agreements**”) (x) upon consent of the issuer with respect to Letter of Credit Rights and (y) to the extent not subject to Article 9 of the UCC, upon recordation of the security interests granted hereunder in Patents, Trademarks and Copyrights in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office and the United States Copyright Office, the security interests granted to the Collateral Agent hereunder constitute valid and perfected first priority Liens under any law applicable in the United States, (subject in the case of priority only to the Intercreditor Agreement, Permitted Liens and to the rights of the United States government (including any agency or department thereof) with respect to United States government Receivables) on all of the Collateral (other than Deposit Accounts not constituting Controlled Deposit Accounts and property with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interests obtaining priority over the rights of a lien creditor with respect to such collateral);

(viii) all actions and consents, including all filings, notices, registrations and recordings necessary or desirable for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect of the Collateral have been made or obtained;

(ix) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or intellectual property security agreement under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens;

(x) no authorization, approval or other action by, and no notice to or filing with, any United States Governmental Authority or United States regulatory body is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or

provided for by applicable law), except (A) for the filings contemplated by clause (vii) above and (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities;

(xi) all information supplied by any Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects;

(xii) none of the Collateral constitutes, or is the Proceeds of, "farm products" (as defined in the UCC);

(xiii) it does not own any "as extracted collateral" (as defined in the UCC) or any timber to be cut;

(xiv) Except as described on Schedule 1(d) annexed to the Collateral Questionnaire, such Grantor has not become bound as a debtor, either by contract or by operation of law, by a security agreement previously entered into by another Person; which has not heretofore been terminated and

(xv) Such Grantor has been duly organized as an entity of the type as set forth opposite such Grantor's name on Schedule 1(a) annexed to the Collateral Questionnaire solely under the laws of the jurisdiction as set forth opposite such Grantor's name on Schedule 1(a) annexed to the Collateral Questionnaire and remains duly existing as such. Such Grantor has not filed any certificates of domestication, transfer or continuance in any other jurisdiction.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) except for the security interest created by this Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, except Permitted Liens, and such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(ii) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance, except to the extent that any such violation could not either individually or in the aggregate reasonably be expected to have a Material Adverse Effect, or any policy of insurance covering the Collateral;

(iii) it shall not change such Grantor's name, identity, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise) sole place of business (or principal residence if such Grantor is a natural person), chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the

Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto (which for the avoidance of doubt shall also include supplements to Schedules to the Collateral Questionnaire), at least thirty (30) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business (or principal residence if such Grantor is a natural person), chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby;

(iv) [Reserved];

(v) it shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five (5) days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(vi) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that may materially adversely effect the value of any material portion of the Collateral, the ability of any Grantor or the Collateral Agent to dispose of any material portion of the Collateral, or the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against any material portion of the Collateral;

(vii) it shall not take or permit any action which could materially impair the Collateral Agent's rights in the Collateral except as otherwise permitted under the Credit Agreement; and

(viii) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except as otherwise in accordance with the Credit Agreement.

4.2 Equipment and Inventory.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) all of the Equipment and Inventory valued in excess of \$10,000 or more in the aggregate included in the Collateral is kept for the past

four (4) years only at the locations specified in Schedule 2 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time);

(ii) any Goods now or hereafter produced by any Grantor included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended; and

(iii) no Inventory or Equipment valued in excess of \$100,000 or more in the aggregate is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee or a warehouseman, except for companies providing transportation of merchandise in the ordinary course of such Grantor's business.

(b) Covenants and Agreements. Each Grantor covenants and agrees that:

(i) it shall keep the Equipment, Inventory and any Documents evidencing any Equipment and Inventory in the locations specified on Schedule 2 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, at least thirty (30) days prior to any change in locations, identifying such new locations and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory; provided, that notwithstanding anything to the contrary contained herein, (A) Grantors may remove Inventory from the locations specified on Schedule 2 annexed to the Collateral Questionnaire (x) for sales of Inventory in the ordinary course of business, (y) to move Inventory directly from one location specified on Schedule 2 annexed to the Collateral Questionnaire to another location specified on Schedule 2 annexed to the Collateral Questionnaire in the ordinary course of business and (z) to ship Inventory from the manufacturers thereof to a Grantor which Inventory is in transit to a location specified on Schedule 2 annexed to the Collateral Questionnaire and (B) Grantors may remove Equipment from the locations specified on Schedule 2 annexed to the Collateral Questionnaire (x) to the extent necessary to have any Equipment repaired or maintained in the ordinary course of business, (y) to move Equipment directly from one location specified on Schedule 2 annexed to the Collateral Questionnaire to another location specified on Schedule 2 annexed to the Collateral Questionnaire in the ordinary course of business and (z) with respect to the movement of motor vehicles used by or for the benefit of any Grantor in the ordinary course of business.

(ii) it shall keep correct and accurate records of the Inventory, itemizing and describing the kind, type and quantity of Inventory, such Grantor's cost therefor and (where applicable) the current list prices for the Inventory, in each case, in reasonable detail as is customarily maintained by such Grantor;

(iii) it shall not deliver any Document evidencing any Equipment and Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent;

(iv) if any Equipment or Inventory valued in excess of \$100,000 or more in the aggregate is in possession or control of any third party, each Grantor shall join with the Collateral Agent in notifying the third party of the Collateral Agent's security interest and obtaining an acknowledgment from the third party that it is holding the Equipment and Inventory for the benefit of the Collateral Agent; and

(v) with respect to any item of Equipment which is covered by a certificate of title under a statute of any jurisdiction under the law of which indication of a security interest on such certificate is required as a condition of perfection thereof, upon the reasonable request of the Collateral Agent, (A) provide information with respect to any such Equipment in excess of \$50,000 individually or \$1,000,000 in the aggregate, (B) execute and file with the registrar of motor vehicles or other appropriate authority in such jurisdiction an application or other document requesting the notation or other indication of the security interest created hereunder on such certificate of title, and (C) deliver to the Collateral Agent copies of all such applications or other documents filed during such calendar quarter and copies of all such certificates of title issued during such calendar quarter indicating the security interest created hereunder in the items of Equipment covered thereby.

4.3 Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) each Receivable in excess, individually, of \$50,000 (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (d) is and will be in compliance with all applicable laws, whether federal, state, local or foreign;

(ii) [reserved]; and

(iii) no Receivable is evidenced by, or constitutes, an Instrument or Chattel Paper which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 4.3(c).

(b) Covenants and Agreements: Each Grantor hereby covenants and agrees that:

(i) it shall keep and maintain at its own cost and expense satisfactory and complete records of the Receivables, including, but not limited to, all originals (or copies thereof) of documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith;

(ii) at the reasonable request of Collateral Agent, it shall mark conspicuously, in form and manner reasonably satisfactory to the Collateral Agent, all Chattel Paper and Instruments (other than any delivered to the Collateral Agent as provided herein) with the following legend referring to chattel paper or instruments as applicable: "This [chattel paper] [instrument] is subject to the security interest of Goldman Sachs Credit Partners L.P. and any sale, transfer, assignment or encumbrance of this [chattel paper] [instrument] violates the rights of such secured party.";

(iii) it shall perform in all material respects all of its obligations with respect to the Receivables;

(iv) it shall notify Collateral Agent promptly of the assertion of (i) any claims, offsets, defenses or counterclaims by any Account Debtor, Credit Card Issuer or Credit Card Processor or any disputes with any of such persons or any settlement, adjustment or compromise thereof, to the extent any of the foregoing exceeds \$75,000 in any one case or \$200,000 in the aggregate and (ii) all material adverse information relating to the financial condition of any Account Debtor, Credit Card Issuer or Credit Card Processor. No credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any Account Debtor, Credit Card Issuer or Credit Card Processor except in the ordinary course of a Grantor's business in accordance with the current practices of such Grantor as in effect on the date hereof. At any time that a Default or an Event of Default exists or has occurred and is continuing, no Grantor shall settle, adjust or compromise any claim, offset, counterclaim or dispute with any Account Debtor, Credit Card Issuer, Credit Card Processor, other than with the consent, at its option (and subject to its rights under the Intercreditor Agreement), of the Collateral Agent.

(v) except as otherwise provided in this subsection, each Grantor shall continue to collect all amounts due or to become due to such Grantor under the Receivables and any Supporting Obligation and diligently exercise each material right it may have under any Receivable, any Supporting

Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable. Notwithstanding the foregoing, pursuant to the Credit Card Acknowledgments delivered pursuant to Section 4.3(b)(ix), the Collateral Agent shall have the right at any time following the occurrence and during the continuation of an Event of Default, to: (1) direct the Credit Card Issuer or Credit Card Processor to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent, subject to the Intercreditor Agreement; and (2) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies any Grantor that it has elected to collect such Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in the Collateral Account maintained under the control of the Collateral Agent or as otherwise directed by the Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of such Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(vi) [reserved]

(vii) it shall (a) observe and perform all material terms, covenants, conditions and provisions of the Credit Card Agreements to be observed and performed by it at the times set forth therein, (b) at all times maintain in full force and effect the Credit Card Agreements and not terminate, cancel, surrender, modify, amend, waive or release any of the Credit Card Agreements, or consent to or permit to occur any of the foregoing; except, that, any Grantor may terminate or cancel any of the Credit Card Agreements in the ordinary course of business of such Grantor; provided, that such Grantor give Collateral Agent not less than fifteen (15) days prior written notice of its intention to so terminate or cancel any of the Credit Card Agreements, (c) not enter into any new Credit Card Agreements with any new Credit Card Issuers unless (x) Collateral Agent shall have received not less than thirty (30) days prior written notice of the intention of such Grantor to enter into such agreement (together with such other information with respect thereto as Collateral Agent may request) and (y) such Grantor delivers or causes to be delivered to Collateral Agent, a Credit Card Acknowledgment in favor of Collateral Agent, (d) give Collateral Agent immediate written notice of any Credit Card Agreement entered into by such Grantor after the date hereof, together with a true, correct and complete copy

thereof and such other information with respect thereto as Collateral Agent may request, and (e) furnish to Collateral Agent, promptly upon the request of Collateral Agent, such information and evidence as Agent may require from time to time concerning the observance, performance and compliance by such Grantor or other party or parties thereto with the terms, covenants or provisions of the Credit Card Agreements.

(viii) it shall notify Collateral Agent promptly of: (i) any notice of a material default by such Grantor under any of the Credit Card Agreements or of any default which has a reasonable likelihood of resulting in the Credit Card Issuer or Credit Card Processor ceasing to make payments or suspending payments to such Grantor, (ii) any notice from any Credit Card Issuer or Credit Card Processor that such person is ceasing or suspending, or will cease or suspend, any present or future payments due or to become due to such Grantor from such person, or that such person is terminating or will terminate any of the Credit Card Agreements, and (iii) the failure of such Grantor to comply with any material terms of the Credit Card Agreements or any terms thereof which has a reasonable likelihood of resulting in the Credit Card Issuer or Credit Card Processor ceasing or suspending payments to such Grantor.

(ix) it shall use its best efforts to deliver or cause to be delivered to Collateral Agent, in form and substance satisfactory to Collateral Agent, a Credit Card Acknowledgment with respect to any Credit Card Agreement.

(c) Delivery and Control of Receivables. Except as Collateral Agent may otherwise agree, with respect to any Receivables in excess of \$100,000 individually or \$500,000 in the aggregate that is evidenced by, or constitutes, Chattel Paper or Instruments, each Grantor shall cause each originally executed copy thereof to be delivered to the Collateral Agent (or its agent or designee) appropriately indorsed to the Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. With respect to any Receivables in excess of \$100,000 individually or \$500,000 in the aggregate which would constitute "electronic chattel paper" under Article 9 of the UCC, each Grantor shall take all steps necessary to give the Collateral Agent control over such Receivables (within the meaning of Section 9-105 of the UCC): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent.

4.4 Investment Related Property.

4.4.1 Investment Related Property Generally

(a) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in the event it acquires rights in any Investment Related Property, other than Investment Related Property of a Person that is not a Subsidiary or Affiliate constituting Collateral credited to a Securities Account (provided, however, that in the case of Investment Related Property that is Pledged Debt, only in the event it acquires rights in such Pledged Debt in excess of \$100,000 individually, or \$500,000 in the aggregate) after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, reflecting such new Investment Related Property and all other Investment Related Property. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property immediately upon any Grantor's acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 4, 5, or 6 annexed to the Collateral Questionnaire, as applicable, as required hereby;

(ii) except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all ordinary cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all scheduled payments of interest;

(iii) each Grantor consents to the grant by each other Grantor of a Security Interest in all Investment Related Property to the Collateral Agent.

(b) Delivery and Control.

(i) Each Grantor agrees that with respect to any Investment Related Property in which it currently has rights (provided, however, that (A) in the case of Investment Related Property that is Pledged Debt, only in the event it

acquires rights in such Pledged Debt in excess of \$100,000 individually, or \$500,000 in the aggregate and (B) in the case of Investment Related Property that is Pledged Equity in J. Crew Japan, Inc., only in the event that J. Crew Japan, Inc. ceases to meet the definition of an “Inactive Subsidiary” under the Credit Agreement) it shall comply with the provisions of this Section 4.4.1(b) on or before the Closing Date and with respect to any Investment Related Property hereafter acquired by such Grantor it shall comply with the provisions of this Section 4.4.1(b) immediately upon acquiring rights therein, in each case in form and substance satisfactory to the Collateral Agent. Subject to the foregoing sentence, with respect to any Investment Related Property that is represented by a certificate or that is an “instrument” (other than any Investment Related Property constituting Collateral credited to a Securities Account or any “instrument” evidencing a face amount of less than \$100,000 or an aggregate of all such “instruments” evidencing a face amount of less than \$500,000) it shall cause such certificate or instrument to be delivered to the Collateral Agent, indorsed in blank by an “effective indorsement” (as defined in Section 8-107 of the UCC), regardless of whether such certificate constitutes a “certificated security” for purposes of the UCC. Subject to the first sentence of this Section 4.4.1(b)(i), with respect to any Investment Related Property that is an “uncertificated security” for purposes of the UCC (other than any “uncertificated securities” credited to a Securities Account), it shall cause the issuer of such uncertificated security to either (i) register the Collateral Agent as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto, pursuant to which such issuer agrees to comply with the Collateral Agent’s instructions with respect to such uncertificated security without further consent by such Grantor.

(c) Voting and Distributions.

(i) So long as no Event of Default shall have occurred and be continuing:

- (1) except as otherwise provided under the covenants and agreements relating to investment related property in this Agreement or elsewhere herein or in the Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, no Grantor shall exercise or refrain from exercising any such right if the Collateral Agent shall have notified such Grantor that, in the Collateral Agent’s reasonable judgment, such action would materially adversely effect the value of the Investment Related Property or any part thereof; and provided further, such Grantor shall give the Collateral Agent at least five (5) Business Days prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right; it being understood, however, that neither the voting by such Grantor of any Pledged Stock for, or such Grantor’s consent to, the

election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stockholders or with respect to incidental matters at any such meeting, nor such Grantor's consent to or approval of any action otherwise permitted under this Agreement and the Credit Agreement, shall be deemed inconsistent with the terms of this Agreement or the Credit Agreement within the meaning of this Section 4.4(c)(i)(I), and no notice of any such voting or consent need be given to the Collateral Agent; and

- (2) the Collateral Agent shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (1) above;
- (3) Upon the occurrence and during the continuation of an Event of Default:
 - (A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and
 - (B) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 6.1.

4.4.2 Pledged Equity Interests

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on the Incremental Term Loan Closing Date, that:

(i) Schedule 3 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of

membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) except as set forth on Schedule 6 annexed to the Collateral Questionnaire, it has not acquired any equity interests of another entity or substantially all the assets of another entity within the past five (5) years;

(iii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(iv) without limiting the generality of Section 4.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or desirable in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof;

(v) none of the Pledged LLC Interests nor Pledged Partnership Interests held or owned by any Grantor in any Affiliates or Subsidiaries thereof are or represent interests in issuers that: (a) are registered as investment companies or (b) are dealt in or traded on securities exchanges or markets; and

(vi) except as otherwise set forth on Schedule 7 annexed to the Collateral Questionnaire, all of the Pledged LLC Interests and Pledged Partnership Interests are or represent interests in issuers that have opted to be treated as securities under the uniform commercial code of any jurisdiction.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (b) permit any issuer of any Pledged Equity Interest that is an Affiliate or Subsidiary of a Grantor to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right

of purchase or exchange for any stock or other equity interest of any nature of such issuer, (c) other than as permitted under the Credit Agreement, permit any issuer of any Pledged Equity Interest that is an Affiliate or Subsidiary of a Grantor to dispose of all or a material portion of their assets, (d) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest that is an Affiliate or Subsidiary of a Grantor or the terms of any Pledged Debt, or (e) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests that is an Affiliate or Subsidiary of a Grantor which interests are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (e), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) it shall comply with all of its material obligations under any partnership agreement or limited liability company agreement relating to Pledged Partnership Interests or Pledged LLC Interests and shall enforce all of its rights with respect to any Investment Related Property if the non-exercise of such rights would adversely affect or could reasonably be expected to adversely affect such Investment Related Property;

(iii) without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest that is an Affiliate or Subsidiary of a Grantor to merge or consolidate unless (i) such issuer creates a security interest that is perfected by a filed financing statement (that is not effective solely under section 9-508 of the UCC) in collateral in which such new debtor has or acquires rights, and (ii) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent Grantor; provided that if the surviving or resulting Grantors upon any such merger or consolidation involving an issuer which is a Controlled Foreign Corporation, then such Grantor shall only be required to pledge equity interests in accordance with Section 2.2; and

(iv) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

4.4.3 Pledged Debt

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) Schedule 4 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth under the heading “Pledged Debt” all of the Pledged Debt in excess of \$100,000 individually or \$500,000 in the aggregate owned by any Grantor and all of such Pledged Debt has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and constitutes all of the issued and outstanding inter-company Indebtedness;

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) it shall notify the Collateral Agent of any default under any Pledged Debt that has caused, either in any individual case or in the aggregate, a Material Adverse Effect.

4.4.4 Investment Accounts

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on the Incremental Term Loan Closing Date, that:

(i) Schedule 5 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth under the headings “Securities Accounts” and “Commodities Accounts,” respectively, all of the Securities Accounts and Commodities Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account, and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant hereto and the Revolving Collateral Agent subject to the Intercreditor Agreement) having “control” (within the meanings of Sections 8-106 and 9-106 of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or securities or other property credited thereto;

(ii) Schedule 5 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth under the headings “Deposit Accounts” all of the Deposit Accounts in which each Grantor has an interest. Each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant hereto and the Revolving Collateral Agent subject to the Intercreditor Agreement) having “control” (within the meanings of Section 9-104 of the UCC) over, or any other interest in, any such Deposit Account or any money or other property deposited therein; and

(iii) Each Grantor has taken all actions necessary or reasonably desirable, including those specified in Section 4.4.4(c), to: (a) establish Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Related Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodities Accounts (each as defined in the UCC); (b) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Controlled Deposit Accounts; and (c) deliver all Instruments to the Collateral Agent with a principal amount in excess of \$100,000 individually, or \$500,000 in the aggregate.

(b) Covenant and Agreement. Each Grantor hereby covenants and agrees with the Collateral Agent and each other Secured Party that it shall not close or terminate any Securities Account, Commodities Account, Controlled Deposit Account without the prior consent of the Collateral Agent and unless a successor or replacement account has been established with the consent of the Collateral Agent with respect to which successor or replacement account a control agreement has been entered into by the appropriate Grantor, Collateral Agent and securities intermediary or depository institution at which such successor or replacement account is to be maintained in accordance with the provisions of Section 4.4.4(c).

(c) Delivery and Control

(i) With respect to any Investment Related Property consisting of Securities Accounts or Securities Entitlements, it shall cause the securities intermediary maintaining such Securities Account or Securities Entitlement to enter into an agreement substantially in the form of Exhibit C hereto pursuant to which it shall agree, subject to the Intercreditor Agreement, to comply with the Collateral Agent's "entitlement orders" without further consent by such Grantor. With respect to any Deposit Account which is not a Store Account, it shall cause the depository institution maintaining such account to enter into an agreement substantially in the form of Exhibit D hereto, pursuant to which, subject to the Intercreditor Agreement, the Collateral Agent shall have "control" (within the meaning of Section 9-104 of the UCC) over such Deposit Account. Each Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements or Controlled Deposit Accounts that exist on the Closing Date, as of or prior to the Closing Date and (ii) any Securities Accounts, Securities Entitlements or Deposit Accounts not constituting Store Accounts that are created or acquired after the Closing Date, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts or Controlled Deposit Accounts.

(ii) In addition to the foregoing, if any issuer of any Investment Related Property is located in a jurisdiction outside of the United States, each Grantor shall take such additional actions at the request of Collateral Agent, including, without limitation, using commercially reasonable efforts to

cause the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary or advisable, under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

(d) Collection of Store Accounts. Each Grantor shall deposit all proceeds from sales of Inventory in every form, including, without limitation, cash, checks, credit card sales, all amounts payable to each Grantor from Credit Card Issuers and Credit Card Processors, other forms of daily store receipts and all other proceeds of Collateral of such Grantor on each Business Day into the Store Account of such Grantor which shall be used solely for such purpose. All such funds deposited into the Store Accounts, except nominal amounts which are required to be maintained in a Store Account, which nominal amount shall not exceed \$5,000 as to any individual Store Account at any time, shall be sent by wire transfer or other electronic funds transfer to the Controlled Deposit Accounts no less frequently than weekly or more frequently upon Collateral Agent's request, subject to the Intercreditor Agreement, any time that an Event of Default exists or has occurred or is continuing.

4.5 Material Contracts.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) [reserved];

(ii) the Material Contracts, true and complete copies (including any amendments or supplements thereof) of which have been furnished to the Collateral Agent are in full force and effect and are binding upon and enforceable against all parties thereto in accordance with their respective terms. To each Grantor's best knowledge, there exists no default under any Material Contract by any party thereto and neither such Grantor, nor to its best knowledge, any other Person party thereto is likely to become in default thereunder and no Person party thereto has any defenses, counterclaims or right of set-off with respect to any Material Contract; and

(iii) [reserved]

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in addition to any rights under the Section of this Agreement relating to Receivables, the Collateral Agent may at any time notify, or require any Grantor to so notify, the counterparty on any Material Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent;

(ii) [reserved];

(iii) [reserved];

(iv) it shall perform in all material respects all of its obligations with respect to the Material Contracts;

(v) it shall promptly and diligently exercise each material right (except the right of termination) it may have under any Material Contract, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable;

(vi) it shall use its reasonable best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Material Contract; and

(vii) [reserved].

4.6 Letter of Credit Rights.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and the Incremental Term Loan Closing Date, that:

(i) all letters of credit with a principal face amount of each such letter of credit in excess of \$1,000,000 to which such Grantor has rights is listed on Schedule 9 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) hereto; and

(ii) it has obtained the consent of each issuer of any letter of credit with a principal face amount of each such letter of credit in excess of \$1,000,000 to the assignment of the proceeds of the letter of credit to the Collateral Agent.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any letter of credit with a principal face amount of each such letter of credit in excess of \$1,000,000 and which is not a Supporting Obligation hereafter arising it shall obtain the consent of the issuer thereof to the assignment of the proceeds of the letter of credit to the Collateral Agent and shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto.

4.7 Intellectual Property.

(a) **Representations and Warranties.** Except as disclosed in Schedule 10 (H) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Closing Date, that:

(i) Schedule 10 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and foreign registrations of and applications for Patents, Trademarks, and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses material to the business of such Grantor;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in and to all Intellectual Property listed on Schedule 10 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), and owns or has the valid right to use all other Intellectual Property material to the business of the Grantors taken as a whole or used in or necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 10 (B), (D), (F) and (G) each annexed to the Collateral Questionnaire (as each may be amended or supplemented from time to time);

(iii) all Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks in full force and effect other than that would not reasonably be expected to have a Material Adverse Effect;

(iv) all Intellectual Property material to the business of the Grantors taken as a whole is valid and enforceable; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, such Intellectual Property and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened;

(v) all registrations and applications for Copyrights, Patents and Trademarks are standing in the name of each Grantor, and none of the Trademarks, Patents, Copyrights or Trade Secrets has been licensed by any Grantor to any Affiliate or third party, except, in accordance with such Grantor's customary business practices or, in the case of exclusive licenses to other parties, as disclosed in Schedule 10 (B), (D), (F) and (G) each annexed to the Collateral Questionnaire (as each may be amended or supplemented from time to time);

(vi) each Grantor has been making commercially reasonable efforts to use appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights material to the business of such Grantor;

(vii) [reserved];

(viii) the conduct of such Grantor's business does not infringe upon or otherwise violate any trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party other than would not reasonably be expected to have a Material Adverse Effect; no claim has been made that the use of any Intellectual Property owned or used by Grantor (or any of its respective licensees) violates the asserted rights of any third party;

(ix) to the best of each Grantor's knowledge, no third party is infringing upon or otherwise violating any rights in any Intellectual Property owned or used by such Grantor, or any of its respective licensees;

(x) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that adversely affect Grantor's rights to own or use any material Intellectual Property; and

(xi) each Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or agreement of any Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property, other than in favor of the Collateral Agent.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) it shall not do any act or omit to do any act whereby any of the Intellectual Property which is material to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein;

(ii) except according to such Grantor's customary business practices it shall not, with respect to any Trademarks which are material to the business of any Grantor, cease the use of any of such Trademarks or fail to

maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and each Grantor shall take all steps reasonably necessary to insure that licensees of such Trademarks use such consistent standards of quality;

(iii) [reserved]

(iv) it shall notify the Collateral Agent as promptly as practicable if it knows or has reason to know that any item of the Intellectual Property that is material to the business of the Grantors taken as a whole may become (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court;

(v) it shall take all reasonable steps consistent with its ordinary business practices in the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration of each Trademark, Patent, and Copyright owned by any Grantor and material to the business of the Grantors taken as a whole which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 10(A), (C) and (E) each annexed to the Collateral Questionnaire (as each may be amended or supplemented from time to time);

(vi) in the event that any Intellectual Property owned by or exclusively licensed to any Grantor that is material to the business is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly take all reasonable actions consistent with its ordinary business practices to stop such infringement, misappropriation, or dilution and protect its rights in such Intellectual Property including, but not limited to, the initiation of a suit for injunctive relief and to recover damages;

(vii) it shall promptly (but in no event more than thirty (30) days after any Grantor obtains knowledge thereof) report to the Collateral Agent (i) the registration of any material Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry or foreign counterpart of the foregoing (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any Intellectual Property by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto;

(viii) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Intellectual Property, whether now owned or hereafter acquired, including, without limitation, as applicable a Trademark Security Agreement, a Copyright Security Agreement and a Patent Security Agreement, together with all Schedules thereto;

(ix) except with the prior consent of the Collateral Agent or as permitted under the Credit Agreement, each Grantor shall not execute, and there will not be on file in any public office, any financing statement or other document or instruments, except financing statements or other documents or instruments filed or to be filed in favor of the Collateral Agent and each Grantor shall not sell, assign, transfer, license, grant any option, or create or suffer to exist any Lien upon or with respect to the Intellectual Property, except for the Lien created by and under this Agreement and the other Credit Documents, under the Revolving Agreement or as expressly permitted by the Credit Documents;

(x) it shall hereafter use best efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or might in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts;

(xi) it shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets, including, without limitation, entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents;

(xii) it shall make best efforts to use proper statutory notice in connection with its use of any of the Intellectual Property; and

(xiii) it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action as such Grantor or the Collateral Agent may deem reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

4.8 Commercial Tort Claims

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on the Incremental Term Loan Closing Date, that

Schedule 11 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth all Commercial Tort Claims for which a complaint has been filed in a court of competent jurisdiction of each Grantor in excess of \$250,000 individually; and

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any such Commercial Tort Claim in excess of \$250,000 individually hereafter arising it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new Commercial Tort Claims.

4.9 Customs Broker/Freight Forwarder Agreements.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on the Incremental Term Loan Closing Date, that Schedule 12 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) sets forth all agreements with customs brokers and freight forwarder of each Grantor.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees (i) it shall use its best efforts to deliver or cause to be delivered to Collateral Agent, in form and substance satisfactory to Collateral Agent, an acknowledgement of the security interest of the Collateral Agent from each customs broker and freight forwarder set forth on Schedule 12 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) and (ii) it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new agreements with customs brokers and freight forwarder of any Grantor.

SECTION 5. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

5.1 Access; Right of Inspection. The Collateral Agent shall at all times, upon reasonable notice and at reasonable times during normal business hours, have full and free access during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. Upon reasonable notice and at reasonable times during normal business hours, the Collateral Agent and its representatives shall at all times also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements, or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) at the sole discretion of Collateral Agent, take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Intellectual Property with any United States or state intellectual property registry in which said Intellectual Property is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State, and, if reasonably requested by Collateral Agent, the foreign counterparts on any of the foregoing;

(iii) at any reasonable time, upon request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation statements, and amendments thereto, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to modify this Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 10 annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

5.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "Additional Grantor"), by executing a Counterpart Agreement. Upon delivery of any such counterpart agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

6.1 Power of Attorney. Each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the Credit Agreement and subject to the Intercreditor Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare and file any UCC financing statements against such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of such Grantor as debtor;

(g) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its sole discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) subject to the terms hereof, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

6.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7. REMEDIES.

7.1 Generally.

(a) Subject to the Intercreditor Agreement, if any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise

available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable.

(b) The Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the

time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

7.2 Application of Proceeds. Except as expressly provided elsewhere in this Agreement and subject to the Intercreditor Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against the Secured Obligations in the following order of priority: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith, and all amounts for which the Collateral Agent is entitled to indemnification hereunder (in its capacity as the Collateral Agent and not as a Lender) and all advances made by the Collateral Agent hereunder for the account of the applicable Grantor, and to the payment of all costs and expenses paid or incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under the Credit Agreement, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Secured Obligations for the ratable benefit of the Lenders and the Lender Counterparties and third, to the extent of any excess of such proceeds and subject to the Intercreditor Agreement, to the payment to or upon the order

of such Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

7.3 Sales on Credit. If Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

7.4 Controlled Deposit Accounts and Securities Accounts.

(a) Subject to the Intercreditor Agreement, if any Event of Default shall have occurred and be continuing (and for the avoidance of doubt, not prior thereto), the Collateral Agent may apply the balance from any Controlled Deposit Account or instruct the bank at which any Controlled Deposit Account is maintained to pay the balance of any such Controlled Deposit Account to or for the benefit of the Collateral Agent.

(b) Subject to the Intercreditor Agreement, if any Event of Default shall have occurred and be continuing (and for the avoidance of doubt, not prior thereto), the Collateral Agent may apply the balance from any Securities Account consisting of Cash or Cash Equivalents or instruct the bank at which any Securities Account consisting of Cash or Cash Equivalents is maintained to pay the balance of any such Cash or Cash Equivalents to or for the benefit of the Collateral Agent.

7.5 Investment Related Property.

Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to

determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

7.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 10 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property as provided in this Section, each Grantor agrees to use all reasonable measures to the extent consistent with its ordinary business practice, whether by action, suit, proceeding or otherwise, to prevent the infringement or other violation of any of such Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain to the extent consistent with its ordinary business practice any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement or violation;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent or such Collateral Agent's designee all of such Grantor's right, title and interest in and to the Intellectual Property and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement, in each case subject to the terms of all applicable agreements;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the

products and services sold or delivered by such Grantor under or in connection with the Trademarks, Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be compensated by the Collateral Agent at such Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

- (1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 7.7 hereof; and
- (2) other than in the ordinary course of business consistent with past practices prior to the occurrence of the relevant Event of Default, Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Intellectual Property shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 7 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located.

7.7 Cash Proceeds. In addition to the rights of the Collateral Agent specified in Section 4.3 with respect to payments of Receivables, upon the occurrence and during the continuation of an Event of Default, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other non-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 4.4(a)(ii), be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Collateral Agent in the Collateral Account. Any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise): (i) if no Event of Default shall have occurred and be continuing, shall be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and (ii) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

SECTION 8. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Lenders and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement, the Credit Agreement and the Intercreditor Agreement. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Lenders and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by the Requisite Lenders.

Upon any such notice of resignation or any such removal, Requisite Lenders shall have the right, upon five (5) Business Days' notice to the Administrative Agent, to appoint a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent hereunder.

SECTION 9. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS.

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations and the cancellation or termination of the Term Loan Commitments, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the Credit Agreement, any Lender may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations and the cancellation or termination of the Term Loan Commitments, the security interest granted hereby shall automatically terminate hereunder and of record and all rights to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors or otherwise authorize the filing of such documents as Grantors shall reasonably request, including financing statement amendments to evidence such termination. Upon any disposition of property permitted by the Credit Agreement, the Liens granted herein shall be deemed to be automatically released and such property shall automatically revert to the applicable Grantor with no further action on the part of any Person. The Collateral Agent shall, at Grantor's expense, execute and deliver or otherwise authorize the filing of such documents as Grantors shall reasonably request, in form and substance reasonably satisfactory to the Collateral Agent, including financing statement amendments to evidence such release.

SECTION 10. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the Credit Agreement.

SECTION 11. MISCELLANEOUS.

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 10.1 of the Credit Agreement. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Agent given in accordance with the Credit Agreement, assign any right, duty or obligation hereunder. This Agreement and the other Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof

and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAWS).

[Signature pages to follow]

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

J. CREW OPERATING CORP.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

J. CREW INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

GRACE HOLMES, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

Signature page to Pledge and Security Agreement

H.F.D. NO. 55, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti

Title: Vice President and Controller

MADEWELL INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

Signature page to Pledge and Security Agreement

GOLDMAN SACHS CREDIT PARTNERS L.P., as
Collateral Agent

By: /s/ William W. Archer

Name: William W. Archer

Title: Managing Director

Signature page to Pledge and Security Agreement

PLEDGE SUPPLEMENT

This **PLEDGE SUPPLEMENT**, dated [mm/dd/yy], is delivered by [NAME OF GRANTOR] a [NAME OF STATE OF INCORPORATION] [Corporation] (the “**Grantor**”) pursuant to the Pledge and Security Agreement, dated as of [mm/dd/yy] (as it may be from time to time amended, restated, modified or supplemented, the “Security Agreement”), among **J. CREW OPERATING CORP.**, the other Grantors named therein, and **GOLDMAN SACHS CREDIT PARTNERS L.P.**, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Security Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor’s right, title and interest in and to all Collateral to secure the Secured Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached supplements to Schedules to the Security Agreement and Schedules to the Collateral Questionnaire accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such supplements to Schedules to the Security Agreement and to the Collateral Questionnaire shall constitute part of the Schedules to the Security Agreement and to the Collateral Questionnaire, as the case may be.

IN WITNESS WHEREOF, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of [mm/dd/yy].

[NAME OF GRANTOR]

By: _____
Name:
Title:

**Legal Names, Organizations, Jurisdictions of Organization and Organizational
Identification Numbers**

<u>Name of Grantor*</u>	Type of Organization (e.g. corporation, limited liability company, limited partnership)	Jurisdiction of Organization/ Formation	Organizational Identification Number ¹
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Exhibit A-2

Trade Names

Grantor

Trade/Assumed Name

Exhibit A-3

Changes in Names, Jurisdiction of Organization or Corporate Structure

Grantor

Date of Change

Description of Change

Exhibit A-4

Agreements to which Grantor Bound as Successor

Name of Grantor

Description of Agreement

Exhibit A-5

Financing Statements

Name of Grantor

Filing Jurisdiction(s)

Exhibit A-6

Chief Executive Offices and Mailing Addresses

Name of Grantor

Address of Chief Executive
Office (or for natural persons,
residence)

Mailing Address (if different
than CEO or residence)

Exhibit A-7

Prior Addresses

Grantor

Prior Address/City/State/Zip Code

Exhibit A-8

Tangible Personal Property

Grantor

Address/City/State/Zip Code

Exhibit A-9

Pledged Equity Interests

<u>Grantor</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u># of Shares Owned</u>	<u>Total Shares Outstanding</u>	<u>% of Interest Pledged</u>	<u>Certificate No. (if uncertificated, please indicate so)</u>	<u>Par Value</u>
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Exhibit A-10

Pledged Debt

Grantor	Issuer	Original Principal Amount	Outstanding Principal Balance	Issue Date	Maturity Date
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Exhibit A-11

Accounts

Securities Accounts:

Grantor	Type of Account	Name & Address of Financial Institutions
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Commodities Accounts:

Grantor	Name of Commodities Intermediary	Account Number	Account Name
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Deposit Accounts:

Grantor	Name of Depository Bank	Account Number	Account Name
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Controlled Deposit Accounts:

Grantor	Name of Depository Bank	Account Number	Account Name
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Equity Interests

<u>Grantor</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u># of Shares Owned</u>	<u>Total Shares Outstanding</u>	<u>% of Interest Pledged</u>	<u>Certificate No. (if uncertificated, please indicate so)</u>	<u>Par Value</u>
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Exhibit A-13

Pledged LLC Interests and Pledged Partnership Interests Not Constituting Securities

Name of Grantor

**Name of Issuer of Pledged
LLC Interest/Pledged Partnership
Interest**

Exhibit A-14

Instruments

Grantor

Issuer of Instrument

Maturity Date

Exhibit A-15

Letters of Credit

Name of Grantor

Description of Letter of Credit

Exhibit A-16

Intellectual Property/Exceptions

- (A) Copyrights
- (B) Copyright Licenses
- (C) Patents
- (D) Patent Licenses
- (E) Trademarks
- (F) Trademark Licenses
- (G) Trade Secret Licenses
- (H) Intellectual Property Exceptions

Exhibit A-17

Commercial Tort Claims

Name of Grantor

Commercial Tort Claims

Exhibit A-18

Customs Broker/Freight Forwarder Agreements

Company	Name of Agreement	Date of Agreement	Parties to Agreement
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Exhibit A-19

Warehousemen and Bailees

<u>Grantor</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Description of Assets and Value</u>
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Exhibit A-20

Fixtures

Grantor

Address/City/State/Zip Code

County

**Owned
or Leased**

Exhibit A-21

“As Extracted” Collateral

Grantor

Address/City/State/Zip Code

County

Exhibit A-22

Timber to be Cut

Grantor

Address/City/State/Zip Code

County

Exhibit A-23

UNCERTIFICATED SECURITIES CONTROL AGREEMENT

This Uncertificated Securities Control Agreement (“**Control Agreement**”) dated as of _____, 200__ among _____ (the “**Pledger**”), WACHOVIA BANK, NATIONAL ASSOCIATION, (“**Wachovia**”) as collateral agent for the benefit of the First Lien Lenders (as defined herein) referred to in the First Lien Loan Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the “**First Lien Collateral Agent**”), and GOLDMAN SACHS CREDIT PARTNERS L.P., as collateral agent for the benefit of the Secured Parties referred to in the Second Lien Security Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the “**Second Lien Collateral Agent**”; together with the First Lien Collateral Agent, the “**Collateral Agents**”) and _____, a _____ corporation (the “**Issuer**”), is delivered pursuant to (i) that certain Amended and Restated Loan and Security Agreement dated as of December 23, 2004, by and among J. Crew Operating Corp., J. Crew Inc., Grace Holmes, Inc., H.F.D. No. 55, Inc., the guarantors party thereto, the lenders party thereto (the “**First Lien Lenders**”), Wachovia Capital Markets LLC, as sole lead arranger and sole lead bookrunner, Wachovia, as administrative agent and First Lien Collateral Agent and Bank of America, N.A., as syndication agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**First Lien Loan Agreement**”), and (ii) that certain Pledge and Security Agreement dated as of May 15, 2006 made by the Pledgor and each of the Grantors listed on the signature pages thereto in favor of the Second Lien Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Second Lien Security Agreement**” and together with the First Lien Loan Agreement, the “**Security Agreements**”). Capitalized terms used but not defined herein shall have the meaning assigned in the Security Agreements. All references herein to the “**UCC**” shall mean the Uniform Commercial Code as in effect in the State of New York. As used in this Control Agreement, “**Controlling Party**” means the First Lien Collateral Agent; *provided, however*, that at such time as First Lien Collateral Agent has provided the Issuer with a written notice that First Lien Collateral Agent has ceased to be the “**Controlling Party**” hereunder (such notice being the “**Controlling Party Notice**”) (which notice is to be given at the time all obligations owing to the First Lien Collateral Agent and the Lenders referred to in the First Lien Loan Agreement (the “**First Lien Secured Parties**”) have been indefeasibly paid in full in cash, all commitments of the First Lien Collateral Agent and First Lien Secured Parties to provide credit to or for the benefit of the Pledgor have terminated and all financing agreements among the First Lien Collateral Agent, First Lien Secured Parties, the Pledgor and its affiliates have terminated), “**Controlling Party**” shall mean the Second Lien Collateral Agent. It is understood and agreed that the Issuer shall rely exclusively on a Controlling Party Notice as to the determination whether the First Lien Collateral Agent or the Second Lien Collateral Agent is the Controlling Party

Exhibit B-1

hereunder and shall be under no obligation to make any independent investigation thereof.

Section 1. Registered Ownership of Shares. The Issuer hereby confirms and agrees that as of the date hereof the Pledgor is the registered owner of _____ shares of the Issuer's [common] stock (the "**Pledged Shares**") and the Issuer shall not change the registered owner of the Pledged Shares without the prior written consent of the Controlling Party.

Section 2. Instructions. If at any time the Issuer shall receive instructions originated by the Controlling Party relating to the Pledged Shares, the Issuer shall comply with such instructions without further consent by the Pledgor or any other person.

Section 3. Additional Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Agents:

(a) It has not entered into, and until the termination of this agreement will not enter into, any agreement with any other person relating the Pledged Shares pursuant to which it has agreed to comply with instructions issued by such other person; and

(b) It has not entered into, and until the termination of this agreement will not enter into, any agreement with the Pledgor or the Collateral Agents purporting to limit or condition the obligation of the Issuer to comply with Instructions as set forth in Section 2 hereof.

(c) Except for the claims and interest of the Collateral Agents and of the Pledgor in the Pledged Shares, the Issuer does not know of any claim to, or interest in, the Pledged Shares. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Pledged Shares, the Issuer will promptly notify the Collateral Agents and the Pledgor thereof.

(d) This Uncertificated Securities Control Agreement is the valid and legally binding obligation of the Issuer.

Section 4. Choice of Law. This Agreement shall be governed by the laws of the State of New York.

Section 5. Conflict with Other Agreements. In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail. No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto.

Section 6. Voting Rights. Until such time as the Controlling Party shall otherwise instruct the Issuer in writing, the Pledgor shall have the right to vote the Pledged Shares.

Section 7. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agents may assign their rights hereunder only with the express written consent of the Issuer and by sending written notice of such assignment to the Pledgor.

Section 8. Indemnification of Issuer. The Pledgor and the Collateral Agents hereby agree that (a) the Issuer is released from any and all liabilities to the Pledgor and the Collateral Agents arising from the terms of this Agreement and the compliance of the Issuer with the terms hereof, except to the extent that such liabilities arise from the Issuer's negligence or willful misconduct and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Issuer from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Issuer with the terms hereof, except to the extent that such arises from the Issuer's negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 9. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor:

[INSERT ADDRESS]

Attention:

Telecopier:

First Lien Collateral Agent:

Wachovia Bank, National Association

1133 Avenue of the Americas

New York, New York 10036

Attention: Portfolio Manager

Telecopier: 212-545-4283

Second Lien Collateral Agent:

Goldman Sachs Credit Partners L.P.

85 Broad Street

New York, New York 10004

Attention: Elizabeth Fischer

Telecopier: (212)3570932

Email: elizabeth.fischer@gs.com

Exhibit B-3

with a copy to:

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: John Makrinos
Telecopier: (212) 357 4597
Email: John.Makrinos@gs.com

and

Latham & Watkins LLP
633 W. 5th Street
Los Angeles, California 90071
Attention: John E. Mendez, Esq.
Telecopier: (213) 891-8763
Email: john.mendez@lw.com

Issuer:

[INSERT ADDRESS]
Attention:
Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 10. Termination. The obligations of the Issuer to the First Lien Collateral Agent pursuant to this Control Agreement shall continue in effect until the security interest of the First Lien Collateral Agent in the Pledged Shares has been terminated pursuant to the terms of the First Lien Security Agreement and the First Lien Collateral Agent has notified the Issuer of such termination in writing. The obligations of the Issuer to the Second Lien Collateral Agent pursuant to this Control Agreement shall continue in effect until the security interest of the Second Lien Collateral Agent in the Pledged Shares has been terminated pursuant to the terms of the Second Lien Security Agreement and the Second Lien Collateral Agent has notified the Issuer of such termination in writing. Each Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Issuer upon the request of the Pledgor on or after the termination of such Collateral Agent's security interest in the Pledged Shares pursuant to the terms of the applicable Security Agreement. The termination of this Control Agreement shall not terminate the Pledged Shares or alter the obligations of the Issuer to the Pledgor pursuant to any other agreement with respect to the Pledged Shares.

Exhibit B-4

Section 11. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as First Lien Collateral Agent

By: _____
Name:
Title:

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Second Lien Collateral Agent

By: _____
Name:
Title:

[NAME OF ISSUER]

By: _____
Name:
Title:

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Issuer]

Attention:

Re: Termination of Control Agreement

You are hereby notified that the Uncertificated Securities Control Agreement between you, [the Pledgor] and the undersigned (a copy of which is attached) is terminated with respect to the undersigned and you have no further obligations to the undersigned thereunder. [IF THE CONTROL AGREEMENT IS TO REMAIN IN EFFECT WITH RESPECT TO THE FIRST LIEN COLLATERAL AGENT/SECOND LIEN COLLATERAL AGENT, ADD: Note however that the Control Agreement remains in effect with respect to First Lien Collateral Agent/Second Lien Collateral Agent] [IF THE CONTROL AGREEMENT IS BEING TERMINATED AS TO ALL PARTIES, ADD: Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to the Pledged Shares (as defined in the Uncertificated Securities Control Agreement from the Pledgor.) This notice terminates any obligations you may have to the undersigned with respect to the Pledged Shares; however nothing contained in this notice shall alter any obligations which you may otherwise owe to the Pledgor pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to [insert name of Pledgor].

Very truly yours,

[First Lien Collateral Agent/Second
Lien Collateral Agent]

By:
Name:
Title:

cc: [First Lien Collateral Agent/Second Lien Collateral Agent]

Exhibit B-6

SECURITIES ACCOUNT CONTROL AGREEMENT

This Securities Account Control Agreement ("**Control Agreement**") dated as of _____, 200__ among _____(the "**Debtor**"), **WACHOVIA BANK, NATIONAL ASSOCIATION**, ("**Wachovia**") as collateral agent for the benefit of the First Lien Lenders (as defined herein) referred to in the First Lien Loan Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the "**First Lien Collateral Agent**"), and **GOLDMAN SACHS CREDIT PARTNERS L.P.**, as collateral agent for the benefit of the Secured Parties referred to in the Second Lien Security Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the "**Second Lien Collateral Agent**"; together with the First Lien Collateral Agent, the "**Collateral Agents**") and _____, in its capacity as a "securities intermediary" as defined in Section 8-102 of the UCC (in such capacity, including its successors and assigns from time to time, the "**Securities Intermediary**") is delivered pursuant to (i) that certain Amended and Restated Loan and Security Agreement dated as of December 23, 2004 among J. Crew Operating Corp., J. Crew Inc., Grace Holmes, Inc., H.F.D. No. 55, Inc., the guarantors party thereto, the lenders party thereto (the "**First Lien Lenders**"), Wachovia Capital Markets LLC, as sole lead arranger and sole lead bookrunner, Wachovia, as administrative agent and First Lien Collateral Agent and Bank of America, N.A., as syndication agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**First Lien Loan Agreement**"), and (ii) that certain Pledge and Security Agreement dated as of May 15, 2006 made by the Debtor and each of the Grantors listed on the signature pages thereto in favor of the Second Lien Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**" and together with the First Lien Loan Agreement, the "**Security Agreements**"). Capitalized terms used but not defined herein shall have the meaning assigned in the Security Agreements. All references herein to the "**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York. As used in this Control Agreement, "**Controlling Party**" means the First Lien Collateral Agent; *provided, however*, that at such time as First Lien Collateral Agent has provided the Securities Intermediary with a written notice that First Lien Collateral Agent has ceased to be the "Controlling Party" hereunder (such notice being the "**Controlling Party Notice**") (which notice is to be given at the time all obligations owing to the First Lien Collateral Agent and the Lenders referred to in the First Lien Loan Agreement (the "**First Lien Secured Parties**") have been indefeasibly paid in full in cash, all commitments of the First Lien Collateral Agent and First Lien Secured Parties to provide credit to or for the benefit of the Debtor have terminated and all financing agreements among the First Lien Collateral Agent, First Lien Secured Parties, the Debtor and its affiliates have terminated), "Controlling Party" shall mean the Second Lien Collateral Agent. It is understood and agreed that the Securities Intermediary shall rely exclusively on a Controlling Party Notice as to the determination

whether the First Lien Collateral Agent or the Second Lien Collateral Agent is the Controlling Party hereunder and shall be under no obligation to make any independent investigation thereof.

Section 1. Establishment of Securities Account. The Securities Intermediary hereby confirms and agrees that:

(a) The Securities Intermediary has established account number **[IDENTIFY ACCOUNT NUMBER]** in the name “**[IDENTIFY EXACT TITLE OF ACCOUNT]**” (such account and any successor account, the “**Securities Account**”) and the Securities Intermediary shall not change the name or account number of the Securities Account without the prior written consent of the Controlling Party;

(b) All securities or other property underlying any financial assets credited to the Securities Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Securities Account be registered in the name of the Debtor, payable to the order of the Debtor or specially indorsed to the Debtor except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank;

(c) All property delivered to the Securities Intermediary pursuant to the Security Agreement will be promptly credited to the Securities Account; and

(d) The Securities Account is a “securities account” within the meaning of Section 8-501 of the UCC.

Section 2. “Financial Assets” Election. The Securities Intermediary hereby agrees that each item of property (including, without limitation, any investment property, financial asset, security, instrument, general intangible or cash) credited to the Securities Account shall be treated as a “financial asset” within the meaning of Section 8-102(a)(9) of the UCC.

Section 3. Control of the Securities Account .

(a) If at any time the Securities Intermediary shall receive any order from the Controlling Party directing transfer or redemption of any financial asset relating to the Securities Account, the Securities Intermediary shall comply with such entitlement order without further consent by the Debtor or any other person. If the Debtor is otherwise entitled to issue entitlement orders and such orders conflict with any entitlement order issued by the Controlling Party, the Securities Intermediary shall follow the orders issued by the Controlling Party.

(b) Without limiting or impairing the perfection by control of the security interest of the Second Lien Secured Party at any time prior to the receipt by the Securities Intermediary of a Controlling Party Notice (as defined herein) from the First Lien Secured Party, the parties hereto agree that the Securities Intermediary shall comply with entitlement orders originated or given to the Securities Intermediary by the Second Lien

Secured Party directing transfer or redemption of any financial asset relating to the Securities Account without further consent by the Debtor if and only if (i) such instructions are consented to by the First Lien Secured Party or (ii) the Securities Intermediary has received a Controlling Party Notice from the First Lien Secured Party.

Section 4. Subordination of Lien; Waiver of Set-Off. In the event that the Securities Intermediary has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Securities Account or any security entitlement credited thereto, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interest of the Collateral Agents. The financial assets and other items deposited to the Securities Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than the Collateral Agents (except that the Securities Intermediary may set off (i) all amounts due to the Securities Intermediary in respect of customary fees and expenses for the routine maintenance and operation of the Securities Account and (ii) the face amount of any checks which have been credited to such Securities Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 5. Choice of Law. This Agreement and the Securities Account shall each be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the Securities Intermediary's jurisdiction (within the meaning of Section 8-110 of the UCC) and the Securities Account (as well as the securities entitlements related thereto) shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto;

(c) The Securities Intermediary hereby confirms and agrees that:

(i) There are no other control agreements entered into between the Securities Intermediary and the Debtor with respect to the Securities Account;

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating to the Securities Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other person; and

(iii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with the Debtor or the Collateral Agents purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 3 hereof.

Section 7. Adverse Claims. Except for the claims and interest of the Collateral Agents and of the Debtor in the Securities Account, the Securities Intermediary does not know of any claim to, or interest in, the Securities Account or in any “financial asset” (as defined in Section 8-102(a) of the UCC) credited thereto. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Collateral Agents and the Debtor thereof.

Section 8. Maintenance of Securities Account. In addition to, and not in lieu of, the obligation of the Securities Intermediary to honor entitlement orders as agreed in Section 3 hereof, the Securities Intermediary agrees to maintain the Securities Account as follows:

(a) Notice of Sole Control. If at any time the Controlling Party delivers to the Securities Intermediary a Notice of Sole Control in substantially the form set forth in Exhibit A hereto, the Securities Intermediary agrees that after receipt of such notice, it will take all instruction with respect to the Securities Account solely from the Controlling Party.

(b) Voting Rights. Until such time as the Securities Intermediary receives a Notice of Sole Control pursuant to subsection (a) of this Section 8, the Debtor shall direct the Securities Intermediary with respect to the voting of any financial assets credited to the Securities Account.

(c) Permitted Investments. Until such time as the Securities Intermediary receives a Notice of Sole Control signed by the Controlling Party, the Debtor shall direct the Securities Intermediary with respect to the selection of investments to be made for the Securities Account; provided, however, that the Securities Intermediary shall not honor any instruction to purchase any investments other than investments of a type described on Exhibit B hereto.

(d) Statements and Confirmations. The Securities Intermediary will promptly send copies of all statements, confirmations and other correspondence concerning the Securities Account and/or any financial assets credited thereto simultaneously to each of the Debtor and the Collateral Agents at the address for each set forth in Section 12 of this Agreement.

(e) Tax Reporting. All items of income, gain, expense and loss recognized in the Securities Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 9. Representations, Warranties and Covenants of the Securities Intermediary. The Securities Intermediary hereby makes the following representations, warranties and covenants:

(a) The Securities Account has been established as set forth in Section 1 above and such Securities Account will be maintained in the manner set forth herein until termination of this Agreement; and

(b) This Agreement is the valid and legally binding obligation of the Securities Intermediary.

Section 10 Indemnification of Securities Intermediary. The Debtor and the Collateral Agents hereby agree that (a) the Securities Intermediary is released from any and all liabilities to the Debtor and the Collateral Agents arising from the terms of this Agreement and the compliance of the Securities Intermediary with the terms hereof, except to the extent that such liabilities arise from the Securities Intermediary's negligence or willful misconduct and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Securities Intermediary from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Securities Intermediary with the terms hereof, except to the extent that such arises from the Securities Intermediary's negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 11. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agents may assign their rights hereunder only with the express written consent of the Securities Intermediary and by sending written notice of such assignment to the Debtor.

Section 12. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Debtor:

[INSERT ADDRESS]

Attention:

Telecopier:

Exhibit C-5

First Lien Collateral Agent: Wachovia Bank, National Association
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telecopier: 212-545-4283

Second Lien Collateral Agent:

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: Elizabeth Fischer
Telecopier: (212) 357 0932
Email: elizabeth.fischer@gs.com

with a copy to:

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: John Makrihos
Telecopier: (212) 357 4597
Email: John.Makrinos@gs.com

and

Latham & Watkins LLP
633 W. 5th Street
Los Angeles, California 90071
Attention: John E. Mendez, Esq.
Telecopier: (213) 891-8763
Email: john.mendez@lw.com

Securities Intermediary: **[INSERT ADDRESS]**
Attention: Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 13. Termination. The obligations of the Securities Intermediary to the First Lien Collateral Agent pursuant to this Agreement shall continue in effect until the security interest of the First Lien Collateral Agent in the Securities Account has been terminated pursuant to the terms of the First Lien Security Agreement and the First Lien Collateral Agent has notified the Securities Intermediary of such termination in writing. The obligations of the Securities Intermediary to the Second Lien Collateral Agent

pursuant to this Control Agreement shall continue in effect until the security interest of the Second Lien Collateral Agent in the Securities Account has been terminated pursuant to the terms of the Second Lien Security Agreement and the Second Lien Collateral Agent has notified the Securities Intermediary of such termination in writing. Each Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit C hereto to the Securities Intermediary upon the request of the Debtor on or after the termination of the applicable Collateral Agent's security interest in the Securities Account pursuant to the terms of the applicable Security Agreement. The termination of this Agreement shall not terminate the Securities Account or alter the obligations of the Securities Intermediary to the Debtor pursuant to any other agreement with respect to the Securities Account.

Section 14. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

Exhibit C-7

IN WITNESS WHEREOF, the parties hereto have caused this Securities Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[DEBTOR]

By: _____
Name:
Title:

**WACHOVIA BANK, NATIONAL
ASSOCIATION,**
as First Lien Collateral Agent

By: _____
Name:
Title:

**GOLDMAN SACHS CREDIT
PARTNERS L.P.,**
as Second Lien Collateral Agent

By: _____
Name:
Title:

[____],
as Securities Intermediary

By: _____
Name:
Title:

[Letterhead of First Lien Collateral Agent/Second Lien Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: **Notice of Sole Control**

Ladies and Gentlemen:

As referenced in the Securities Account Control Agreement dated as of _____, 20__ among [NAME OF THE DEBTOR], you, [First Lien Collateral Agent/Second Lien Collateral Agent] and the undersigned (the "**Control Agreement**," a copy of which is attached), we hereby give you notice of our sole control over securities account number _____ (the "**Securities Account**") and all financial assets credited thereto. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Securities Account or the financial assets credited thereto from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to [NAME OF THE DEBTOR].

Very truly yours,

[First Lien Collateral Agent/Second Lien Collateral Agent]

By: _____

Name:

Title:

cc: [NAME OF THE DEBTOR]

Permitted Investments

[TO BE PROVIDED]

Exhibit C-10

[Letterhead of the First Lien Collateral Agent/Second lien Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: Termination of Securities Account Control Agreement

You are hereby notified that the Securities Account Control Agreement dated as of _____, 20__ among you, **[NAME OF THE DEBTOR]**, [First Lien Collateral Agent/Second Lien Collateral Agent] and the undersigned (a copy of which is attached) is terminated with respect to the undersigned and you have no further obligations to the undersigned thereunder. [IF THE CONTROL AGREEMENT IS TO REMAIN IN EFFECT WITH RESPECT TO THE FIRST LIEN COLLATERAL AGENT/SECOND LIEN COLLATERAL AGENT, ADD: Note however that the Control Agreement remains in effect with respect to First Lien Collateral Agent/Second Lien Collateral Agent] [IF THE CONTROL AGREEMENT IS BEING TERMINATED AS TO ALL PARTIES, ADD: Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account nos. _____ from the Debtor.] This notice terminates any obligations you may have to the undersigned with respect to such accounts; however nothing contained in this notice shall alter any obligations which you may otherwise owe to the Debtor pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to **[NAME OF THE DEBTOR]**.

Very truly yours,

[First Lien Collateral Agent/Second Lien Collateral Agent]

By: _____

Name:

Title:

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement ("**Control Agreement**") dated as of _____, 20__ among _____ (the "**Debtor**"), WACHOVIA BANK, NATIONAL ASSOCIATION, ("**Wachovia**") as collateral agent for the benefit of the First Lien Lenders (as defined herein) referred to in the First Lien Loan Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the "**First Lien Collateral Agent**"), and GOLDMAN SACHS CREDIT PARTNERS L.P., as collateral agent for the benefit of the Secured Parties referred to in the Second Lien Security Agreement (as defined herein) (in such capacity as collateral agent, including its successors and assigns from time to time, the "**Second Lien Collateral Agent**"); together with the First Lien Collateral Agent, the "**Collateral Agents**") and _____, in its capacity as a "bank" as defined in Section 9-102 of the UCC (in such capacity, including its successors and assigns from time to time, the "**Financial Institution**") is delivered pursuant to (i) that certain Amended and Restated Loan and Security Agreement, dated as of December 23, 2004 by and among J. Crew Operating Corp., J. Crew Inc., Grace Holmes, Inc., H.F.D. No. 55, Inc., the guarantors party thereto, the lenders party thereto (the "**First Lien Lenders**"), Wachovia Capital Markets LLC, as sole lead arranger and sole lead bookrunner, Wachovia, as administrative agent and First Lien Collateral Agent and Bank of America, N.A., as syndication agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**First Lien Loan Agreement**"), and (ii) that certain Pledge and Security Agreement dated as of May 15, 2006 made by the Debtor and each of the Grantors listed on the signature pages thereto in favor of the Second Lien Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**" and together with the First Lien Loan Agreement, the "**Security Agreements**"). Capitalized terms used but not defined herein shall have the meaning assigned in the Security Agreements. All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York. As used in this Control Agreement, "**Controlling Party**" means the First Lien Collateral Agent; *provided, however*, that at such time as First Lien Collateral Agent has provided the Financial Institution with a written notice that First Lien Collateral Agent has ceased to be the "Controlling Party" hereunder (such notice being the "**Controlling Party Notice**") (which notice is to be given at the time all obligations owing to the First Lien Collateral Agent and the First Lien Lenders (the "**First Lien Secured Parties**") have been indefeasibly paid in full in cash, all commitments of the First Lien Collateral Agent and First Lien Secured Parties to provide credit to or for the benefit of the Debtor have terminated and all financing agreements among the First Lien Collateral Agent, First Lien Secured Parties, the Debtor and its affiliates have terminated), "Controlling Party" shall mean the Second Lien Collateral Agent. It is understood and agreed that the Financial Institution shall rely exclusively on a Controlling Party Notice as to the determination whether the First Lien Collateral Agent

or the Second Lien Collateral Agent is the Controlling Party hereunder and shall be under no obligation to make any independent investigation thereof.

Section 1. Establishment of Deposit Account. The Financial Institution hereby confirms and agrees that:

(a) The Financial Institution has established account number **[IDENTIFY ACCOUNT NUMBER]** in the name **“[IDENTIFY EXACT TITLE OF ACCOUNT]”** (such account and any successor account, the **“Deposit Account”**) and the Financial Institution shall not change the name or account number of the Deposit Account without the prior written consent of the Controlling Party and, prior to delivery of a Notice of Sole Control in substantially the form set forth in Exhibit A hereto, the Debtor; and

(b) The Deposit Account is a “deposit account” within the meaning of Section 9-102(a)(29) of the UCC.

Section 2. Control of the Deposit Account.

(a) If at any time the Financial Institution shall receive any instructions originated by the Controlling Party directing the disposition of funds in the Deposit Account, the Financial Institution shall comply with such instructions without further consent by the Debtor or any other person. The Financial Institution hereby acknowledges that it has received notice of the security interest of the Collateral Agents in the Deposit Account and hereby acknowledges and consents to such liens. If the Debtor is otherwise entitled to issue instructions and such instructions conflict with any instructions issued the Controlling Party, the Financial Institution shall follow the instructions issued by the Controlling Party.

(b) Without limiting or impairing the perfection by control of the security interest of the Second Lien Secured Party at any time prior to the receipt by the Financial Institution of a Controlling Party Notice from the First Lien Secured Party, the parties hereto agree that the Financial Institution shall comply with instructions originated or given to the Financial Institution by the Second Lien Secured Party directing the disposition of funds in the Deposit Account without further consent by the Debtor if and only if (i) such instructions are consented to by the First Lien Secured Party or (ii) the Financial Institution has received a Controlling Party Notice from the First Lien Secured Party.

Section 3. Subordination of Lien; Waiver of Set-Off. In the event that the Financial Institution has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Deposit Account or any funds credited thereto, the Financial Institution hereby agrees that such security interest shall be subordinate to the security interest of the Collateral Agents. Money and other items credited to the Deposit Account will not be subject to deduction, set-off, banker’s lien, or any other right in favor of any person other than the Collateral Agents (except that the Financial Institution may set off (i) all amounts due to the Financial Institution in respect of customary fees and

Exhibit D-2

expenses for the routine maintenance and operation of the Deposit Account and (ii) the face amount of any checks which have been credited to such Deposit Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 4. Choice of Law. This Agreement and the Deposit Account shall each be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the Financial Institution's jurisdiction (within the meaning of Section 9-304 of the UCC) and the Deposit Account shall be governed by the laws of the State of New York.

Section 5. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto; and

(c) The Financial Institution hereby confirms and agrees that:

(i) There are no other agreements entered into between the Financial Institution and the Debtor with respect to the Deposit Account [other than _____]; and

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating the Deposit Account and/or any funds credited thereto pursuant to which it has agreed to comply with instructions originated by such persons as contemplated by Section 9-104 of the UCC.

Section 6. Adverse Claims. The Financial Institution does not know of any liens, claims or encumbrances relating to the Deposit Account. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Deposit Account, the Financial Institution will promptly notify the Collateral Agents and the Debtor thereof.

Section 7. Maintenance of Deposit Account. In addition to, and not in lieu of, the obligation of the Financial Institution to honor instructions as set forth in Section 2 hereof, the Financial Institution agrees to maintain the Deposit Account as follows:

(a) Notice of Sole Control. If at any time the Controlling Party delivers to the Financial Institution a Notice of Sole Control in substantially the form set forth in Exhibit A hereto, the Financial Institution agrees that after receipt of such notice, it will take all instruction with respect to the Deposit Account solely from the Controlling Party.

(b) **Statements and Confirmations.** The Financial Institution will promptly send copies of all statements, confirmations and other correspondence concerning the Deposit Account simultaneously to each of the Debtor and the Collateral Agents at the address for each set forth in Section 11 of this Agreement; and

(c) **Tax Reporting.** All interest, if any, relating to the Deposit Account, shall be reported to the Internal Revenue Service and allstate and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 8. Representations, Warranties and Covenants of the Financial Institution. The Financial Institution hereby makes the following representations, warranties and covenants:

(a) The Deposit Account has been established as set forth in Section 1 and such Deposit Account will be maintained in the manner set forth herein until termination of this Agreement; and

(b) This Agreement is the valid and legally binding obligation of the Financial Institution.

Section 9. Indemnification of Financial Institution. The Debtor and the Collateral Agents hereby agree that (a) the Financial Institution is released from any and all liabilities to the Debtor and the Collateral Agents arising from the terms of this Agreement and the compliance of the Financial Institution with the terms hereof, except to the extent that such liabilities arise from the Financial Institution's negligence or willful misconduct and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Financial Institution from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Financial Institution with the terms hereof, except to the extent that such arises from the Financial Institution's negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 10. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agents may assign their rights hereunder only with the express written consent of the Financial Institution and by sending written notice of such assignment to the Debtor.

Section 11 Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Debtor: **[INSERT ADDRESS]**
Attention:
Telecopier:

First Lien Collateral Agent: Wachovia Bank, National Association
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telecopier: 212-545-4283

Second Lien Collateral Agent: Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: Elizabeth Fischer
Telecopier: (212) 357 0932
Email: elizabeth.fischer@gs.com

with a copy to:

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: John Makrinos
Telecopier: (212) 357 4597
Email: John.Makrinos@gs.com

and

Latham & Watkins LLP
633 W. 5th Street
Los Angeles, California 90071
Attention: John E. Mendez, Esq.
Telecopier: (213) 891-8763
Email: john.mendez@lw.com

Financial Institution: **[INSERT ADDRESS]**
Attention:
Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 12. Termination. The obligations of the Financial Institution to the First Lien Collateral Agent pursuant to this Agreement shall continue in effect until the security interest of the First Lien Collateral Agent in the Deposit Account has been terminated pursuant to the terms of the First Lien Security Agreement and the First Lien Collateral Agent has notified the Financial Institution of such termination in writing. The

obligations of the Financial Institution to the Second Lien Collateral Agent pursuant to this Control Agreement shall continue in effect until the security interest of the Second Lien Collateral Agent in the Deposit Account has been terminated pursuant to the terms of the Second Lien Security Agreement and the Second Lien Collateral Agent has notified the Financial Institution of such termination in writing. Each Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Financial Institution upon the request of the Debtor on or after the termination of such Collateral Agent's security interest in the Deposit Account pursuant to the terms of the applicable Security Agreement. The termination of this Agreement shall not terminate the Deposit Account or alter the obligations of the Financial Institution to the Debtor pursuant to any other agreement with respect to the Deposit Account.

Section 13. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

Exhibit D-6

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[DEBTOR]

By: _____
Name:
Title:

**WACHOVIA BANK, NATIONAL
ASSOCIATION,**
as First Lien Collateral Agent

By: _____
Name:
Title:

**GOLDMAN SACHS CREDIT
PARTNERS L.P.,**
as Second Lien Collateral Agent

By: _____
Name:
Title:

[NAME OF FINANCIAL INSTITUTION],
as Financial Institution

By: _____
Name:
Title:

[Letterhead of the First Lien Collateral Agent/Second Lien Collateral Agent]

[Date]

[Name and Address of Financial Institution]

Attention:

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in the Deposit Account Control Agreement dated as of _____, 20__ among **[NAME OF THE DEBTOR]**, you, [First Lien Collateral Agent/Second Lien Collateral Agent] and the undersigned (a copy of which is attached), we hereby give you notice of our sole control over deposit account number _____ (the "**Deposit Account**") and all financial assets credited thereto. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Deposit Account or the financial assets credited thereto from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to **[NAME OF THE DEBTOR]**.

Very truly yours,

[First Lien Collateral Agent/Second Lien
Collateral Agent]

By: _____

Name:

Title:

cc: **[NAME OF THE DEBTOR]**

[Letterhead of the First Lien Collateral Agent/Second Lien Collateral Agent]

[Date]

[Name and Address of Financial Institution]

Attention:

Re: Termination of Deposit Account Control Agreement

You are hereby notified that the Deposit Account Control Agreement dated as of _____, 20__ among **[NAME OF THE DEBTOR]**, you, [First Lien Collateral Agent/Second Lien Collateral Agent] and the undersigned (a copy of which is attached) is terminated with respect to the undersigned and you have no further obligations to the undersigned thereunder. [IF THE CONTROL AGREEMENT IS TO REMAIN IN EFFECT WITH RESPECT TO THE FIRST LIEN COLLATERAL AGENT/SECOND LIEN COLLATERAL AGENT, ADD: Note however that the Control Agreement remains in effect with respect to First Lien Collateral Agent/Second Lien Collateral Agent.] [IF THE CONTROL AGREEMENT IS BEING TERMINATED AS TO ALL PARTIES, ADD: Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account nos. _____ from the Debtor.] This notice terminates any obligations you may have to the undersigned with respect to such accounts; however nothing contained in this notice shall alter any obligations which you may otherwise owe to the Debtor pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to **[NAME OF THE DEBTOR]**.

Very truly yours,

[First Lien Collateral Agent/Second Lien
Collateral Agent]

By: _____

Name:

Title:

cc: [First Lien Collateral Agent/Second Lien Collateral Agent]

INTERCREDITOR AGREEMENT

This **INTERCREDITOR AGREEMENT** (“**Agreement**”), is dated as of May 15, 2006 and entered into by and among **J. CREW OPERATING CORP.**, a Delaware corporation (the “**Company**”), **J. CREW GROUP, INC.**, a Delaware corporation (“**Holdings**”, and together with the Subsidiaries of the Company that become parties hereto from time to time, the “**Guarantors**”), **GOLDMAN SACHS CREDIT PARTNERS L.P.** (“**GSCP**”), in its capacity as administrative agent for the holders of the Term Loan Obligations (as defined below), including its successors and assigns from time to time (the “**Term Loan Administrative Agent**”), and in its capacity as collateral agent for the holders of the Term Loan Obligations, including its successors and assigns from time to time (the “**Term Loan Collateral Agent**”), **WACHOVIA BANK, NATIONAL ASSOCIATION** (“**Wachovia**”), in its capacity as administrative agent for the holders of the Revolving Credit Obligations (as defined below), including its successors and assigns from time to time (the “**Revolving Credit Administrative Agent**”) and in its capacity as collateral agent for the holders of the Revolving Credit Obligations, including its successors and assigns from time to time (the “**Revolving Credit Collateral Agent**”). Capitalized terms used in this Agreement have the meanings assigned to them in Section 1 below.

RECITALS

The Company, the Guarantors, the lenders and agents party thereto, GSCP, as Term Loan Joint Lead Arranger, Term Loan Joint Bookrunner, Term Loan Administrative Agent and Term Loan Collateral Agent, Bear, Stearns & Co. Inc., as Term Loan Joint Lead Arranger and Term Loan Joint Bookrunner, and Bears Stearns Corporate Lending Inc., as Term Loan Syndication Agent, have entered into that Credit and Guaranty Agreement dated as of the date hereof providing for a term loan (as amended, restated, supplemented, modified, replaced or refinanced from time to time, the “**Term Loan Agreement**”);

The Company, Holdings, J. Crew International, Inc. (“**International**”), the other borrowers party thereto, the lenders and agents party thereto, and Wachovia Capital Markets LLC, as Revolving Credit Sole Lead Arranger and Revolving Credit Sole Lead Bookrunner, Wachovia, as Revolving Credit Administrative Agent, Wachovia as Revolving Credit Collateral Agent, and Bank of America, N.A., as Revolving Credit Syndication Agent entered into that Amended and Restated Revolving Credit Agreement dated as of December 23, 2004 providing for a revolving credit facility (as amended, restated, supplemented, modified, replaced or refinanced from time to time, the “**Revolving Credit Agreement**”);

Pursuant to (i) the Term Loan Agreement, Holdings has agreed to guaranty the Term Loan Obligations (the “**Term Loan Holdings Guaranty**”) and Holdings and the Company have agreed to cause certain current and future Subsidiaries to agree to guaranty the Term Loan Obligations (the “**Term Loan Subsidiary Guaranty**”, and together with the Term Loan Holdings Guaranty, the “**Term Loan Guaranty**”) and (ii) the Guarantee dated as of December 23, 2004, Holdings, Madewell Inc. and J. Crew International, Inc.

have agreed to guaranty the Revolving Credit Obligations (the “**Revolving Credit Holdings Guaranty**”) and Holdings and the Company have agreed to cause certain current and future Subsidiaries to agree to guaranty the Revolving Credit Obligations (the “**Revolving Credit Subsidiary Guaranty**”, and together with the Revolving Credit Holdings Guaranty, the “**Revolving Credit Guaranty**”);

The Term Loan Documents and the Revolving Credit Loan Documents provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral; and

In order to induce the Revolving Credit Administrative Agent, the Revolving Credit Collateral Agent and the Revolving Credit Lenders to amend the Revolving Credit Agreement and in order to induce the Term Loan Administrative Agent, the Term Loan Collateral Agent and the Term Loan Lenders to enter into the Term Loan Agreement, the Revolving Credit Collateral Agent, the Revolving Credit Administrative Agent, the Term Loan Collateral Agent and the Term Loan Administrative Agent have agreed to the relative priority of their respective Liens on the Collateral and certain other rights, priorities and interests as set forth in this Agreement.

AGREEMENT

In consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. Definitions.

1.1 Defined Terms. As used in the Agreement, the following terms shall have the following meanings:

“**Affiliate**” means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 5% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

“**Agents**” means the Revolving Credit Collateral Agent and/or the Term Loan Collateral Agent.

“**Agreement**” means this Intercreditor Agreement, as amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor statute.

“Bankruptcy Law” means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

“Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, constituting either Revolving Credit Collateral or Term Loan Collateral.

“Commodities Accounts” means all “commodity accounts” as defined in Article 9 of the UCC.

“Company” has the meaning assigned to that term in the Preamble to this Agreement.

“Control Agreement” means any control agreement establishing the Term Loan Collateral Agent’s or the Revolving Credit Collateral Agent’s “control” (within the meaning of Section 8-106, 9-106 or 9-104 of the UCC, as applicable) with respect to any Deposit Account, Commodities Account or Securities Account.

“Currency Agreement” means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Company’s, its Subsidiaries’ and any Guarantor’s operations and not for speculative purposes.

“Deposit Account” means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit, including, without limitation, all “deposit accounts” as defined in Article 9 of the UCC.

“DIP Financing” has the meaning assigned to that term in Section 6.1.

“Discharge of Revolving Credit Obligations” means, except to the extent otherwise expressly provided in Section 5.5 and subject to clause (b) of the definition of the term Revolving Credit Obligations:

(a) the payment in full in cash of the principal of and interest (including Post-Petition Interest) on all Indebtedness constituting Revolving Loan Obligations;

(b) the payment in full in cash of all other Revolving Credit Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time);

(c) the payment in full in cash collateral in respect of letters of credit, banker's acceptances or similar instruments arranged for under the Revolving Credit Loan Documents in an amount equal to one hundred five (105%) percent of the amount of such letters of credit, banker's acceptance or similar instruments (or at the option of Revolving Credit Collateral Agent, instead of such cash collateral, the delivery to Revolving Credit Collateral Agent of a letter of credit issued for the account of the Company or any Guarantor, in form and substance reasonably satisfactory to Revolving Credit Collateral Agent, by an issuer acceptable to Revolving Credit Collateral Agent and payable to Revolving Credit Collateral Agent as beneficiary) and any other cash collateral to be provided to Revolving Credit Collateral Agent under the terms of the Revolving Credit Loan Documents; and

(d) termination or expiration of all commitments, if any, to extend credit that would constitute Revolving Credit Obligations.

"Discharge of Term Loan Obligations" means, except to the extent otherwise expressly provided in Section 5.5 and subject to clause (b) of the definition of the term Term Loan Obligations:

(a) payment in full in cash of the principal of and interest (including Post-Petition Interest) on all Indebtedness constituting Term Loan Obligations;

(b) payment in full in cash of all other Term Loan Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (other than indemnification obligations for which no claim or demand for payment, whether oral or written, has been made at such time); and

(c) termination or expiration of all commitments, if any, to extend credit that would constitute Term Loan Obligations.

"Disposition" has the meaning assigned to that term in Section 5.1(b).

"Enforcement" means, collectively or individually for one or both of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent, when a Revolving Credit Default or Term Loan Default, as the case may be, has occurred and is continuing, to repossess, or exercise any remedies with respect to, any material amount of Collateral or commence the judicial enforcement of any of the rights and remedies under the Revolving Credit Loan Documents, the Term Loan Documents or under any applicable law, but in all cases excluding the imposition of a default rate or late fee.

"Enforcement Notice" means a written notice delivered, at a time when a Revolving Credit Default or Term Loan Default has occurred and is continuing, by either Revolving Credit Administrative Agent or Term Loan Administrative Agent to the other

announcing that an Enforcement Period has commenced, specifying the relevant event of default, stating the current balance of the Revolving Credit Obligations or the Term Loan Obligations, as the case may be, and requesting the current balance of the Revolving Credit Obligations or the Term Loan Obligations, as the case may be, owing to the noticed party.

“Enforcement Period” means the period of time following the receipt by either Revolving Credit Administrative Agent or Term Loan Administrative Agent of an Enforcement Notice from the other until the earlier of (i) in the case of an Enforcement Period commenced by Term Loan Administrative Agent, the Discharge of Term Loan Obligations, (ii) in the case of an Enforcement Period commenced by Revolving Credit Administrative Agent, the Discharge of Revolving Credit Obligations, (iii) Revolving Credit Administrative Agent or Term Loan Administrative Agent (as applicable) agrees in writing to terminate the Enforcement Period, or (iv) the date on which the Revolving Credit Default or the Term Loan Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the Revolving Credit Administrative Agent or the Term Loan Administrative Agent, as applicable, or waived in writing by the Revolving Credit Administrative Agent or Term Loan Administrative Agent, as applicable.

“Equipment” shall mean: (i) all “equipment” as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

“Equipment Access Period” means for any item of Equipment for which the use of such Equipment is necessary or desirable in connection with any Enforcement in respect of any Revolving Credit Primary Collateral, the period, after the commencement of an Enforcement Period, which begins on the day that Revolving Credit Collateral Agent provides Term Loan Collateral Agent with the notice of its election to request access pursuant to Section 3.4(b) below and ends on the earlier of (i) the 80th day after the later of (x) the date upon which the Revolving Credit Collateral Agent notifies the Term Loan Collateral Agent of the desire of Revolving Credit Collateral Agent to exercise the access rights as to such Equipment provided for in Section 3.4(b) and (y) the date upon which Revolving Credit Collateral Agent obtains the ability to use such item of Equipment following Enforcement (either such applicable date set forth in the foregoing clause (x) or (y), the **“Equipment Access Period Commencement Date”**) plus, in each case, such number of days, if any, after the Equipment Access Period Commencement Date that the Revolving Credit Collateral Agent is stayed or otherwise prohibited by law or court order from exercising remedies with respect to Revolving Credit Primary Collateral, or (ii) the date on which all or substantially all of the Revolving Credit Primary Collateral for which the use of such Equipment is necessary or desirable is sold, collected or liquidated, or (iii) the date on which the Discharge of Revolving Credit Obligations occurs or (iv) the date on which the Revolving Credit Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the Revolving Credit Collateral Agent, or waived in writing by the Revolving Credit Collateral Agent.

“Governmental Authority” means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

“Grantors” means the Company, Holdings, International, each of the Guarantor Subsidiaries and each other Person that has or may from time to time hereafter execute and deliver a Term Loan Collateral Document or a Revolving Credit Collateral Document as a “grantor” or “pledgor” (or the equivalent thereof).

“Guarantor Subsidiary” means each Guarantor (under and as defined in either the Term Loan Agreement or the Revolving Credit Agreement) that is a Subsidiary of Company.

“Hedge Agreement” means an Interest Rate Agreement or a Currency Agreement entered into with a Lender Counterparty.

“Hedging Obligation” of any Person means any obligation of such Person pursuant to any Hedge Agreement.

“Holdings” has the meaning set forth in the Preamble to this Agreement.

“Indebtedness” means and includes all Obligations that constitute “Indebtedness” within the meaning of the Term Loan Agreement or the Revolving Credit Agreement, as applicable.

“Insolvency or Liquidation Proceeding” means:

- (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to any Grantor;
- (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets;
- (c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or
- (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

“Intellectual Property” has the meaning assigned such term in Annex C.

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement each of which is for the purpose of hedging the interest rate exposure associated with Company’s, its Subsidiaries’ and each Guarantor’s operations and not for speculative purposes.

“International” has the meaning set forth in the Recitals to this Agreement.

“Joint Venture” means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

“Lender” means each Term Loan Lender and each Revolving Credit Lender.

“Lender Counterparty” means each Lender or any Affiliate of a Lender counterparty to a Hedge Agreement (including any Person who is a Lender (and any Affiliate thereof) as of the date hereof but subsequently, whether before or after entering into a Hedge Agreement, ceases to be a Lender) including, without limitation, each such Affiliate that enters into a joinder agreement with an Agent.

“Lien” means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the, nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

“Mortgage Access Period” means for each parcel of Mortgaged Premises the period, after the commencement of an Enforcement Period, which begins on the day that Term Loan Collateral Agent provides Revolving Credit Collateral Agent with the notice of its election to request access pursuant to Section 3.3(b) below and ends on the earlier of (i) the 90th day after the later of (x) the date upon which the Term Loan Collateral Agent notifies the Revolving Credit Collateral Agent of the desire of Term Loan Collateral Agent to exercise the access rights as to such parcel of Mortgaged Premises provided for in Section 3.3(b) and (y) the date upon which Term Loan Collateral Agent obtains the ability to use such parcel of Mortgaged Premises following Enforcement (either such applicable date set forth in the foregoing clause (x) or (y), the **“Mortgage Access Period Commencement Date”**) plus, in each case, such number of days, if any, after the Mortgage Access Period Commencement Date that Term Loan Collateral Agent is stayed or otherwise prohibited by law or court order, or by the continuation of any Equipment Access Period from exercising remedies with respect to Collateral located on such Mortgaged Premises, or (ii) the date on which all or substantially all of the Term Loan Primary Collateral located on such Mortgaged Premises is sold, collected or liquidated, or (iii) the date on which the Discharge of Term Loan Obligations occurs or (iv) the date on

which the Term Loan Default that was the subject of the Enforcement Notice relating to such Enforcement Period has been cured to the satisfaction of the Term Loan Collateral Agent, or waived in writing by the Term Loan Collateral Agent.

“Mortgaged Premises” means any real property which shall now or hereafter be subject to a Revolving Credit Mortgage.

“New Agent” has the meaning assigned to that term in Section 5.5.

“New Debt Notice” has the meaning assigned to that term in Section 5.5.

“Obligations” means all obligations of every nature of each Grantor from time to time owed to any agent or trustee, the Term Loan Claimholders, the Revolving Credit Claimholders or any of them or their respective Affiliates under the Term Loan Documents, the Revolving Credit Loan Documents or Hedge Agreements, whether for principal, interest or payments for early termination of Interest Rate Agreements, fees, expenses, indemnification or otherwise and all guarantees of any of the foregoing.

“Person” means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

“Pledged Collateral” has the meaning set forth in Section 5.4.

“Post-Petition Interest” means interest, fees, expenses and other charges that pursuant to the Term Loan Agreement or the Revolving Credit Agreement, continue to accrue after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest, fees, expenses and other charges cease to accrue by operation of the Bankruptcy Law or other law and whether or not such interest, fees, expenses and other charges are allowed or allowable under the Bankruptcy Law or in any such Insolvency or Liquidation Proceeding.

“Recovery” has the meaning set forth in Section 6.4.

“Refinance” means, in respect of any Indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such Indebtedness in whole or in part. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

“Revolving Credit Administrative Agent” has the meaning assigned to that term in the Preamble of this Agreement.

“Revolving Credit Agreement” has the meaning assigned to that term in the Recitals to this Agreement.

“Revolving Credit Claimholders” means, at any relevant time, the holders of Revolving Credit Obligations at that time, including the Revolving Credit Lenders and the agents under the Revolving Credit Loan Documents and any Lender Counterparties that are Revolving Credit Lenders or Affiliates of Revolving Credit Lenders, and that receive the benefit of the Liens granted to Revolving Credit Collateral Agent under the terms of the Revolving Credit Loan Documents.

“Revolving Credit Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Revolving Credit Obligations.

“Revolving Credit Collateral Agent” has the meaning assigned to that term in the Preamble of this Agreement.

“Revolving Credit Collateral Documents” means any agreement, document or instrument pursuant to which a Lien is granted securing any Revolving Credit Obligations or under which rights or remedies with respect to such Liens are governed.

“Revolving Credit Commitments” means the “Revolving Credit Commitments” (as such term is defined in the Revolving Credit Agreement).

“Revolving Credit Default” means an “Event of Default” (as defined in the Revolving Credit Agreement).

“Revolving Credit Guaranty” has the meaning assigned to that term in the Recitals to this Agreement.

“Revolving Credit Lenders” means the “Lenders” under and as defined in the Revolving Credit Agreement.

“Revolving Credit Loan Documents” means the Revolving Credit Agreement and the Financing Agreements (as defined in the Revolving Credit Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Revolving Credit Obligation, and any other document or instrument executed or delivered at any time in connection with any Revolving Credit Obligations, including any intercreditor or joinder agreement among holders of Revolving Credit Obligations to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

“Revolving Credit Mortgages” means a collective reference to each mortgage, deed of trust and any other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any Revolving Credit Obligations or under which rights or remedies with respect to any such Liens are governed.

“Revolving Credit Obligations” means the following:

(a) all Obligations (including without limitation any Post-Petition Interest) outstanding under the Revolving Credit Agreement and the other Revolving Credit Loan Documents, including Hedge Agreements entered into with any Lender Counterparty but only to the extent such Lender Counterparty is a Revolving Credit Claimholder. “Revolving Credit Obligations” shall include all interest, fees, expenses and other charges accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate in the case of interest, fees or charges specified in the relevant Revolving Credit Loan Document whether or not the claim for such interest, fees or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

(b) To the extent any payment with respect to any Revolving Credit Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Term Loan Claimholders, receiver or similar Person or otherwise required to be returned or repaid, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Revolving Credit Claimholders and the Term Loan Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Revolving Credit Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Revolving Credit Claimholders and the Term Loan Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the “Revolving Credit Obligations”.

(c) Notwithstanding the foregoing, if the sum of: (A) Indebtedness (as defined in the Revolving Credit Agreement) constituting principal outstanding under the Revolving Credit Agreement and the other Revolving Credit Loan Documents; plus (B) the aggregate undrawn amount then available under any then outstanding letters of credit issued under the Revolving Credit Agreement, is in excess of the sum of \$275,000,000 (the **“Revolving Credit Cap Amount”**), then that portion of the principal amount of such Indebtedness (as defined in the Revolving Credit Agreement) (and any interest thereon and any fees and expenses related thereto) and such aggregate undrawn amount of letters of credit in excess of the Revolving Credit Cap Amount shall not be included in Revolving Credit Obligations.

“Revolving Credit Primary Collateral” means all “Collateral” as described in **Annex A**; provided that, to the extent that identifiable proceeds of Term Loan Primary Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute Revolving Credit Primary Collateral after an Enforcement Notice, then (as provided in Section 3.5 below) such Collateral or other identifiable proceeds shall be treated as Term Loan Primary Collateral.

“Revolving Credit Sole Book Runner” means the “Sole Book Runner” under the Revolving Credit Loan Documents.

“Revolving Credit Sole Lead Arranger” means the “Lead Arranger” under the Revolving Credit Loan Documents.

“Revolving Credit Standstill Period” has the meaning set forth in Section 3.2(a)(l).

“Revolving Credit Syndication Agent” has the meaning assigned to that term in the Recitals to this Agreement.

“Securities” means any stock shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to; purchase or acquire, any of the foregoing.

“Securities Accounts” (i) shall mean all “securities accounts” as defined in Article 8 of the UCC.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“Superior Lienholder” has the meaning assigned to that term in Section 5.4(f).

“Term Loan Administrative Agent” has the meaning assigned to that term in the Preamble to this Agreement.

“Term Loan Agreement” has the meaning assigned to that term in the Recitals to this Agreement.

“Term Loan Claimholders” means, at any relevant time, the holders of Term Loan Obligations at that time, including the Term Loan Lenders and the agents under the Term Loan Documents and any Lender Counterparties that are Term Loan Lenders or Affiliates of Term Loan Lenders and that receive the benefit of the Liens granted to Term Loan Collateral Agent under the terms of the Term Loan Documents.

“Term Loan Collateral Agent” has the meaning assigned to that term in the Preamble to this Agreement.

“Term Loan Collateral” means all of the assets and property of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted as security for any Term Loan Obligations.

“Term Loan Collateral Documents” means the Collateral Documents (as defined in the Term Loan Agreement) and any other agreement, document or instrument pursuant to which a Lien is granted securing any Term Loan Obligations or under which rights or remedies with respect to such Liens are governed.

“Term Loan Default” means an “Event of Default” (as defined in the Term Loan Agreement).

“Term Loan Documents” means the Term Loan Agreement and the Credit Documents (as defined in the Term Loan Agreement) and each of the other agreements, documents and instruments providing for or evidencing any other Term Loan Obligation, and any other document or instrument executed or delivered at any time in connection with any Term Loan Obligations, including any intercreditor or joinder agreement among holders of Term Loan Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of this Agreement.

“Term Loan Guaranty” has the meaning assigned to that term in the Recitals to this Agreement.

“Term Loan Joint Book Runners” means the “Joint Bookrunners” under the Term Loan Documents.

“Term Loan Joint Lead Arrangers” means the “Joint Lead Arrangers” under the Term Loan Documents.

“Term Loan Lenders” means the “Lenders” under and as defined in the Term Loan Documents.

“Term Loan Mortgages” means a collective reference to each mortgage, deed of trust and other document or instrument under which any Lien on real property owned or leased by any Grantor is granted to secure any Term Loan Obligations or under which rights or remedies with respect to any such Liens are governed.

“Term Loan Obligations” means the following:

(a) all Obligations (including without limitation any Post-Petition Interest) outstanding under the Term Loan Agreement and the other Term Loan Documents,

including Hedge Agreements entered into with any Lender Counterparty but only to the extent such Lender Counterparty is a Term Loan Claimholder. “Term Loan Obligations” shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding, accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant Term Loan Document whether or not the claim for such interest, fees or charges is allowed as a claim in such Insolvency or Liquidation Proceeding.

(b) To the extent any payment with respect to any Term Loan Obligation (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Revolving Credit Claimholders, receiver or similar Person or otherwise required to be returned or repaid, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Term Loan Claimholders and the Revolving Credit Claimholders, be deemed to be reinstated and outstanding as if such payment had not occurred. To the extent that any interest, fees, expenses or other charges (including, without limitation, Post-Petition Interest) to be paid pursuant to the Term Loan Documents are disallowed by order of any court, including, without limitation, by order of a Bankruptcy Court in any Insolvency or Liquidation Proceeding, such interest, fees, expenses and charges (including, without limitation, Post-Petition Interest) shall, as between the Term Loan Claimholders and the Revolving Credit Claimholders, be deemed to continue to accrue and be added to the amount to be calculated as the “Term Loan Obligations”.

(c) Notwithstanding the foregoing, if the Indebtedness (as defined in the Term Loan Agreement) constituting principal outstanding under the Term Loan Agreement and the other Term Loan Documents is in excess of (x) in the event Company has not exercised its option to obtain the Term Loan Incremental Advance (as defined in the Term Loan Agreement), \$313,500,000 or (y) in the event that Company has exercised its option to obtain the Incremental Term Loan (as defined in the Term Loan Agreement), \$423,500,000 (the “**Term Loan Cap Amount**”), then that portion of the principal amount of such Indebtedness (as defined in the Term Loan Agreement) (and any interest thereon and any fees and expenses related thereto) in excess of the Term Loan Cap Amount shall not be included in the Term Loan Obligations.

“**Term Loan Primary Collateral**” means all “Collateral” as described in **Annex B**; provided, however, that to the extent that identifiable proceeds of Revolving Credit Primary Collateral are deposited or held in any Deposit Accounts or Securities Accounts that constitute Term Loan Primary Collateral, then (as provided in Section 3.5 below) such Collateral or other identifiable proceeds shall be treated as Revolving Credit Primary Collateral.

“**Term Loan Standstill Period**” has the meaning set forth in Section 3.2(a)(1).

“**Term Loan Syndication Agent**” has the meaning assigned to that term in the Recitals to this Agreement.

“**Third Parties**” has the meaning assigned to that term in Section 5.4(f).

“**Third Party Agreements**” has the meaning assigned to that term in Section 5.4(f).

“**UCC**” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

1.2 Terms Generally. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, modified, renewed or extended;

(b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns;

(c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(d) all references herein to Sections shall be construed to refer to Sections of this Agreement; and

(e) all references to terms defined in the UCC shall have the meaning ascribed to them therein (unless otherwise specifically defined herein); and

(f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. Lien Priorities.

2.1 Relative Priorities. Notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens securing the Term Loan Obligations granted on the Collateral or of any Liens securing the Revolving Credit Obligations granted on the Collateral and notwithstanding any provision of any UCC, or any other applicable law or the Revolving Credit Loan Documents or the Term Loan Documents or any defect or deficiencies in, or failure to perfect, the Liens securing the

Revolving Credit Obligations or Term Loan Obligations or any other circumstance whatsoever, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders hereby agree that:

(a) any Lien of the Revolving Credit Collateral Agent on the Revolving Credit Primary Collateral, whether now or hereafter held by or on behalf of the Revolving Credit Collateral Agent or any Revolving Credit Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law (pursuant to a judgment or otherwise), subrogation or otherwise, shall be senior in all respects and prior to all Liens on the Revolving Credit Primary, Collateral securing any Term Loan Obligations; and

(b) any Lien of the Term Loan Collateral Agent on the Term Loan Primary Collateral, whether now or hereafter held by or on behalf of the Term Loan Collateral Agent, any Term Loan Claimholders or any agent or trustee therefor regardless of how acquired, whether by grant, possession, statute, operation of law (pursuant to a judgment or otherwise), subrogation or otherwise, shall be senior in all respects to all Liens on the Term Loan Primary Collateral securing any Revolving Credit Obligations.

2.2 Prohibition on Contesting Liens. Each of the Term Loan Collateral Agent, for itself and on behalf of each Term Loan Claimholder, and the Revolving Credit Collateral Agent, for itself and on behalf of each Revolving Credit Claimholder, agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the Revolving Credit Claimholders or any of the Term Loan Claimholders in the Collateral, or the provisions of this Agreement; provided that nothing in this Agreement shall be construed to prevent or impair the rights of either Agent or any Revolving Credit Claimholder or Term Loan Claimholder to enforce this Agreement, including the provisions of this Agreement relating to the priority of the Liens securing the Obligations as provided in Sections 2.1, 3.1 and 3.2.

2.3 No New Liens. So long as the Discharge of Revolving Credit Obligations and the Discharge of Term Loan Obligations have not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against one or more of the Company or any other Grantor, the parties hereto agree that neither the Company nor any other Grantor shall:

(a) grant or permit any additional Liens on any asset or property to secure any Term Loan Obligation unless (i) it has granted or concurrently grants a Lien on such asset or property to secure the Revolving Credit Obligations or (ii) otherwise as permitted in accordance with Section 6.3; or

(b) grant or permit any additional Liens on any asset or property to secure any Revolving Credit Obligations unless (i) it has granted or concurrently grants a Lien on such asset or property to secure the Term Loan Obligations or (ii) otherwise as permitted in accordance with Section 6.3.

To the extent any additional Liens are granted on any asset or property pursuant to this Section 2.3, the priority of such additional Liens shall be determined in accordance with Section 2.1. In addition, to the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available hereunder, the Revolving Credit Collateral Agent, on behalf of the Revolving Credit Claimholders and the Term Loan Collateral Agent, on behalf of Term Loan Claimholders, agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that, subject to the relative priorities described herein or permitted hereby, the Revolving Credit Collateral and the Term Loan Collateral be identical (it being expressly understood and agreed that none of the Revolving Credit Claimholders and none of the Term Loan Claimholders make any representation, warranty or agreement to any other party hereto as to whether the Revolving Credit Collateral and the Term Loan Collateral are identical). In furtherance of the foregoing and of Section 8.8, the parties hereto agree, subject to the other provisions of this Agreement, upon request by the Revolving Credit Collateral Agent or the Term Loan Collateral Agent, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the Revolving Credit Collateral and the Term Loan Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the Revolving Credit Loan Documents and the Term Loan Documents.

SECTION 3. Enforcement.

3.1 Exercise of Remedies – Restrictions on Term Loan Collateral Agent.

(a) Until (i) the Discharge of Revolving Credit Obligations has occurred and (ii) the Revolving Credit Agreement is no longer in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Term Loan Collateral Agent and the Term Loan Claimholders:

(1) will not exercise or seek to exercise any rights or remedies with respect to any Revolving Credit Primary Collateral (including the exercise of any right of setoff, notification of account debtors or any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Term Loan Collateral Agent or any Term Loan Claimholder is a party) or institute any action of proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that the Term Loan Collateral Agent may exercise the rights provided for in Section 3.3 (with respect to any Mortgage Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Term Loan Collateral Agent

declared the existence of a Term Loan Default and demanded the repayment of all the principal amount of any Term Loan Obligations; and (ii) the date on which the Revolving Credit Collateral Agent received notice from the Term Loan Collateral Agent of such declaration of a Term Loan Default and demand for payment (the “**Term Loan Standstill Period**”); provided, further, however, that notwithstanding anything herein to the contrary, in no event shall the Term Loan Collateral Agent or any Term Loan Claimholder exercise any rights or remedies (other than those under Section 3.3) with respect to the Revolving Credit Primary Collateral (unless (i) the final step triggering the “one action rule” or any similar legal provision in any applicable state has occurred and (ii) the applicable Term Loan Claimholder has provided written notice to the Revolving Credit Collateral Agent no later than five days prior to the commencement of such final step of its exercise of any rights or remedies permitted hereunder) if, notwithstanding the expiration of the Term Loan Standstill Period, the Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have commenced and be diligently pursuing the exercise or their rights or remedies with respect to all or any material portion of such Collateral or in any event as to any specific assets constituting Revolving Credit Primary Collateral as to which Revolving Credit Collateral Agent has commenced and is diligently pursuing such rights or remedies (and to the extent that Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have commenced such action as to such specific assets after the end of the Term Loan Standstill Period, Revolving Credit Collateral Agent or Revolving Credit Claimholders shall have provided at least three Business Days’ prior notice of such exercise to the Term Loan Collateral Agent);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder or any other exercise by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder of any rights and remedies relating to the Revolving Credit Primary Collateral, whether under the Revolving Credit Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.1 (c), will not object to the forbearance by the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders from bringing or pursuing any Enforcement;

provided, however, that, in the case of (1), (2) and (3) above, the Liens granted to secure the Term Loan Obligations of the Term Loan Claimholders shall attach to the proceeds thereof subject to the relative priorities described in Section 2.

(b) Until (i) the Discharge of Revolving Credit Obligations has occurred and (ii) the Revolving Credit Agreement is no longer in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their

debt) and, in connection therewith (including voluntary Dispositions of Revolving Credit Primary Collateral by the respective Grantors after a Revolving Credit Default) make determinations regarding the release, disposition, or restrictions with respect to the Revolving Credit Primary Collateral without any consultation with or the consent of the Term Loan Collateral Agent or any Term Loan Claimholder; provided, however, that the Lien securing the Term Loan Obligations shall remain on the proceeds (other than those properly applied to the Revolving Credit Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders may enforce the provisions of the Revolving Credit Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Revolving Credit Primary Collateral upon foreclosure, to incur expenses in connection with such sale or other disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, the Term Loan Collateral Agent and any Term Loan Claimholder may:

(1) file a claim or statement of interest with respect to the Term Loan Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(2) take any action as is required in order to create, perfect, preserve or protect its Lien on any of the Collateral, but not enforce its Lien or otherwise exercise any rights or remedies with respect to any Revolving Credit Primary Collateral upon a default or event of default or take any action that would be adverse to the Liens of Revolving Credit Collateral Agent or interfere with the exercise by Revolving Credit Collateral Agent of its rights or remedies with respect to the Revolving Credit Primary Collateral or otherwise adverse to the priority status of the Liens on the Revolving Credit Primary Collateral, or the rights of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders to exercise remedies in respect thereof or otherwise prohibited hereunder;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Term Loan Claimholders, including any claims secured by the Revolving Credit Primary Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non-bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Term Loan Obligations and the Term Loan Primary Collateral; and

(6) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Term Loan Standstill Period to the extent permitted by Section 3.1 (a)(1); provided that until the Discharge of Revolving Credit Obligations, the proceeds of any Revolving Credit Primary Collateral are delivered to the Revolving Credit Collateral Agent for application to the Revolving Credit Obligations in accordance with Sections 4.1 and 4.2.

The Term Loan Collateral Agent, on behalf of itself, and the Term Loan Claimholders, agrees that it will not take or receive any Revolving Credit Primary Collateral or any proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off or notification of account debtors) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Revolving Credit Obligations has occurred, except as expressly provided in Sections 3.1(a), 6.3(c)(1) and this Section 3.1(c), the sole right of the Term Loan Collateral Agent and the Term Loan Claimholders with respect to the Revolving Credit Primary Collateral is to hold a Lien on such Collateral pursuant to the Term Loan Collateral Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Revolving Credit Obligations has occurred. Notwithstanding any provision of this Agreement to the contrary, until the Discharge of Revolving Credit Obligations, all proceeds of Revolving Credit Primary Collateral, from whatever source, and whether resulting from the exercise of remedies or otherwise, shall be delivered to the Revolving Credit Collateral Agent and applied in accordance with Sections 4.1 and 4.2, and the Term Loan Collateral Agent and Term Loan Claimholders shall have no rights with respect to such proceeds other than as set forth in the immediately preceding sentence (and which such rights with respect to such proceeds shall be extinguished upon the application of such proceeds to the payment of the Revolving Credit Obligations in accordance with Section 4.1).

(d) Subject to Sections 3.1(a) and (c) and Section 6.3(c)(1):

(1) the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, agrees that the Term Loan Collateral Agent and the Term Loan Claimholders will not take any action that would hinder any exercise of remedies under the Revolving Credit Loan Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Revolving Credit Primary Collateral, whether by foreclosure or otherwise;

(2) the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, hereby waives any and all rights it or the Term Loan Claimholders may have as a junior lien creditor or otherwise to object to the manner

in which the Revolving Credit Collateral Agent or the Revolving Credit Claimholders seek to enforce or collect the Revolving Credit Obligations or the Liens securing the Revolving Credit Obligations granted in any of the Revolving Credit Loan Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the Revolving Credit Collateral Agent or Revolving Credit Claimholders is adverse to the interest of the Term Loan Claimholders; and

(3) the Term Loan Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Term Loan Collateral Documents or any other Term Loan Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders with respect to the Revolving Credit Primary Collateral as set forth in this Agreement and the Revolving Credit Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.1 (a) and (d) and 3.5, the Term Loan Collateral Agent and the Term Loan Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Term Loan Primary Collateral, in each case, in accordance with the terms of the Term Loan Documents and applicable law; provided, however, that in the event that any Term Loan Claimholder becomes a judgment Lien, creditor in respect of Revolving Credit Primary Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Term Loan Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Revolving Credit Obligations) as the other Liens securing the Term Loan Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the Term Loan Collateral Agent or any Term Loan Claimholders of the required payments of interest, principal and other amounts owed in respect of the Term Loan Obligations so long as such receipt is not the direct or indirect result of the exercise by the Term Loan Collateral Agent or any Term Loan Claimholders of rights or remedies as a secured creditor (including set-off or notification of account debtors) or enforcement in contravention of this Agreement of any Lien held by any of them and except as otherwise provided in Section 4.1 of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Revolving Credit Collateral Agent or the Revolving Credit Claimholders may have against the Grantors under the Revolving Credit Loan Documents.

3.2 Exercise of Remedies – Restrictions on Revolving Credit Collateral Agent.

(a) Until (i) the Discharge of Term Loan Obligations has occurred and (ii) the Term Loan Agreement is no long in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders:

(1) will not exercise or seek to exercise any rights or remedies with respect to any Term Loan Primary Collateral (including the exercise of any right of setoff, notification of account debtors or any right under any lockbox agreement, account control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which the Revolving Credit Collateral Agent or any Revolving Credit Claimholder is a party) or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure); provided, however, that the Revolving Credit Collateral Agent may exercise the rights provided for in Section 3.4 (with respect to any Equipment Access Period) and may exercise any or all such other rights or remedies after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Revolving Credit Collateral Agent declared the existence of any Revolving Credit Default and demanded the repayment of all the principal amount of any Revolving Credit Obligations; and (ii) the date on which the Term Loan Collateral Agent received notice from the Revolving Credit Collateral Agent of such declaration of a Revolving Credit Default and demand for payment, (the **"Revolving Credit Standstill Period"**); provided, further, however, that notwithstanding, anything herein to the contrary, in no event shall the Revolving Credit Collateral Agent or any Revolving Credit Claimholder exercise any rights or remedies (other than those under Section 3.3) with respect to the Term Loan Primary Collateral (unless (i) the final step triggering the "one action rule" or any similar legal provision in any applicable state has occurred and (ii) the applicable Revolving Credit Claimholder has provided written notice to the Term Loan Collateral Agent no later than five days prior to the commencement of such final step of its exercise of any rights or remedies permitted hereunder) if, notwithstanding the expiration of the Revolving Credit Standstill Period, the Term Loan Collateral Agent or Term Loan Claimholders shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all or any material portion of such Collateral or in any event as to any specific assets constituting Term Loan Primary Collateral as to which Term Loan Collateral Agent has commenced and is diligently pursuing such rights or remedies (and to the extent that Term Loan Collateral Agent or Term Loan Claimholders shall have commenced such action as to such specific assets after the end of the Revolving Credit Standstill Period, Term Loan Collateral Agent or Term Loan Claimholders shall have provided at least three Business Days' prior notice of such exercise to the Revolving Collateral Agent);

(2) will not contest, protest or object to any foreclosure proceeding or action brought by the Term Loan Collateral Agent or any Term Loan Claimholder or any other exercise by the Term Loan Collateral Agent or any Term Loan Claimholder of any rights and remedies relating to the Term Loan Primary Collateral, whether under the Term Loan Documents or otherwise; and

(3) subject to their rights under clause (a)(1) above and except as may be permitted in Section 3.2(c), will not object to the forbearance by the Term Loan Collateral Agent or the Term Loan Claimholders from bringing or pursuing any Enforcement;

provided, however, that in the case of (1), (2) and (3) above, the Liens granted to secure the Revolving Credit Obligations of the Revolving Credit Claimholders shall attach to the proceeds thereof subject to the relative priorities described in Section 2.

(b) Until (i) the Discharge of Term Loan Obligations has occurred and (ii) the Term Loan Agreement is no long in effect, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, the Term Loan Collateral Agent and the Term Loan Claimholders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary Dispositions of Term Loan Primary Collateral by the respective Grantors after a Term Loan Default) make determinations regarding the release, disposition, or restrictions with respect to the Term Loan Primary Collateral without any consultation with or the consent of the Revolving Credit Collateral Agent or any Revolving Credit Claimholder; provided; however, that the Lien securing the Revolving Credit Obligations shall remain on the proceeds (other than those properly applied to the Term Loan Obligations) of such Collateral released or disposed of subject to the relative priorities described in Section 2. In exercising rights and remedies with respect to the Term Loan Primary Collateral, the Term Loan Collateral Agent and the Term Loan Claimholders may enforce the provisions of the Term Loan Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the Term Loan Primary Collateral upon foreclosure, to incur expenses in connection with such sale or other disposition, and to exercise all the rights and remedies of a secured creditor under the UCC and of a secured creditor under the Bankruptcy Laws of any applicable jurisdiction.

(c) Notwithstanding the foregoing, the Revolving Credit Collateral Agent and any Revolving Credit Claimholder may:

(1) file a claim or statement of interest with respect to the Revolving Credit Obligations; provided that an Insolvency or Liquidation Proceeding has been commenced by or against any Grantor;

(2) take any action as is required in order to create, perfect, preserve or protect its Lien on any of the Collateral, but not enforce its Lien or otherwise exercise any rights or remedies with respect to any Term Loan Primary Collateral upon a default or event of default or take any action that would be adverse to the Liens of Term Loan Collateral Agent or interfere with the exercise by Term Loan Collateral Agent of its rights or remedies with respect to the Term Loan Primary Collateral or otherwise adverse to the priority status of the Liens on the Term Loan Primary Collateral, or the rights of the Term Loan Collateral Agent or any of the Term Loan Claimholders to exercise remedies in respect thereof or otherwise prohibited hereunder;

(3) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by

any person objecting to or otherwise seeking the disallowance of the claims of the Revolving Credit Claimholders, including any claims secured by the Term Loan Primary Collateral, if any, in each case in accordance with the terms of this Agreement;

(4) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either any Insolvency or Liquidation Proceeding or applicable non- bankruptcy law, in each case not inconsistent with the terms of this Agreement;

(5) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Revolving Credit Obligations and the Revolving Credit Primary Collateral; and

(6) exercise any of its rights or remedies with respect to any of the Collateral after the termination of the Revolving Credit Standstill Period to the extent permitted by Section 3.2(a)(1); provided that until the Discharge of Term Loan Obligations, the proceeds of any Term Loan Primary Collateral are delivered to the Term Loan Collateral Agent for application to the Term Loan Obligations in accordance with Sections 4.1 and 4.2.

The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that it will not take or receive any Term Loan Primary Collateral or any proceeds of such Collateral in connection with the exercise of any right or remedy (including set-off notification of account debtors) with respect to any such Collateral in its capacity as a creditor in violation of this Agreement. Without limiting the generality of the foregoing, unless and until the Discharge of Term Loan Obligations has occurred, except as expressly provided in Sections 3.2(a), 3.3, 6.3(c)(2) and this Section 3.2(c), the sole right of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders with respect to the Term Loan Primary Collateral is to hold a Lien on such Collateral pursuant to the Revolving Credit Collateral Documents for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of Term Loan Obligations has occurred. Notwithstanding any provision of this Agreement to the contrary, until the Discharge of Term Loan Obligations, all proceeds of Term Loan Primary Collateral, from whatever source, and whether resulting from the exercise of remedies or otherwise, shall be delivered to the Term Loan Collateral Agent and applied in accordance with Sections 4.1 and 4.2, and the Revolving Credit Collateral Agent and Revolving Credit Claimholders shall have no rights with respect to such proceeds other than as set forth in the immediately preceding sentence (and which such rights with respect to such proceeds shall be extinguished upon the application of such proceeds to the payment of the Term Loan Obligations in accordance with Section 4.1).

(d) Subject to Sections 3.2(a) and (c) and Sections 3.3 and 6.3(c)(2):

(1) the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, agrees that the Revolving Credit

Collateral Agent and the Revolving Credit Claimholders will not take any action that would hinder any exercise of remedies under the Term Loan Documents or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Term Loan Primary Collateral, whether by foreclosure or otherwise;

(2) the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, hereby waives any and all rights it or the Revolving Credit Claimholders may have as a junior lien creditor or otherwise to object to the manner in which the Term Loan Collateral Agent or the Term Loan Claimholders seek to enforce or collect the Term Loan Obligations or the Liens securing the Term Loan Obligations granted in any of the Term Loan Documents or undertaken in accordance with this Agreement, regardless of whether any action or failure to act by or on behalf of the Term Loan Collateral Agent or Term Loan Claimholders is adverse to the interest of the Revolving Credit Claimholders; and

(3) the Revolving Credit Collateral Agent hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Revolving Credit Collateral Documents or any other Revolving Credit Loan Document (other than this Agreement) shall be deemed to restrict in any way the rights and remedies of the Term Loan Collateral Agent or the Term Loan Claimholders with respect to the Term Loan Primary Collateral as set forth in this Agreement and the Term Loan Documents.

(e) Except as otherwise specifically set forth in Sections 3.2(a) and (d) and 3.5, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders may exercise rights and remedies as unsecured creditors against any Grantor and may exercise rights and remedies with respect to the Revolving Credit Primary Collateral, in each case, in accordance with the terms of the Revolving Credit Loan Documents and applicable law; provided, however, that in the event that any Revolving Credit Claimholder becomes a judgment Lien creditor in respect of Term Loan Primary Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Revolving Credit Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Loan Obligations) as the other Liens securing the Revolving Credit Obligations are subject to this Agreement.

(f) Nothing in this Agreement shall prohibit the receipt by the Revolving Credit Collateral Agent or any Revolving Credit Claimholders of the required payments of interest, principal and other amounts owed in respect of the Revolving Credit Obligations so long as such receipt is not the direct or indirect result of the exercise by the Revolving Credit Collateral Agent or any Revolving Credit Claimholders of rights or remedies as a secured creditor (including set-off) or enforcement in contravention of this Agreement of any Lien held by any of them and except as otherwise provided in Section 4.1 of this Agreement. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Term Loan Collateral Agent or the Term Loan Claimholders may have against the Grantors under the Term Loan Documents.

3.3 Exercise of Remedies – Collateral Access Rights.

(a) The Revolving Credit Collateral Agent and Term Loan Collateral Agent agree not to commence Enforcement until an Enforcement Notice has been given to the other Agent. Subject to the provisions of Sections 3.1 and 3.2 above, either Agent may join in any judicial proceedings commenced by the other Agent to enforce Liens on the Collateral, provided that neither Agent, nor the Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall interfere with the Enforcement actions of the other with respect to Collateral in which such party has the priority Lien in accordance herewith.

(b) If the Revolving Credit Collateral Agent, or any agent or representative of the Revolving Credit Collateral Agent, or any receiver, shall obtain possession or physical control of any parcel of the Mortgaged Premises, the Revolving Credit Collateral Agent shall promptly notify the Term Loan Collateral Agent of that fact and the Term Loan Collateral Agent shall, within ten (10) Business Days thereafter, notify the Revolving Credit Collateral Agent as to whether the Term Loan Collateral Agent desires to exercise access rights under this Agreement as to such parcel of the Mortgaged Premises, at which time the parties shall confer in good faith to coordinate with respect to the Term Loan Collateral Agent's exercise of such access rights. Access rights may apply to differing parcels of Mortgaged Premises at differing times, in which case, a differing Mortgage Access Period may apply to each such property.

(c) Upon delivery of notice to the Revolving Credit Collateral Agent as provided in Section 3.3(b), the Mortgage Access Period shall commence for the subject parcel of Mortgaged Premises. During the Mortgage Access Period as to any parcel of such Mortgaged Premises, the Term Loan Collateral Agent and its agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, the parcel of the Mortgaged Premises for the purpose of arranging for and effecting the sale or other disposition of Term Loan Primary Collateral, including the production, completion, packaging and other preparation of such Term Loan Primary Collateral for sale or other disposition. During any such Mortgage Access Period, the Term Loan Collateral Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Term Loan Primary Collateral, as well as to engage in bulk sales of Term Loan Primary Collateral. Term Loan Collateral Agent shall take proper care of any Revolving Credit Primary Collateral that is used by Term Loan Collateral Agent during the Mortgage Access Period and repair and replace any damage (ordinary wear-and-tear excepted) caused by Term Loan Collateral Agent or its agents, representatives or and Term Loan Collateral Agent shall comply with all applicable laws in connection with its use or occupancy of any of the Revolving Credit Primary Collateral. The Term Loan Collateral Agent and the Term Loan Claimholders shall indemnify and hold harmless the Revolving Credit Collateral Agent and the Revolving Credit Claimholders for any injury or damage to Persons or property caused by the acts or omissions of Persons under its control. The Term Loan Collateral Agent and the Revolving Credit Collateral Agent shall cooperate and use reasonable efforts to ensure that their activities during the Mortgage Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Revolving Credit Collateral Agent to show the Revolving Credit Primary Collateral to prospective purchasers and to ready the Revolving Credit Primary Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the Term Loan Collateral Agent from exercising its rights hereunder as to a parcel of the Mortgaged Premises, then at the Term Loan Collateral Agent's option, the Mortgage Access Period granted to the Term Loan Collateral Agent under this Section 3.3 for such parcel shall be stayed as to such parcel during the period of such prohibition and shall continue thereafter as to such parcel for the number of days remaining as required under this Section 3.3. If the Revolving Credit Collateral Agent shall foreclose or otherwise sell any of the Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Revolving Credit Primary Collateral subject to the terms of this Agreement to the extent applicable.

(e) The Grantors hereby agree with the Agents that the Term Loan Collateral Agent shall have access, during the Mortgage Access Period, as described herein and each such Grantor that owns any of the Mortgaged Premises grants a non-exclusive easement in gross over its property to permit the uses by the Term Loan Collateral Agent contemplated by this Section 3.3. The Revolving Credit Collateral Agent consents to such easement and to the recordation of a collateral access easement agreement, in form and substance reasonably acceptable to the Revolving Credit Collateral Agent, in the relevant real estate records with respect to each parcel of Real Estate that is now or hereafter subject to a Revolving Credit Mortgage. The Term Loan Collateral Agent agrees that upon either a Discharge of Term Loan Obligations or the expiration of the final Mortgage Access Period with respect to any parcel of property covered by a Revolving Credit Mortgage, it shall, upon request, execute and deliver to the Revolving Credit Collateral Agent, or if a Discharge of Revolving Credit Obligations has occurred, to the respective Grantor, such documentation, in recordable form, as may reasonably be requested to terminate any and all rights with respect to such Mortgage Access Periods.

3.4 Exercise of Remedies – Intellectual Property Rights/Access to Information .

(a) The Term Loan Collateral Agent and each Grantor hereby grants (to the full extent of their respective rights and interests) the Revolving Credit Collateral Agent and its agents, representatives and designees (a) a royalty free, rent free non-exclusive license and lease to use, upon the occurrence and during the continuation of a Revolving Credit Default, all of the Term Loan Primary Collateral constituting Intellectual Property, to complete the sale of inventory, the collection of accounts of other realization on any Revolving Credit Primary Collateral and (b) a royalty free non-exclusive license (which will be binding on any successor or assignee of the Intellectual Property) to use any and all Intellectual Property at any time in connection with its realization on any Revolving Credit Primary Collateral; provided, however, the royalty free, rent free non-exclusive license and lease granted in clause (a) shall immediately expire upon the sale, lease, transfer or other disposition of such inventory, the collection of all accounts and the realization on any other Revolving Credit Primary Collateral for which such Intellectual Property is necessary or

desirable. Notwithstanding anything to the contrary contained herein, any purchaser or assignee of Revolving Credit Primary Collateral pursuant to the exercise by Revolving Credit Collateral Agent of any of its rights or remedies with respect thereto shall have the right to sell or otherwise dispose of any such Revolving Credit Primary Collateral to which any such Intellectual Property is affixed.

(b) If the Term Loan Collateral Agent, or any agent or representative of the Term Loan Collateral Agent, or any receiver, shall obtain possession or physical control of any Equipment for which the use of such Equipment is necessary or desirable in connection with any Enforcement in respect of any Revolving Credit Primary Collateral, the Term Loan Collateral Agent shall promptly notify the Revolving Credit Collateral Agent of that fact and the Revolving Credit Collateral Agent shall, within ten, (10) Business Days thereafter, notify the Term Loan Collateral Agent as to whether the Revolving Credit Collateral Agent desires to exercise access and use rights under this Agreement as to such item of Equipment, at which time the parties shall confer in good faith to coordinate with respect to the Revolving Credit Collateral Agent's exercise of such access rights. Access rights may apply to differing items of Equipment at differing times, in which case, a differing Equipment Access Period may apply to each such property.

(c) Upon delivery of notice to the Term Loan Collateral Agent as provided in Section 3.4(b), the Equipment Access Period shall commence for the subject Equipment. During the Equipment Access Period for any such Equipment, the Revolving Credit Collateral Agent and its agents, representatives and designees shall have a non-exclusive right to have access to, and a rent free right to use, such Equipment for the purpose of arranging for and effecting the sale or other disposition of Revolving Credit Primary Collateral. During any such Equipment Access Period, the Revolving Credit Collateral Agent and its representatives (and persons employed on their behalf) may continue to operate, service, maintain, process and sell the Revolving Credit Primary Collateral, as well as to engage in bulk sales of Revolving Credit Primary Collateral. Revolving Credit Collateral Agent shall take proper care of the Equipment that is used by Revolving Credit Collateral Agent during the Equipment Access Period with respect thereto and repair and replace any damage (ordinary wear-and-tear excepted) caused by Revolving Credit Collateral Agent or its agents, representatives or designees and Revolving Credit Collateral Agent shall comply with all applicable laws in connection with its use of any of the Term Loan Primary Collateral. The Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall indemnify and hold harmless the Term Loan Collateral Agent and the Term Loan Claimholders for any injury or damage to Persons or property caused by the acts or omissions of it or Persons under its control. The Revolving Credit Collateral Agent and the Term Loan Collateral Agent shall cooperate and use reasonable efforts to ensure that their activities during the Equipment Access Period as described above do not interfere materially with the activities of the other as described above, including the right of the Term Loan Collateral Agent to show the Term Loan Primary Collateral to prospective purchasers and to ready the Term Loan Primary Collateral for sale.

(d) If any order or injunction is issued or stay is granted which prohibits the Revolving Credit Collateral Agent from exercising any of its rights hereunder at to

Revolving Credit Primary Collateral for which the use of any Equipment is necessary or desirable in connection with any Enforcement in respect of such Revolving Credit Primary Collateral, then at the Revolving Credit Collateral Agent's option, the Equipment Access Period granted to the Revolving Credit Collateral Agent under this Section 3.4 with respect to such Equipment shall be stayed during the period of such prohibition and shall continue thereafter for the number of days remaining as required under this Section 3.4. If the Term Loan Collateral Agent shall foreclose or otherwise sell any of the Term Loan Primary Collateral, the Term Loan Collateral Agent will notify the buyer thereof of the existence of this Agreement and that the buyer is acquiring the Term Loan Primary Collateral subject to the terms of this Agreement.

3.5 Exercise of Remedies – Set Off and Tracing of and Priorities in Proceeds.

(a) The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, acknowledges and agrees that, to the extent the Term Loan Collateral Agent or any Term Loan Claimholder exercises its rights of setoff against any Grantor's Deposit Accounts or Securities Accounts that constitute Revolving Credit Primary Collateral, the amount of such setoff shall be deemed to be the Revolving Credit Primary Collateral to be held and distributed pursuant to Section 4.3: provided, however that the foregoing shall not apply to any setoff by Term Loan Collateral Agent against any Term Loan Primary Collateral to the extent applied to payment of Term Loan Obligations.

(b) The Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, acknowledges and agrees that, to the extent the Revolving Credit Collateral Agent or any Revolving Credit Claimholders exercises its rights of setoff against any Grantor's Deposit Accounts or Securities Accounts that constitute Term Loan Primary Collateral, the amount of such setoff shall be deemed to be the Term Loan Primary Collateral to be held and distributed pursuant to Section 4.3; provided, however that the foregoing shall not apply to any setoff by Revolving Credit Collateral Agent against any Revolving Credit Primary Collateral to the extent applied to payment of Revolving Credit Obligations.

(c) Without prejudice to Sections 4.1 and 4.2, Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, also agrees that in the event that any funds that are deposited in an account which is both (i) subject to a Control Agreement and (ii) constitutes Revolving Credit Primary Collateral are then applied to the Revolving Credit Obligations, such funds shall be treated as Revolving Credit Primary Collateral and, unless the Revolving Credit Collateral Agent has actual knowledge to the contrary, any claim that such funds are proceeds of or otherwise constitute Term Loan Primary Collateral are, prior to an issuance of an Enforcement Notice, waived by Term Loan Collateral Agent and the Term Loan Claimholders.

(d) Without prejudice to Sections 4.1 and 4.2, Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, also agrees that in the event that any funds are deposited in an account which is both (i) subject to a Control Agreement and (ii) constitutes Term Loan Primary Collateral are then applied to

the Term Loan Obligations, such funds shall be treated as Term Loan Primary Collateral and, unless the Term Loan Collateral Agent has actual knowledge to the contrary, any claim that such funds are proceeds of or otherwise constitute Revolving Credit Primary Collateral are, prior to an issuance of an Enforcement Notice, waived by Revolving Credit Collateral Agent and the Revolving Credit Claimholders.

SECTION 4. Payments.

4.1 Application of Proceeds.

(a) So long as the Discharge of Revolving Credit Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, and whether prior to or following the issuance of any Enforcement Notice, all Revolving Credit Primary Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the Revolving Credit Collateral Agent or Revolving Credit Claimholders, shall be applied by the Revolving Credit Collateral Agent to the Revolving Credit Obligations in such order as specified in the relevant Revolving Credit Loan Documents except to the extent funds in certain bank accounts may be applied to Term Loan Obligations as provided in Section 3.5(d) above. Upon the Discharge of Revolving Credit Obligations and the termination of the Revolving Credit Agreement, except otherwise required by applicable law, the Revolving Credit Collateral Agent shall deliver to the Term Loan Collateral Agent any Collateral and proceeds of Collateral held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Term Loan Collateral Agent to the Term Loan Obligations in such order as specified in the Term Loan Collateral Documents.

(b) So long as the Discharge of Term Loan Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against any Grantor, and whether prior to or following the issuance of any Enforcement Notice, all Term Loan Primary Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies by the Term Loan Collateral Agent or Term Loan Claimholders, shall be applied by the Term Loan Collateral Agent to the Term Loan Obligations in such order as specified in the relevant Term Loan Documents, except to the extent funds in certain bank accounts may be applied to Revolving Credit Obligations as provided in Section 3.5(c) above. Upon the Discharge of Term Loan Obligations and the termination of the Term Loan Agreement, except as otherwise required by applicable law, the Term Loan Collateral Agent shall deliver to the Revolving Credit Collateral Agent any Collateral and proceeds of Collateral held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Revolving Credit Collateral Agent to the Revolving Credit Obligations in such order as specified in the Revolving Credit Collateral Documents.

4.2 Payments Over in Violation of Agreement. So long as neither the Discharge of Revolving Credit Obligations nor the Discharge of Term Loan Obligations has occurred, whether or not any Insolvency or Liquidation Proceeding has been

commenced by or against any Grantor, any Collateral or proceeds thereof (including assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) received by either Agent or any Term Loan Claimholders or Revolving Credit Claimholders in connection with the exercise of any right or remedy (including set-off or notification of account debtors) relating to the Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the appropriate Agent for the benefit of the Term Loan Claimholders or the Revolving Credit Claimholders, as the case may be, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Agent is hereby authorized by the other Agent to make any such endorsements as agent for the other Agent or any Term Loan Claimholders or Revolving Credit Claimholders, as the case may be. This authorization is coupled with an interest and is irrevocable until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations.

4.3 Application of Payments. Subject to the other terms of this Agreement, all payments received by (a) the Revolving Credit Collateral Agent or the Revolving Credit Claimholders may be applied, reversed and reapplied, in whole or in part, to the Revolving Credit Obligations to the extent provided for in the Revolving Credit Loan Documents and (b) the Term Loan Collateral Agent or the Term Loan Claimholders may be applied, reversed and reapplied, in whole or in part, to the Term Loan Obligations to the extent provided for in the Term Loan Documents.

SECTION 5. Other Agreements.

5.1 Releases.

(a) (i) If in connection with the exercise of the Revolving Credit Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.1 or at any time after any Revolving Credit Default in connection with the realization of any Revolving Credit Primary Collateral, the Revolving Credit Collateral Agent, for itself or on behalf of any of the Revolving Credit Claimholders, releases any of its Liens on any part of the Revolving Credit Primary Collateral, then (A) the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders, shall be deemed to have consented under the Term Loan Documents to such sale or other disposition and (B) the Liens, if any, of the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders, on the Revolving Credit Primary Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The Term Loan Collateral Agent, for itself or on behalf of any such Term Loan Claimholders, hereby authorizes the filing of UCC amendments or termination statements to reflect such release and shall promptly execute and deliver to the Revolving Credit Collateral Agent or, with the approval of the Revolving Credit Collateral Agent, such Grantor, other documents as the Revolving Credit Collateral Agent or such Grantor may request to effectively confirm such release.

(ii) If in connection with the exercise of the Term Loan Collateral Agent's remedies in respect of any Collateral as provided for in Section 3.2 or at any time after any Term Loan Default in connection with the realization of any Term Loan Primary

Collateral, the Term Loan Collateral Agent, for itself or on behalf of any of the Term Loan Claimholders, releases any of its Liens on any part of the Term Loan Primary Collateral, then (A) the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, shall be deemed to have consented under the Revolving Credit Documents to such sale or other disposition and (B) the Liens, if any, of the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, on the Term Loan Primary Collateral sold or disposed of in connection with such exercise, shall be automatically, unconditionally and simultaneously released. The Revolving Credit Collateral Agent, for itself or on behalf of any such Revolving Credit Claimholders, hereby authorizes the filing of UCC amendments or termination statements to reflect such release and shall promptly execute and deliver to the Term Loan Collateral Agent or, with the approval of Term Loan Collateral Agent, such Grantor such other documents as the Term Loan Collateral Agent or such Grantor may request to effectively confirm such release.

(b) If in connection with any sale, lease, exchange, transfer or other disposition of any Collateral (collectively, a **“Disposition”**) permitted under the terms of both the Revolving Credit Loan Documents and the Term Loan Documents (other than in connection with the exercise of the respective Agent’s rights and remedies in respect of the Collateral as provided for in Sections 3.1 and 3.2 or at any time after any Revolving Credit Default or Term Loan Default, as applicable, in connection with the realization of any Revolving Credit Primary Collateral or Term Loan Primary Collateral, as applicable), (i) the Revolving Credit Collateral Agent, for itself or on behalf of any of the Revolving Credit Claimholders, releases any of its Liens on any part of the Revolving Credit Primary Collateral, in each case other than (A) in Connection with the Discharge of Revolving Credit Obligations or (B) after the occurrence and during the continuance of a Term Loan Default, then the Liens, if any, of the Term Loan Collateral Agent, for itself or for the benefit of the Term Loan Claimholders on such Collateral shall be automatically, unconditionally and simultaneously released, and (ii) the Term Loan Collateral Agent, for itself or on behalf of any of the Term Loan Claimholders, releases any of its Liens on any part of the Term Loan Primary Collateral, in each case other than (A) in connection with the Discharge of Term Loan Obligations or (B) after the occurrence and during the continuance of a Revolving Credit Default, then the Liens, if any, of the Revolving Credit Collateral Agent, for itself or for the benefit of the Revolving Credit Claimholders, on such Collateral (or, if such Collateral includes Capital Stock of any Subsidiary, the Liens on Collateral owned by such Subsidiary) shall be automatically, unconditionally and simultaneously released. The Revolving Credit Collateral Agent and Term Loan Collateral Agent, each for itself and on behalf of any such Revolving Credit Claimholders or Term Loan Claimholders, as the case maybe, promptly shall execute and deliver to the other Agent or such Grantor such termination statements, releases and other documents as the other Agent or such Grantor may request to effectively confirm such release.

(c) Until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations shall occur, the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, and the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, as the case may be, hereby irrevocably constitutes and appoints the other Agent and any officer or agent of the other Agent, with

full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the other Agent or such holder or in the Agent's own name, from time to time in such Agent's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Section 5.1, including any endorsements or other instruments of transfer or release.

(d) Until the Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations shall occur, to the extent that the Agents or the Revolving Credit Claimholders or the Term Loan Claimholders (i) have released any Lien on Collateral and such Lien is later reinstated or (ii) Obtain any new liens from any Grantor, then the other Agent, for itself and for the Revolving Credit Claimholders or Term Loan Claimholders, as the case may be, shall be granted a Lien on any such Collateral, subject to the lien priority provisions of this Agreement.

5.2 Insurance.

(a) Unless and until the Discharge of Revolving Credit Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Revolving Credit Loan Documents, (i) the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Revolving Credit Primary Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect to such Collateral and to the extent required by the Revolving Credit Loan Documents shall be paid to the Revolving Credit Collateral Agent for the benefit of the Revolving Credit Claimholders pursuant to the terms of the Revolving Credit Loan Documents (including, without limitations, for purposes of cash collateralization of letters of credit) and thereafter, to the extent no Revolving Credit Obligations are outstanding, and subject to the rights of the Grantors under the Term Loan Documents, to the Term Loan Collateral Agent for the benefit of the Term Loan Claimholders to the extent required under the Term Loan Collateral Documents and then, to the extent on Term Loan Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if the Term Loan Collateral Agent or any Term Loan Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Revolving Credit Collateral Agent in accordance with the terms of Section 4.2.

(b) Unless and until the Discharge of Term Loan Obligations has occurred, subject to the terms of, and the rights of the Grantors under, the Term Loan Documents, (i) the Term Loan Collateral Agent and the Term Loan Claimholders shall have the sole and exclusive right to adjust settlement for any insurance policy covering the Term Loan Primary Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such Collateral; (ii) all proceeds of any such policy and any such award (or any

payments with respect to a deed in lieu of condemnation) if in respect to such Collateral and to the extent required by the Term Loan Documents shall be paid to the Term Loan Collateral Agent for the benefit of the Term Loan Claimholders pursuant to the terms of the Term Loan Documents and thereafter, to the extent no Term Loan Obligations are outstanding, and subject to the rights of the Grantors under the Revolving Credit Documents, to the Revolving Credit Collateral Agent for the benefit of the Revolving Credit Claimholders to the extent required under the Revolving Credit Collateral Documents and then, to the extent no Revolving Credit Obligations are outstanding, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (iii) if the Revolving Credit Collateral Agent or any Revolving Credit Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement, it shall segregate and hold in trust and forthwith pay such proceeds over to the Term Loan Collateral Agent in accordance with the terms of Section 4.2.

(c) To effectuate the foregoing, the Agents shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to policies which insure Collateral hereunder. To the extent any proceeds are received for business interruption or for any liability or indemnification and those proceeds are not compensation, for a casualty loss with respect to the Term Loan Primary Collateral, such proceeds shall first be applied to repay the Revolving Credit Obligations and then be applied, to the extent required by the Term Loan Documents, to the Term Loan Obligations.

5.3 Amendments to Revolving Credit Loan Documents and Term Loan Documents; Refinancing.

(a) The Term Loan Documents may be amended, supplemented or otherwise modified in accordance with their terms and the Term Loan Agreement may be Refinanced, in each case, without notice to, or the consent of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that the holders of such Refinancing debt bind themselves in a writing addressed to the Revolving Credit Collateral Agent and the Revolving Credit Claimholders to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not:

- (1) increase the sum of the then outstanding aggregate principal amount of the Term Loan Agreement in excess of the Term Loan Cap Amount;
- (2) increase the "Applicable Margin" or similar component of any interest rate on any tranche thereof by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate) or increase the aggregate amount of any fees (other than one-time fees or fees charged in respect of amendments, waivers or consents) by more than \$100,000 in any twelve (12) month period), or frequency of payments (except that the Company may increase the frequency of payment of any fees from quarterly to monthly), of any fees provided for the in the Term Loan Agreement;

(3) shorten the scheduled maturity of the Term Loan Agreement or any Refinancing thereof;

(4) modify (or have the effect of a modification of) the terms of payment, including the regularly scheduled payments of principal or mandatory prepayment provisions of the Term Loan Agreement, in a manner that increases the amount or frequency of any such payments, or requires additional mandatory prepayments or limits the rights of Grantors with respect thereto, except that Company may modify such terms of payment to increase the aggregate amount of regularly scheduled payments of principal in any year in respect thereof by no more than \$500,000 in any year, or

(5) in any manner adverse to the Revolving Credit Claimholders, modify (or have the effect of a modification of) the granting clauses (and the exclusions therefrom) of any Term Loan Collateral Document (or the definitions of the terms contained in any such granting clauses).

(b) The Revolving Credit Loan Documents may be amended, supplemented or otherwise modified in accordance with their terms and the Revolving Credit Agreement may be Refinanced, in each case, without notice to, or the consent of the Term Loan Collateral Agent or the Term Loan Claimholders, all without affecting the lien subordination or other provisions of this Agreement; provided, however, that the holders of such Refinancing debt bind themselves in a writing addressed to the Term Loan Collateral Agent and the Term Loan Claimholders to the terms of this Agreement and any such amendment, supplement, modification or Refinancing shall not:

(1) increase the sum of the then outstanding aggregate principal amount of the Revolving Credit Agreement in excess of the Revolving Credit Cap Amount;

(2) increase the "Applicable Margin" or similar component of any interest rate by more than 3% per annum (excluding increases resulting from the accrual of interest at the default rate) or increase the aggregate amount of any fees (other than one-time fees or fees charged in respect of amendments, waivers or consents) by more than \$100,000 in any twelve (12) month period, or frequency of payments (except that the Company may increase the frequency of payment of any fees from quarterly to monthly), of any fees provided for the in the Revolving Credit Agreement;

(3) shorten the scheduled maturity of the Revolving Credit Agreement or any Refinancing thereof;

(4) modify (or have the effect of a modification of) the terms of payment, including the regularly scheduled payments of principal or mandatory prepayment provisions of the Revolving Credit Agreement, in a manner that increases the amount or frequency of any such payments, or requires additional mandatory prepayments or limits the rights of Grantors with respect thereto; or

(5) in any manner adverse to the Term Loan Claimholders, modify (or have the effect of a modification of) the granting clauses (and the exclusions therefrom) of any Revolving Credit Collateral Document (or the definitions of the terms contained in any such granting clauses).

(c) The Revolving Credit Collateral Agent and the Term Loan Collateral Agent shall each use good faith efforts to notify the other party of any written amendment or modification to the Revolving Credit Agreement or the Term Loan Agreement, but the failure to do so shall not create a cause of action against the party failing to give such notice or create any claim or right on behalf of any third party.

5.4 Bailees for Perfection.

(a) Each Agent agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the UCC (such Collateral being the **“Pledged Collateral”**) as collateral agent for the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, and as bailee for the other Agent (such bailment being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301(a)(2) and 9-313(c) of the UCC) and any assignee solely for the purpose of perfecting the security interest granted under the Revolving Credit Loan Documents and the Term Loan Documents, respectively, subject to the terms and conditions of this Section 5.4.

(b) Neither Agent shall have any obligation whatsoever to the other Agent, to any Revolving Credit Claimholder, or to any Term Loan Claimholder to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.4. The duties or responsibilities of the respective Agents under this Section 5.4 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.4 and delivering the Pledged Collateral upon a Discharge of Revolving Credit Obligations or Discharge of Term Loan Obligations, as the case may be, as provided in paragraph (d) below.

(c) Neither Agent acting pursuant to this Section 5.4 shall have by reason of the Revolving Credit Loan Documents, the Term Loan Documents, this Agreement or any other document a fiduciary relationship in respect of the other Agent, or any Revolving Credit Claimholders or any Term Loan Claimholders.

(d) Upon the Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations, as the case may be, except as otherwise required by applicable law, the Agent under the credit facility which has been discharged shall (i) deliver the remaining Pledged Collateral (if any) together with any necessary endorsements, first, to the other Agent to the extent the other Obligations remain outstanding, and second, to the applicable Grantor to the extent no Revolving Credit Obligations or Term Loan Obligations remain outstanding (in each case, so as to allow such Person to obtain possession or control of such Pledged Collateral) and (ii) take all other action reasonably requested by the other Agent in connection with the other Agent

obtaining a first-priority security interest in the Revolving Credit Primary Collateral (in the case of the Term Loan Collateral Agent upon the Discharge of the Revolving Credit Obligations) or the Term Loan Primary Collateral (in the case of the Revolving Credit Collateral Agent upon the Discharge of the Term Loan Obligations), as the case may be, to the extent that the other Agent is entitled to a first-priority security interest therein at the expense of such other Agent and subject to such other liens that may have priority over the security interest of such other Agent or as a court of competent jurisdiction may otherwise direct.

(e) Subject to the terms of this Agreement, (i) so long as the Discharge of Revolving Credit Obligations has not occurred, the Revolving Credit Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its “control” in accordance with the terms of this Agreement and other Revolving Credit Loan Documents, but only to the extent that such Collateral constitutes Revolving Credit Primary Collateral, as if the Liens of the Term Loan Collateral Agent and Term Loan Claimholders did not exist and (ii) so long as the Discharge of Term Loan Obligations has not occurred, the Term Loan Collateral Agent shall be entitled to deal with the Pledged Collateral or Collateral within its “control” in accordance with the terms of this Agreement and other Term Loan Documents, but only to the extent that such Collateral constitutes Term Loan Primary Collateral, as if the Liens of the Revolving Credit Collateral Agent and Revolving Credit Claimholders did not exist.

(f) The parties hereto acknowledge that certain third parties, including without limitation, landlords, insurance companies, depository institutions and securities and commodities intermediaries (collectively, the “**Third Parties**”) have executed and delivered in favor of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent certain agreements, instruments and other documents (including, without limitation, landlord waivers, insurance endorsements, lockbox agreements and control agreements) (collectively, the “**Third Party Agreements**”) pursuant to which, among other things, either the Revolving Credit Collateral Agent or the Term Loan Collateral Agent (such party being referred to as the “**Superior Lienholder**”) shall be entitled to deliver notices to such Third Parties, cause such Third Parties to take certain action (or consent to the taking of such actions) or otherwise exercise rights and remedies under such Third Party Agreements. The parties hereto hereby agree that, until the Discharge of Revolving Credit Obligations, the Superior Lienholder shall be the Revolving Credit Collateral Agent. Promptly upon the Discharge of Revolving Credit Obligations, the Revolving Credit Collateral Agent shall deliver a written notice to each Third Party stating that the Term Loan Collateral Agent is now the Superior Lienholder, that the Revolving Credit Collateral Agent is no longer entitled to deliver any consents under such Third Party Agreements and such other information required by the relevant Third Party Agreements necessary to permit the Term Loan Collateral Agent to exercise any rights or take any action reserved for the Superior Lienholder thereunder.

5.5 When Discharge of Revolving Credit Obligations and Discharge of Term Loan Obligations Deemed to Not Have Occurred. If concurrently with the Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations, the Company thereafter enters into any Refinancing of any Revolving Credit Obligation or Term Loan

Obligation as the case may be, which Refinancing is permitted by both the Term Loan Documents and the Revolving Credit Loan Documents, then such Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement (other than with respect to any actions taken as a result of the occurrence of such first Discharge of Revolving Credit Obligations or the Discharge of Term Loan Obligations) and, from and after the date on which the New Debt Notice is delivered to the appropriate Agent in accordance with the next sentence, the obligations under such Refinancing shall automatically be treated as Revolving Credit Obligations or Term Loan Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, and the Revolving Credit Collateral Agent or Term Loan Collateral Agent, as the case may be, under such new Revolving Credit Loan Documents or new Term Loan Documents shall be the Revolving Credit Collateral Agent or the Term Loan Collateral Agent for all purposes of this Agreement. Upon receipt of a notice (the **“New Debt Notice”**) stating that the Company has entered into new Revolving Credit Loan Documents or new Term Loan Documents (which notice shall include a complete copy of the relevant new documents and provide the identity of the new collateral agent, such agent, the **“New Agent”**), the other Agent shall promptly (a) enter into such documents and agreements (including amendments or supplements to this Agreement) as the Company or such New Agent shall reasonably request in order to provide to the New Agent the rights contemplated hereby, in each case consistent in all material respects with the terms of this Agreement and (b) deliver to the New Agent any Pledged Collateral (that is Term Loan Primary Collateral, in the case of a New Agent that is the agent under any new Term Loan Documents or that is Revolving Credit Primary Collateral, in the case of a New Agent that is the agent under any new Revolving Credit Loan Documents) held by it together with any necessary endorsements (or otherwise allow the New Agent to obtain control of such Pledged Collateral). The New Agent shall agree in a writing addressed to the other Agent and the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, to be bound by the terms of this Agreement. If the new Revolving Credit Obligations under the new Revolving Credit Loan Documents or the new Term Loan Obligations under the new Term Loan Documents are secured by assets of the Grantors constituting Collateral that do not also secure the other Obligations, then the other Obligations shall be secured at such time by a second priority Lien on such assets to the same extent provided in the Revolving Credit Loan Documents, Term Loan Collateral Documents and this Agreement.

5.6 Purchase Right.

(a) Without prejudice to the enforcement of the Term Loan Claimholders' remedies, the Term Loan Claimholders agree at any time following an acceleration of the Term Loan Obligations in accordance with the terms of the Term Loan Agreement, the Term Loan Claimholders will offer the Revolving Credit Claimholders the option to purchase the entire aggregate amount of outstanding Term Loan Obligations at par (without regard to any prepayment penalty or premium), without warranty or representation or recourse, on a pro rata basis across Term Loan Claimholders. The Revolving Credit Claimholders shall irrevocably accept or reject such offer within ten (10) Business Days of the receipt thereof and the parties shall endeavor to close promptly thereafter. If the Revolving Credit Claimholders accept such offer, it shall be exercised

pursuant to documentation mutually acceptable to each of the Term Loan Collateral Agent and the Revolving Credit Collateral Agent. If the Revolving Credit Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the Term Loan Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance with the Term Loan Documents and this Agreement.

(b) Without prejudice to the enforcement of the Revolving Credit Claimholders' remedies, the Revolving Credit Claimholders agree at any time following an acceleration of the Revolving Credit Obligations in accordance with the terms of the Revolving Credit Agreement, the Revolving Credit Claimholders will offer the Term Loan Claimholders the option to purchase the entire aggregate amount of outstanding Revolving Credit Obligations (including unfunded commitments under the Revolving Credit Agreement) at par (without regard to any prepayment penalty or premium), without warranty or representation or recourse, on a pro rata basis across Revolving Credit Claimholders. The Term Loan Claimholders shall irrevocably accept or reject such offer within ten (10) Business Days of the receipt thereof and the parties shall endeavor to close promptly thereafter. If the Term Loan Claimholders accept such offer, it shall be exercised pursuant to documentation mutually acceptable to each of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent. If the Term Loan Claimholders reject such offer (or do not so irrevocably accept such offer within the required timeframe), the Revolving Credit Claimholders shall have no further obligations pursuant to this Section 5.6 and may take any further actions in their sole discretion in accordance with the Revolving Credit Loan Documents and this Agreement.

SECTION 6. Insolvency or Liquidation Proceedings.

6.1 Finance and Sale Issues.

(a) Until the Discharge of Revolving Credit Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Revolving Credit Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) on which the Revolving Credit Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain financing, whether from the Revolving Credit Claimholders or any other Person under Section 364 of the Bankruptcy Code or any similar Bankruptcy Law ("**DIP Financing**") then the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) it is on commercially reasonable terms, (ii) the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount of Revolving Credit Obligations plus the aggregate undrawn amount of any letters of credit issued and not reimbursed under the Revolving Credit Agreement does not exceed the Revolving Credit Cap Amount, (iii) the Term Loan Collateral Agent and the Term Loan Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that are inconsistent with the terms of this Agreement that are materially prejudicial to their interests in the Term Loan Primary Collateral, and (iv) the terms of the

DIP Financing or the order for the use of Cash Collateral (A) do not compel the applicable Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (B) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (C) require that any Lien on the Term Loan Primary Collateral to secure such DIP Financing or rights in connection with the use of Cash Collateral are subordinate to the Lien of the Term Loan Collateral Agent with respect thereto; To the extent the Liens securing the Revolving Credit Obligations are subordinated to or pari passu with such DIP Financing which meets the requirements of clauses (i) through (iv) above, the Term Loan Collateral Agent will subordinate its Liens in the Revolving Credit Primary Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Revolving Credit Collateral Agent or to the extent permitted by Section 6.3).

(b) Until the Discharge of Term Loan Obligations has occurred, if any Grantor shall be subject to any Insolvency or Liquidation Proceeding and the Term Loan Collateral Agent shall desire to permit the use of "Cash Collateral" (as such term is defined in Section 363(a) of the Bankruptcy Code) on which the Term Loan Collateral Agent or any other creditor has a Lien or to permit any Grantor to obtain DIP Financing, then the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that it will raise no objection to such Cash Collateral use or DIP Financing so long as such Cash Collateral use or DIP Financing meet the following requirements: (i) it is on commercially reasonable terms, (ii) the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount of Term Loan Obligations does not exceed the Term Loan Cap Amount, (iii) the Revolving Credit Collateral Agent and the Revolving Credit Claimholders retain the right to object to any ancillary agreements or arrangements regarding the Cash Collateral use or the DIP Financing that is inconsistent with the terms of this Agreement that are materially prejudicial to their interests in the Revolving Credit Primary Collateral, and (iv) the terms of the DIP Financing or the use of Cash Collateral (a) do not compel the applicable Grantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document, (b) do not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order, and (c) require that any Lien on the Revolving Credit Primary Collateral (including assets arising after the commencement of any Insolvency or Liquidation Proceeding) to secure such DIP Financing or rights in connection with such use of Cash Collateral are subordinate to the Lien and rights of the Revolving Credit Collateral Agent with respect thereto and the rights to collections and cash proceeds of Revolving Credit Primary Collateral of the Revolving Credit Collateral Agent continue post-petition. To the extent the Liens securing the Term Loan Obligations are subordinated to or pari passu with such DIP Financing which meets the requirements of clauses (i) through (iv) above, the Revolving Credit Collateral Agent will subordinate its Liens in the Term Loan Primary Collateral to the Liens securing such DIP Financing (and all Obligations relating thereto) and will not request adequate protection or any other relief in connection therewith (except, as expressly agreed by the Term Loan Collateral Agent or to the extent permitted by Section 6.3).

6.2 Relief from the Automatic Stay.

(a) Until the Discharge of Revolving Credit Obligations has occurred, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral (other than to the extent such relief is required to exercise its rights under Section 3.3), without the prior written consent of the Revolving Credit Collateral Agent, unless a motion for adequate protection permitted under Section 6.3 has been denied by the bankruptcy court (provided that, for the avoidance of doubt, upon the granting of any relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral, the terms and provisions of Section 3 shall continue to apply). Nothing contained herein shall be construed to in any way limit the right of the Revolving Credit Collateral Agent to object to any motion or other application by the Term Loan Collateral Agent seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral.

(b) Until the Discharge of Term Loan Obligations has occurred, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that none of them shall seek (or support any other Person seeking) relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Primary Collateral, without the prior written consent of the Term Loan Collateral Agent, unless a motion for adequate protection permitted under Section 6.3 has been denied by the bankruptcy court (provided that, for the avoidance of doubt, upon the granting of any relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Revolving Credit Primary Collateral, the terms and provisions of Section 3 shall continue to apply). Nothing contained herein shall be construed to in any way limit the right of the Term Loan Collateral Agent to object to any motion or other application by the Revolving Credit Collateral Agent seeking relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Term Loan Primary Collateral.

6.3 Adequate Protection.

(a) The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders for adequate protection with respect to the Revolving Credit Primary Collateral; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Revolving Credit Collateral and (B) if such additional assets or property shall also constitute Term Loan Primary Collateral, (i) a Lien shall have been created in favor of the Term Loan Claimholders in respect of such Collateral and (ii) the Lien in favor of the Revolving Credit Claimholders shall be subordinated to the extent set forth in this Agreement; or

(2) any objection by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders to any motion, relief, action or proceeding based on the Revolving Credit Collateral Agent or the Revolving Credit Claimholders claiming a lack of adequate protection; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Term Loan Collateral and (B) if such additional assets or property shall also constitute Revolving Credit Primary Collateral, (i) a Lien shall have been created in favor of the Revolving Credit Claimholders in respect of such Collateral and (ii) the Lien in favor of the Term Loan Claimholders shall be subordinated to the extent set forth in this Agreement.

(b) The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that none of them shall contest (or support any other Person contesting):

(1) any request by the Term Loan Collateral Agent or the Term Loan Claimholders for adequate protection with respect to the Term Loan Primary Collateral; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Term Loan Collateral and (B) if such additional assets or property shall also constitute Revolving Credit Primary Collateral, (i) a Lien shall have been created in favor of the Revolving Credit Claimholders in respect of such Collateral and (ii) the Lien in favor of the Term Loan Claimholders shall be subordinated to the extent set forth in this Agreement; or

(2) any objection by the Term Loan Collateral Agent or the Term Loan Claimholders to any motion, relief, action or proceeding based on the Term Loan Collateral Agent or the Term Loan Claimholders claiming a lack of adequate protection; provided that (A) such adequate protection claim shall not seek the creation of any Lien over additional assets or property of any Grantor other than with respect to assets or property that constitute Revolving Credit Collateral and (B) if such additional assets or property shall also constitute Term Loan Primary Collateral, (i) a Lien shall have been created in favor of the Term Loan Claimholders in respect of such Collateral and (ii) the Lien in favor of the Revolving Credit Claimholders shall be subordinated to the extent set forth in this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any *Insolvency or Liquidation Proceeding*:

(1) if the Revolving Credit Claimholders (or any subset thereof) are granted adequate protection with respect to the Revolving Credit Primary

Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Revolving Credit Primary Collateral) in connection with any Cash Collateral use or DIP Financing, then the Term Loan Collateral Agent, on behalf of itself or any of the Term Loan Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Revolving Credit Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Term Loan Collateral Agent on Revolving Credit Primary Collateral;

(2) if the Term Loan Claimholders (or any subset thereof) are granted adequate protection with respect to the Term Loan Primary Collateral in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Term Loan Primary Collateral) in connection with any Cash Collateral use or DIP Financing, then the Revolving Credit Collateral Agent, on behalf of itself or any of the Revolving Credit Claimholders, may seek or request adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Term Loan Obligations and such Cash Collateral use or DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens of the Revolving Credit Collateral Agent on Term Loan Primary Collateral;

(3) in the event the Revolving Credit Collateral Agent, on behalf of itself or any of the Revolving Credit Claimholders, seeks or requests adequate protection in respect of Revolving Credit Primary Collateral and such adequate protection is granted in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Revolving Credit Primary Collateral), then the Revolving Credit Collateral Agent, on behalf of itself and any of the Revolving Credit Claimholders, agrees that the Term Loan Collateral Agent may also be granted a Lien on the same additional collateral as security for the Term Loan Obligations and for any Cash Collateral use or DIP Financing provided by the Term Loan Claimholders, and the Term Loan Collateral Agent, on behalf of itself and any of the Term Loan Claimholders, agrees that any Lien on such additional collateral securing the Term Loan Obligations shall be subordinated to the Liens on such collateral securing the Revolving Credit Obligations, any such DIP Financing provided by the Term Loan Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Term Loan Claimholders as adequate protection, all on the same basis as the other Liens of the Term Loan Collateral Agent on Revolving Credit Primary Collateral; and

(4) in the event the Term Loan Collateral Agent, on behalf of itself or any of the Term Loan Claimholders, seeks or requests adequate protection in respect of Term Loan Primary Collateral and such adequate protection is granted in the form of additional collateral (even if such collateral is not of a type which would otherwise have constituted Term Loan Primary Collateral), then the Term Loan Collateral Agent, on behalf of itself and any of the Term Loan Claimholders,

agrees that the Revolving Credit Collateral Agent may also be granted a Lien on the same additional collateral as security for the Revolving Credit Obligations and for any Cash Collateral use or DIP Financing provided by the Revolving Credit Claimholders, and the Revolving Credit Collateral Agent, on behalf of itself and any of the Revolving Credit Claimholders, agrees that any Lien on such additional collateral securing the Revolving Credit Obligations shall be subordinated to the Liens on such collateral securing the Term Loan Obligations, any such DIP Financing provided by the Revolving Credit Claimholders (and all Obligations relating thereto) and to any other Liens granted to the Revolving Credit Claimholders as adequate protection, all on the same basis as the other Liens of the Revolving Credit Collateral Agent on Term Loan Primary Collateral.

(d) Except as otherwise expressly set forth in Section 6.1 or in connection with the exercise of remedies with respect to (i) the Revolving Credit Primary Collateral, nothing herein shall limit the rights of the Term Loan Collateral Agent or the Term Loan Claimholders from seeking adequate protection with respect to their rights in the Term Loan Primary Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise) or (ii) the Term Loan Primary Collateral, nothing herein shall limit the rights of the Revolving Credit Collateral Agent or the Revolving Credit Claimholders from seeking adequate protection with respect to their rights in the 'Revolving Credit Primary Collateral in any Insolvency or Liquidation Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

6.4 Avoidance Issues. If any Revolving Credit Claimholder or Term Loan Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over or otherwise pay to the estate of the applicable Grantor any amount paid in respect of Revolving Credit Obligations or the Term Loan Obligations, as the case may be (a "Recovery") then such Revolving Credit Claimholders or Term Loan Claimholders shall be entitled to a reinstatement of Revolving Credit Obligations or the Term Loan Obligations, as the case may be, with respect to all such recovered amounts. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

6.5 Reserved.

6.6 Post-Petition Interest.

(a) Neither the Term Loan Collateral Agent nor any Term Loan Claimholder shall oppose or seek to challenge any claim by the Revolving Credit Collateral Agent or any Revolving Credit Claimholder for allowance in any Insolvency or Liquidation *Proceeding of Revolving Credit Obligations* consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any Revolving Credit Claimholder's claim, without regard to the existence of the Lien of the Term Loan Collateral Agent on behalf of the Term Loan Claimholders on the Collateral.

(b) Neither the Revolving Credit Collateral Agent nor any other Revolving Credit Claimholder shall oppose or seek to challenge any claim by the Term Loan Collateral Agent or any Term Loan Claimholder for allowance in any Insolvency or Liquidation Proceeding of Term Loan Obligations consisting of Post-Petition Interest, fees or expenses to the extent of the value of the Lien securing any Term Loan Claimholder's claim, without regard to the existence of the Lien of the Revolving Credit Agent on behalf of the Revolving Credit Claimholders on the Collateral.

6.7 Waiver - 1111(b)(2) Issues.

(a) The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, waives any claim it may hereafter have against any Revolving Credit Claimholder arising out of the election of any Revolving Credit Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code out of any grant of a security interest in connection with the Revolving Credit Primary Collateral in any Insolvency or Liquidation Proceeding.

(b) The Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, waives any claim it may hereafter have against any Term Loan Claimholder arising out of the election of any Term Loan Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code or out of any grant of a security interest in connection with the Term Loan Primary Collateral in any insolvency or Liquidation Proceeding.

6.8 Separate Grants of Security and Separate Classification. The Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, and the Revolving Credit Collateral Agent for itself and on behalf of the Revolving Credit Claimholders, acknowledge and agree that: the grants of Liens pursuant to the Revolving Credit Collateral Documents and the Term Loan Collateral Documents constitute separate and distinct grants of Liens, and because of, among other things, their differing rights in the Collateral, the Term Loan Obligations are fundamentally different from the Revolving Credit Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding.

To further effectuate the intent of the parties as provided in Section 6.8, if it is held that the claims of the Term Loan Claimholders and the Revolving Credit Claimholders in respect of the Term Loan Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there were separate classes of senior and junior secured claims against the Grantors in respect of the Term Loan Collateral (with the effect being that, to the extent that the aggregate value of the Term Loan Collateral is sufficient (for this purpose ignoring all claims held by the Revolving Credit Claimholders), the Term Loan Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Term Loan Agreement, arising from or related to a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding)

before any distribution is made in respect of the claims held by the Revolving Credit Claimholders, with the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, hereby acknowledging and agreeing to turn over to the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Revolving Credit Claimholders).

To further effectuate the intent of the parties as provided in Section 6.8, if it is held that the claims of the Term Loan Claimholders and the Revolving Credit Claimholders in respect of the Revolving Credit Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then each of the parties hereto hereby acknowledges and agrees that, subject to Sections 2.1 and 4.1, all distributions shall be made as if there, were separate classes of senior and junior secured claims against the Grantors in respect of the Revolving Credit Collateral (with the effect being that, to the extent that the aggregate value of the Revolving Credit Collateral is sufficient (for this purpose ignoring all claims held by the Term Loan Claimholders), the Revolving Credit Claimholders shall be entitled to receive, in addition to amounts, distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest, including any additional interest payable pursuant to the Revolving Credit Agreement, arising from or related to; a default, which is disallowed as a claim in any Insolvency or Liquidation Proceeding) before any distribution is made in respect of the claims held by the Term Loan Claimholders, with the Term Loan Collateral Agent, for itself and on behalf of the Term Loan Claimholders, hereby acknowledging and agreeing to turn over to the Revolving Credit Collateral Agent, for itself and on behalf of the Revolving Credit Claimholders, amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Loan Claimholders).

SECTION 7. Reliance; Waivers; Etc.

7.1 Reliance. Other than any reliance on the terms of this Agreement, the Revolving Credit Collateral Agent on behalf of itself and the Revolving Credit Claimholders under its Revolving Credit Loan Documents, acknowledges that it and such Revolving Credit Claimholders have, independently and without reliance on the Term Loan Collateral Agent or any Term Loan Claimholders, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into such Revolving Credit Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Revolving Credit Agreement or this Agreement. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, acknowledges that it and the Term Loan Claimholders have, independently and without reliance on the Revolving Credit Collateral Agent or any Revolving Credit Claimholder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into each of the Term Loan Documents and be bound by the terms of this Agreement and they will continue to make their own credit decision in taking or not taking any action under the Term Loan Documents or this Agreement.

7.2 No Warranties or Liability: The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders under the Revolving Credit Loan Documents, acknowledges and agrees that each of the Term Loan Collateral Agent and the Term Loan Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Term Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Term Loan Collateral Agent and the Term Loan Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Term Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, acknowledges and agrees that each of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Revolving Credit Loan Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. Except as otherwise provided in this Agreement, the Revolving Credit Collateral Agent and the Revolving Credit Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective Revolving Credit Loan Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Term Loan Collateral Agent and the Term Loan Claimholders shall have no duty to the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders, and the Revolving Credit Collateral Agent and the Revolving Credit Claimholders shall have no duty to the Term Loan Collateral Agent or any of the Term Loan Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with any Grantor (including the Revolving Credit Loan Documents and the Term Loan Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities.

(a) No right of the Agents, the Revolving Credit Claimholders or the Term Loan Claimholders to enforce any provision of this Agreement or any Revolving Credit Loan Document or Term Loan Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Grantor or by any act or failure to act by such Agents, Revolving Credit Claimholders or Term Loan Claimholders or by any noncompliance by any Person with the terms, provisions and covenants of this Agreement, any of the Revolving Credit Loan Documents or any of the Term Loan Documents, regardless of any knowledge thereof which the Agents or the Revolving Credit Claimholders or Term Loan Claimholders, or any of them, may have or be otherwise charged with.

(b) Without in any way limiting the generality of the foregoing paragraph (but subject to the rights of the Grantors under the Revolving Credit Loan Documents and Term Loan Documents and subject to the provisions of Section 5.3(a)), the Agents, the Revolving Credit Claimholders and the Term Loan Claimholders may, at any time and from time to time in accordance with the Revolving Credit Loan Documents and

Term Loan Documents and/or applicable law, without the consent of, or notice to, the other Agent or the Revolving Credit Claimholders or the Term Loan Claimholders (as the case may be), without incurring any liabilities to such Persons and without impairing or releasing the Lien priorities and other benefits provided in this Agreement (even if any right of subrogation or other right or remedy is affected, impaired or extinguished thereby) do any one or more of the following:

(1) change the manner, place of terms of payment or change or extend the time of payment of, or amend, renew, exchange, increase or alter, the terms of any of the Obligations or any Lien or guaranty thereof or any liability of any Grantor, or any liability incurred directly or indirectly in respect thereof (including any increase in or extension of the Obligations, without any restriction as to the tenor or terms of any such increase or extension) or otherwise amend, renew, exchange, extend, modify or supplement in any manner any Liens held by the Agents or any rights or remedies under any of the Revolving Credit Loan Documents or the Term Loan Documents; provided that any such increase in the Revolving Credit Obligations or the Term Loan Obligations, as applicable, shall not increase the sum of the Indebtedness (as defined in the Revolving Credit Agreement or Term Loan Agreement, as applicable) constituting principal under the Revolving Credit Agreement or Term Loan Agreement, as applicable, and (in the case of the Revolving Credit Obligations), the face amount of any letters of credit issued under the Revolving Credit Agreement and not reimbursed to an amount in excess of the Revolving Credit Cap Amount or Term Loan Cap Amount, as applicable;

(2) sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner and in any order any part of the Collateral (except to the extent provided in this Agreement) or any liability of any Grantor or any liability incurred directly or indirectly in respect thereof;

(3) settle or compromise any Obligation or any other liability of any Grantor or any security therefor or any liability incurred directly or indirectly in respect thereof and apply any sums by whomsoever paid and however realized to any liability in any manner or order that is not inconsistent with the terms of this Agreement; and

(4) exercise or delay in or refrain from exercising any right or remedy against any security of any Grantor or any other Person, elect any remedy and otherwise deal freely with any Grantor.

(c) Except as otherwise provided herein, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, also agrees that the Term Loan Claimholders and the Term Loan Collateral Agent shall have no liability to the Revolving Credit Collateral Agent or any Revolving Credit Claimholders, and the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, hereby waives any claim against any Term Loan Claimholder or the Term Loan Collateral Agent, arising out of any and all actions which the Term Loan

Claimholders or the Term Loan Collateral Agent may take or permit or omit to take with respect to:

- (1) the Term Loan Documents;
- (2) the collection of the Term Loan Obligations; or

(3) the foreclosure upon, or sale, liquidation or other disposition of, any Term Loan Primary Collateral. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees that the Term Loan Claimholders and the Term Loan Collateral Agent have no duty to them in respect of the maintenance or preservation of the Term Loan Primary Collateral, the Term Loan Obligations or otherwise.

(d) Except as otherwise provided herein, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, also agrees that the Revolving Credit Claimholders and the Revolving Credit Collateral Agent shall have no liability to the Term Loan Collateral Agent or any Term Loan Claimholders, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Lenders, hereby waives any claim against any Revolving Credit Claimholder or the Revolving Credit Collateral Agent, arising out of any and all actions which the Revolving Credit Claimholders or the Revolving Credit Collateral Agent may take or permit or omit to take with respect to:

- (1) the Revolving Credit Loan Documents;
- (2) the collection of the Revolving Credit Obligations; or

(3) the foreclosure upon, or sale, liquidation or other disposition of, any Revolving Credit Primary Collateral. The Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, agrees that the Revolving Credit Claimholders and the Revolving Credit Collateral Agent have no duty to them in respect of the maintenance or preservation of the Revolving Credit Primary Collateral, the Revolving Credit Obligations or otherwise.

(e) Until the Discharge of Term Loan Obligations, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Loan Primary Collateral or any other similar rights a junior secured creditor may have under applicable law.

(f) Until the Discharge of Revolving Credit Obligations, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders; agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with

7.4 **Obligations Unconditional.** All rights, interests, agreements and obligations of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders and the Term Loan Collateral Agent and the Term Loan Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Revolving Credit Loan Documents or any Term Loan Documents;

(b) except as otherwise expressly set forth in this Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the Revolving Credit Obligations or Term Loan Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Revolving Credit Loan Document or any Term Loan Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Revolving Credit Obligations or Term Loan Obligations or any guaranty thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the any Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, any Grantor in respect of the Revolving Credit Collateral Agent, the Revolving Credit Obligations, any Revolving Credit Claimholder, the Term Loan Collateral Agent the Term Loan Obligations or any Term Loan Claimholder in respect of this Agreement.

SECTION 8. Miscellaneous.

8.1 **Conflicts.** In the event of any conflict between the provisions of this Agreement and the provisions of any Revolving Credit Loan Document or any Term Loan Document, the provisions of this Agreement shall govern and control.

8.2 **Effectiveness; Continuing Nature of this Agreement; Severability.** This Agreement shall become effective when executed and delivered by the parties hereto. This is a continuing agreement of lien subordination and the Revolving Credit Claimholders and Term Loan Claimholders may continue, at any time and without notice to any Agent, to extend credit and other financial accommodations and lend monies to or for the benefit of the any Grantor in reliance hereon. Each of the Agents, on behalf of itself and the Revolving Credit Claimholders or the Term Loan Claimholders, as the case may be, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. The terms of this Agreement shall survive, and

shall continue in full force and effect, in any Insolvency or Liquidation Proceeding. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate 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. All references to the any Grantor shall include such Grantor as debtor and debtor-in-possession and any receiver or trustee for any Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect:

(a) with respect to the Revolving Credit Collateral Agent, the Revolving Credit Claimholders and the Revolving Credit Obligations, on the date of the Discharge of Revolving Credit Obligations, subject to the rights of the Revolving Credit Claimholders under Section 6.4; and

(b) with respect to the Term Loan Collateral Agent, the Term Loan Claimholders and the Term Loan Obligations, on the date of the Discharge of Term Loan Obligations, subject to the rights of the Term Loan Claimholders under Section 6.4.

8.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the Term Loan Collateral Agent or the Revolving Credit Collateral Agent shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Notwithstanding the foregoing, no Grantor shall have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent that such amendment, modification or waiver (i) adversely affects its rights hereunder, under the Term Loan Documents or under the Revolving Credit Loan Documents or (ii) imposes any additional obligation upon it.

8.4 Information Concerning Financial Condition of the Grantors and their Subsidiaries. The Revolving Credit Collateral Agent and the Revolving Credit Claimholders, on the one hand, and the Term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Grantors and their Subsidiaries and all endorsers and/or guarantors of the Revolving Credit Obligations or the Term Loan Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the Revolving Credit Obligations or the Term Loan Obligations. Neither the Revolving Credit Collateral Agent and the Revolving Credit Claimholders, on the one hand, nor the Term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, shall have any duty to advise the other of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that either the Revolving Credit Collateral Agent or any of the Revolving Credit Claimholders, on the one hand, or the Term Loan Collateral Agent and the Term Loan Claimholders, on the other hand, undertakes at any time or from time to time to provide any such information to any of the others, it or they shall be under no obligation:

(a) to make, and shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided;

(b) to provide any additional information or to provide any such information on any subsequent occasion;

(c) to undertake any investigation; or

(d) to disclose any information, which pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 Subrogation.

(a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Term Loan Claimholders or the Term Loan Collateral Agent pays over to the Revolving Credit Collateral Agent or the Revolving Credit Claimholders under the terms of this Agreement, the Term Loan Claimholders and the Term Loan Collateral Agent shall be subrogated to the rights of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders; provided, however, that, the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Revolving Credit Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Term Loan Collateral Agent or the Term Loan Claimholders that are paid over to the Revolving Credit Collateral Agent or the Revolving Credit Claimholders pursuant to this Agreement shall not reduce any of the Term Loan Obligations.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any of the Revolving Credit Claimholders or the Revolving Credit Collateral Agent pays over to the Term Loan Collateral Agent or the Term Loan Claimholders under the terms of this Agreement, the Revolving Credit Claimholders and the Revolving Credit Collateral Agent shall be subrogated to the rights of the Term Loan Collateral Agent and the Term Loan Claimholders; provided, however, that, the Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Term Loan Obligations has occurred. The Grantors acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders that are paid over to the Term Loan Collateral Agent or the Term Loan Claimholders pursuant to this Agreement shall not reduce any of the Revolving Credit Obligations.

8.6 SUBMISSION TO JURISDICTION; WAIVERS.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY:

(1) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS;

(2) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS;

(3) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 8.7; AND

(4) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (3) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER HEREOF, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE; MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 8.6(b) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER REVOLVING CREDIT LOAN DOCUMENT OR TERM LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

8.7 Notices. All notices to the Term Loan Claimholders and the Revolving Credit Claimholders permitted or required under this Agreement shall also be sent to the Term Loan Collateral Agent and the Revolving Credit Collateral Agent, respectively. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail 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 on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

8.8 Further Assurances. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders under the Revolving Credit Loan Documents, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders under the Term Loan Documents, and the Grantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Revolving Credit Collateral Agent or the Term Loan Collateral Agent may reasonably request to effectuate the terms of and the Lien priorities contemplated by this Agreement.

8.9 APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8.10 Binding on Successors and Assigns. This Agreement shall be binding upon the Revolving Credit Collateral Agent, the Revolving Credit Claimholders, the Term Loan Collateral Agent, the Term Loan Claimholders and their respective successors and assigns.

8.11 Specific Performance. Each of the Revolving Credit Collateral Agent and the Term Loan Collateral Agent may demand specific performance of this Agreement. The Revolving Credit Collateral Agent, on behalf of itself and the Revolving Credit Claimholders, and the Term Loan Collateral Agent, on behalf of itself and the Term Loan Claimholders, hereby irrevocably waive any defense based on the adequacy of a

remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by the Revolving Credit Collateral Agent or the Revolving Credit Claimholders or the Term Loan Collateral Agent or the Term Loan Claimholders; as the case may be.

8.12 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

8.13 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.14 Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

8.15 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the Agents, the Revolving Credit Claimholders and the Term Loan Claimholders. Nothing in this Agreement shall impair, as between the Grantors and the Revolving Credit Collateral Agent and the Revolving Credit Claimholders, or as between the Grantors and the Term Loan Collateral Agent and the Term Loan Claimholders, the obligations of the Grantors to pay principal, interest, fees and other amounts as provided in the Revolving Credit Loan Documents and the Term Loan Documents, respectively.

8.16 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Revolving Credit Collateral Agent and the Revolving Credit Claimholders on the one hand and the Term Loan Collateral Agent and the Term Loan Claimholders on the other hand. Nothing in this Agreement is intended to or shall impair the obligations of any Grantor, which are absolute and unconditional, to pay the Revolving Credit Obligations and the Term Loan Obligations as and when the same shall become due and payable in accordance with their terms.

IN WITNESS WHEREOF, the parties hereto have executed this Intercreditor Agreement as of the date first written above.

J. CREW OPERATING CORP.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Arlene Hong, Esq.
Telecopier: (212)209-8175
Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Sang Jin Han, Esq.
Telecopier: (212) 225-3999
Email: shan@cgsh.com

Signature page to Intercreditor Agreement

J. CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. CrewGroup, Inc.

770 Broadway

New York, New York 10013

Attention: Arlene Hong, Esq.

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One Liberty Plaza

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Attention: Sang Jin Han, Esq.

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Email: shan@cgsh.com

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J. CREW INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Arlene Hong, Esq.
Telecopier: (212) 209-8175
Email: arlene.hong@jcrew.com

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New York, New York 10006
Attention: Sang Jin Han, Esq.
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J. CREW INTERNATIONAL, INC.

By: /s/ Nicholas P. Lamberti

Name: Nicholas P. Lamberti

Title: Vice President and Controller

c/o J. Crew Group, Inc.

770 Broadway

New York, New York 10013

Attention: Arlene Hong, Esq.

Telecopier: (212) 209-8175

Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP

One Liberty Plaza

New York, New York 10006

Attention: Sang Jin Han, Esq.

Telecopier: (212) 225-3999

Email: shan@cgsh.com

Signature page to Intercreditor Agreement

GRACE HOLMES, INC.

By: James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Arlene Hong, Esq.
Telecopier: (212)209-8175
Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Sang Jin Han, Esq.
Telecopier: (212)225-3999
Email: shan@cgsh.com

Signature page to Intercreditor Agreement

H.F.D. NO. 55, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.

770 Broadway

New York, New York 10013

Attention: Arlene Hong, Esq.

Telecopier: (212) 209-8175

Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP

One Liberty Plaza

New York, New York 10006

Attention: Sang Jin Han, Esq.

Telecopier: (212)225-3999

Email: shan@cgsh.com

Signature page to Intercreditor Agreement

MADEWELL INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Executive Vice President and
Chief Financial Officer

c/o J. Crew Group, Inc.
770 Broadway
New York, New York 10013
Attention: Arlene Hong, Esq.
Telecopier: (212)209-8175
Email: arlene.hong@jcrew.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Sang Jin Han, Esq.
Telecopier: (212) 225-3999
Email: shan@cgsh.com

Signature page to Intercreditor Agreement

GOLDMAN SACHS CREDIT PARTNERS, L.P.,
as Term Loan Administrative Agent and
Term Loan Collateral Agent

By: /s/ William W. Archer

Name: William W. Archer

Title: Managing Director

Goldman Sachs Credit Partners L.P.
1 New York Plaza
New York, New York 10004
Attention: Elizabeth Fischer, Vice President
– Bank Debt Portfolio Group
Telecopier: (212) 902-3000
E-mail: Elizabeth.fischer@gs.com

with a copy to:

Goldman, Sachs & Co.
30 Hudson Street, 17th Floor
Jersey City, New Jersey 07302
Attention: Pedro Ramirez
Telecopier: (212) 428-1622
E-mail: gsd.link@gs.com

and

Latham & Watkins LLP
633 W.5th Street
Los Angeles, California 90071
Attention: John E. Mendez, Esq.
Telecopier: (213) 891-8763
Email: john.mendez@lw.com

Annex A

Revolving Credit Primary Collateral

The term "Revolving Credit Primary Collateral" shall mean all of the following property now owned or at any time hereafter acquired by the Company or any Guarantor, in which Company or any Guarantor now has or at any time in the future may acquire any right, title or interests:

(a) all present and future rights of Company and each Guarantor to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, and that (i) is for Inventory that has been or is to be sold, leased, licensed, assigned, or otherwise, disposed of, (ii) is for services rendered or to be rendered, or (iii) arises out of the use of a credit or charge card or information contained on or for use with the card (such assets described in this paragraph (a) being referred to herein as "Accounts");

(b) all of Company's and each Guarantor's now owned and hereafter existing or acquired goods, wherever located, which (i) are held by Company or any Guarantor for sale or lease in the ordinary course of business or to be furnished under a contract of service in the ordinary course of business; or (ii) consist of raw materials, work in process, finished goods or materials used or consumed in its business (such assets described in this paragraph (b) being referred to herein as "Inventory");

(c) all real property, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, and any fixtures or equipment such as pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing incinerating, electrical, air conditioning and air cooling equipment and systems, pollution control equipment, security systems, disposals, water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, generators, UPS power, racks, HVAC, boilers, water heaters, light fixtures, ceiling and exhaust fans and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing;

(d) all chattel paper (including all tangible and electronic chattel paper) arising in connection with or related to any of the Accounts, Inventory or other Revolving Credit Primary Collateral, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(e) all instruments (including all promissory notes) arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the

sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(f) all documents arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property as defined in this Annex A (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(g) all deposit accounts and investment accounts used in connection with or related to any of the Accounts, Inventory or other Revolving Credit Primary Collateral (but excluding the Restricted Account as defined below);

(h) all letters of credit, banker's acceptances and similar instruments and including all letter of credit rights arising in connection with or related to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(i) all supporting obligations and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices), including (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to such Revolving Credit Primary Collateral; (ii) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party; (iii) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, other Revolving Credit Primary Collateral, including returned, repossessed and reclaimed goods; and (iv) deposits by and property of account debtors or other persons securing the obligations of account debtors;

(j) all investment property (including securities, whether certificated or uncertificated, securities accounts, security entitlements, commodity contracts or commodity accounts, but excluding Pledged Stock as defined below and excluding investment property in the Restricted Account as defined below) and all monies, credit balances, deposits and other property of Company or any Guarantor now or hereafter held or received by or in transit to the Revolving Credit Collateral Agent or any Revolving Credit Lender or its affiliates or at any other depository or other institution from or for the account of the Company or any Guarantor, whether for safekeeping, pledge, custody, transmission, collection of otherwise;

(k) all commercial tort claims arising from or in connection with any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, but not arising in connection with or related to the sale, license or other disposition of any Intellectual Property (other than to the extent affixed to any Inventory or part of any Inventory and consistent with Company and the Guarantors' past practices);

(l) to the extent not otherwise described above, (i) all interest, fees, late charges, penalties, collection fees and other amounts due or to become due or otherwise payable in connection with any Account; (ii) all payment intangibles of Company or any Guarantor; (iii) letters of credit, indemnities, guarantees, security or other deposits and proceeds thereof issued payable to Company or any Guarantor or otherwise in favor of or delivered to Company or any Guarantor in connection with any Account; (iv) all other accounts, contract rights, chattel paper, instruments, notes, general intangibles and other forms of obligations owing to the Company or any Guarantor from the sale, lease or other disposition of any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, licensing of any other Revolving Credit Primary Collateral, rendition of services or otherwise relating to any Accounts, Inventory or other Revolving Credit Primary Collateral (including, without limitation, choses in action, causes of action, or other rights and claims of the Company or any Guarantor against carriers, shippers, processors, warehouses, bailees, custom brokers, freight forwarders, or other third parties at any time in possession or control of, or using, any of the other Revolving Credit Primary Collateral or any sellers of any other Revolving Credit Primary Collateral and refunds of sales, use or excise taxes arising from the sale or other disposition of Inventory or other Revolving Credit Primary Collateral);

(m) all books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to any of the Revolving Credit Primary Collateral described in clauses (a), (b), (c), (d), (g), (j) or (l) of this Annex A, or any account debtor (including customer lists), together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of the Company or any Guarantor with respect to the foregoing maintained with or by any other person); and

(n) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Revolving Credit Primary Collateral.

For purposes of this Annex A, the following terms shall have the meanings given to them below:

(i) "Intellectual Property" shall have the meaning given to such term in Annex C to this Agreement.

(ii) "Pledged Stock" shall mean Collateral consisting of shares of capital stock of Company, any Guarantor or any Subsidiary of Company or any Guarantor (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in Company, any Guarantor or any Subsidiary of Company or any Guarantor and all securities convertible into or exchangeable for any of the foregoing and all warrants, options or other rights to purchase or subscribe for any of the foregoing, whether or not presently convertible, exchangeable or exercisable.

(iii) "Restricted Account" shall mean the investment account which is a restricted account maintained by Company with Term Loan Administrative Agent, an affiliate of Term Loan Administrative Agent or at a financial institution otherwise designated by Term Loan Administrative Agent into which Holdings or Company shall have deposited (a) proceeds of the Term Loan Agreement in an amount not less than the amount necessary to prepay or redeem any 9 3/4% Notes that shall remain outstanding immediately following the date of this Agreement and (b) such other amounts to be utilized for such purposes as expressly permitted under the Revolving Credit Agreement; and which investment account is established and used solely for the purpose of holding such proceeds and such other amounts and at all times shall be subject to the first priority perfected security interest of Term Loan Collateral Agent.

Annex B

Term Loan Primary Collateral

All Collateral other than Revolving Credit Primary Collateral.

B-1

Annex C

Intellectual Property

“Copyright Licenses” shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether the Company or any Guarantor that is party to the Term Loan Collateral Documents as a “grantor” is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(B) annexed to the Collateral Questionnaire (as defined in the Term Loan Collateral Documents, as in effect on the date hereof) (as such schedule may be amended or supplemented from time to time).

“Copyrights” shall mean all United States, and foreign copyrights, including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications referred to in Schedule 10(A) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Intellectual Property” shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

“Patent Licenses” shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(D) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Patents” shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 10(C) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all rights corresponding thereto throughout the world, (iv) all inventions and improvements described therein, (v) all rights to sue for past, present and future infringements thereof, (vi) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

“Proceeds” shall mean: all “proceeds” as defined in Article 9 of the UCC, and in any event, shall include, without limitation (i) payments or distributions made with respect to any Investment Related Property (as defined in the Term Loan Collateral Documents, as in effect on the date hereof) and (ii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

“Trademark Licenses” shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 10(F) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time).

“Trademarks” shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 10(E) annexed to the Collateral Questionnaire (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims damages, and proceeds of suit.

**THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of the 20th day of October, 2005 (this "Agreement"), among J. Crew Group, Inc., a Delaware Corporation (the "Parent") and its operating subsidiary J. Crew Operating Corp. (collectively with the Parent, the "Company"), with offices at 770 Broadway, New York, New York 10003 and Millard S. Drexler (the "Executive").

1. Purpose and Effective Date; Term; Position and Responsibilities; Company Headquarters and Executive Work Location.

(a) Purpose and Effective Date. This Agreement shall amend and restate the Second Amended and Restated Employment Agreement entered into on December 29, 2008, and, except as otherwise specifically provided in Section 15(m), shall be effective as of October 20, 2005 (the "Effective Date").

(b) Term. Except as specifically provided herein, this Agreement shall amend and replace the Service Agreement, dated January 24, 2003. As of the Effective Date, the Company and the Executive extended the original term of this Agreement that commenced on January 27, 2003 (as provided in the prior Services Agreement), so that it ends on August 31, 2008, unless terminated earlier pursuant to Section 4 hereof. The Agreement shall thereafter be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year each, unless either party, at least ninety (90) days prior to the expiration of the term or any extended term, gives written notice to the other of its intention not to renew such term (the term of this Agreement, as extended, being the "Term of Employment"). The parties agree that any references in any Stock Option Grant Agreements, Restricted Stock Grant Agreements or other agreements between the Company and the Executive to the "Services Agreement" or "Services" or the "Principal" shall hereafter be deemed to refer to this Agreement, the Term of Employment and the Executive, respectively.

(c) Position and Responsibilities. During the Term of Employment, the Company shall continue to engage the Executive on the terms, and subject to the conditions of this Agreement, and agrees to cause the Executive to be elected as Chairman of Board of Directors of the Company (the "Board") and to employ the Executive as the Company's Chief Executive Officer and in such other position or positions with the Company as the Board and the Executive may agree from time to time. During the Term of Employment, the Executive shall perform the duties and responsibilities that are customarily assigned to individuals serving in such position or positions and such other duties and responsibilities commensurate with such positions as the Board may reasonably specify from time to time, including but not limited to recruitment and retention of key personnel of the Company, hiring and terminating senior executives of the Company, establishment and execution of brand vision, and direct responsibility for assembling and guiding product, merchandising and marketing functions, and oversight of and accountability for the financial and strategic performance of the Company and all of its subsidiaries, affiliates and business units. The Executive shall report solely to the Board.

(d) During the Term of Employment, excluding any periods of vacation to which the Executive is entitled and periods of illness or disability, (i) the Executive shall devote substantially all of his working time and attention to the performance of his duties and responsibilities hereunder, and (ii) the Executive may not, without the prior written consent of the Company, operate, participate in the management, operations or control of, or act as an employee, officer, consultant, agent or representative of, any type of business or service (other than as Chairman and Chief Executive Officer of the Company), provided that it shall not be a violation of the foregoing for the Executive to (A) act or serve as a director, trustee, committee member or principal of any type of business or civic or charitable organization, and (B) manage his personal, financial and legal affairs, (provided that the activities described in clauses (A) and (B) do not interfere with the performance of the Executive's duties and responsibilities to the Company as provided hereunder).

(e) Company Headquarters; Principal Work Location. Unless otherwise mutually agreed upon, the Company's headquarters shall be the New York metropolitan area. The Executive shall travel as reasonably required to carry out his duties and obligations hereunder.

2. Compensation; Expenses; Benefits and Perquisites. As compensation for the performance of duties and responsibilities hereunder, during the Term of Employment and until February 1, 2006, the Executive shall continue to be entitled to the compensation, benefits and perquisites provided in Section 2 of the Services Agreement (except as provided in Section 3 below) instead of the provisions of this Section 2, provided that in the event an initial public offering (the "IPO") of Parent's common stock registered under the Securities Act of 1933, as amended, becomes effective (the "IPO Date") on or prior to April 15, 2006, then the provisions of this Section 2 shall apply effective as of February 1, 2005. Commencing on February 1, 2006 (or earlier as provided in the immediately preceding sentence) and thereafter during the Term of Employment, as compensation for the performance of the duties and responsibilities hereunder, the Executive shall be entitled to the following compensation from the Company:

(a) Base Salary. The Company shall pay the Executive, not less than once a month pursuant to the Company's normal and customary payroll procedures, a base salary at the rate of \$200,000 per annum (the "Base Salary"). The Board or a committee thereof shall annually reevaluate the Executive's Base Salary and bonus opportunities for increase based on the Company's performance and the Executive's contributions to the Company for the preceding fiscal year.

(b) Annual Bonus. In addition to the Base Salary, the Executive shall have an opportunity to earn an annual bonus (the "Bonus") in respect of each fiscal year in accordance with the terms of the J. Crew Operating Corp. Performance Incentive Plan then existing for such fiscal year based on the achievement of performance objectives as may be established from time to time by the Board or a committee thereof; provided, however, that, except as otherwise provided herein, the Bonus for any fiscal year shall be payable to the Executive only if the Executive is employed by the Company on the date on which such Bonus is paid and in no event later than the 15th day of the third month following the close of the fiscal year to which the Bonus relates. The Executive's target annual bonus opportunity shall be \$800,000 ("Target Bonus"), based on the achievement of performance objectives (i) if this provision becomes

effective February 1, 2005, currently in place for the other senior executives at the Company as determined by the Board or a committee thereof and (ii) for fiscal year 2006 and thereafter, as determined by the Board or a committee thereof. The actual Bonus payable may be greater or lesser than the Target Bonus and shall be determined by the Board or a committee thereof, in its sole discretion, based on such factors as it shall determine.

(c) Business Expenses. The Company shall promptly reimburse the Executive for all reasonable business expenses incurred by the Executive in connection with the performance of the Executive's employment hereunder, including without limitation airfare, upon the presentation of statements of such expenses in accordance with the Company's policies and procedures now in force or as such policies and procedures may be modified with respect to all senior executive officers of the Company; provided that such reimbursement shall occur no later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense.

(d) Employee Benefits. The Executive shall be eligible to participate in the employee benefit plans and programs maintained by the Company from time to time and generally available to senior executives of the Company, including, to the extent maintained by the Company, medical, dental, accidental and disability insurance plans and profit sharing, pension, retirement, deferred compensation and savings plans, to the extent permitted by and in accordance with the terms and conditions of the applicable plan and applicable law in effect from time to time.

(e) Vacation. The Executive shall be entitled to twenty-five days of paid time off per annum pursuant to the Company's Paid Time Off Policy, without carryover accumulation, which may be taken at the Executive's sole discretion.

3. Relocation. The Company shall reimburse the Executive for up to \$250,000 (inclusive of relocation expenses already reimbursed by the Company) of moving expenses in connection with his relocation from California to New York. The reimbursement of such relocation expenses shall be excluded from the \$700,000 cap provided in Section 2 of the Services Agreement.

4. Grant of Stock Options and Restricted Stock.

(a) Equity Grants. During the Term of Employment, the Executive shall continue to be eligible to receive grants of options, restricted stock and other equity securities of the Company at such times and in such amounts as the Compensation Committee of the Board shall determine, in its sole discretion. Prior grants shall continue to be governed by the terms and conditions of the plans and grant agreements pursuant to which they were made. All future grants shall be governed by the terms and conditions of the plans and grant agreements pursuant to which they are made. All equity grants made in connection with or since the commencement of the original Term of Employment shall be subject to equitable adjustment on the same basis and shall be appropriately adjusted in the event of extraordinary cash dividends.

(b) Stockholders' Agreement. Unless otherwise specified in such Stockholders' Agreement, all shares of Common Stock and all other securities issued in

connection with this Agreement or the original Agreement or acquired by the Executive or any entity controlled by the Executive under this or the original Agreement or otherwise shall be subject to the Stockholders' Agreement, dated January 24, 2003.

5. Termination of Employment.

The Term of Employment may be terminated prior to August 31, 2008, or any extension of the term established pursuant to Section 1(b) hereof (the "Scheduled Termination Date"), upon the earliest to occur of the following events (at which time the Executive's employment provided hereunder shall be terminated):

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company shall be entitled to terminate the Executive's employment hereunder by reason of the Executive's "Disability" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been unable to perform his duties hereunder for a period of six (6) consecutive months or for 180 days within any 365-day period, and within 30 days after written Notice of Termination (as defined below) for Disability is given following such 6-month or 180-day period, as the case may be, the Executive shall not have returned to the performance of his duties in accordance with this Agreement.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the term "Cause" shall mean: (1) the willful and continued failure of the Executive substantially to perform the Executive's duties under this Agreement (other than as a result of physical or mental illness or injury), after the Board delivers to the Executive a written demand for substantial performance that specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties; (2) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company; and (3) a breach of any of the obligations under Sections 9, 10 and 11 or any of the representations and covenants contained in Section 13 hereof. Any act or failure to act that is based upon authority given pursuant to a resolution duly adopted by the Board, or the advice of counsel for the Company, shall not constitute Cause. Cause shall not exist unless and until the Company has delivered to the Executive a copy of a resolution duly adopted by a majority of the Board at a meeting of the Board called and held for such purpose (after reasonable but in no event less than thirty (30) days' notice to the Executive and an opportunity for the Executive, together with his counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive was guilty of the conduct set forth above and specifying the particulars thereof in detail. This Section 5(c) shall not prevent the Executive from challenging in any court of competent jurisdiction the Board's determination that Cause exists or that the Executive has failed to cure any act (or failure to act) that purportedly formed the basis for the Board's determination.

(d) Good Reason. The Executive may terminate his employment hereunder for "Good Reason," for any of the following reasons enumerated in this Section 5(d): (i) the diminution of, or appointment of anyone other than the Executive to serve in or handle, the

Executive's positions, authority, duties or responsibilities from the positions, authority, duties or responsibilities set forth in Section 1 of this Agreement without the Executive's consent; (ii) any purported termination of the Term of Employment by the Company for a reason or in a manner not expressly permitted by this Agreement; (iii) relocation of the Executive's principal work location to more than fifty (50) miles from the Executive's principal work location, (iv) any failure by the Company to comply with Sections 2, 3 or 4 of this Agreement, or any other material breach of this Agreement, including without limitation Section 15(e)(ii), or (v) the removal of the Executive or any of the Executive's nominees as directors under Section 4(d) of the Stockholders' Agreement prior to the date such provision expires pursuant to the terms of the Stockholders' Agreement. Termination pursuant to this Section 5(d) shall not be effective until the Executive delivers to the Board a written notice specifically identifying the conduct of the Company which he believes constitutes a reason enumerated in this Section 4(d) and the Executive provides the Board at least thirty (30) days to remedy such conduct and then provides an additional Notice of Termination in the event the Company does not cure such conduct.

(e) Without Cause. The Company may terminate the Executive's employment hereunder without Cause.

(f) Without Good Reason. The Executive may terminate his employment hereunder without Good Reason, provided that the Executive provides the Company with notice of intent to terminate without Good Reason at least three months in advance of the Date of Termination. The Executive and the Company shall mutually agree on the time, method and content of any public announcement regarding the termination of Executive's employment hereunder and neither the Executive nor the Company shall make any public statements which are inconsistent with the information mutually agreed upon by the Company and the Executive and the parties hereto shall cooperate with each other in refuting any public statements made by other persons, which are inconsistent with the information mutually agreed upon between the Executive and Company as described above.

6. Termination Procedure.

(a) Notice of Termination. Any termination of the Executive's employment hereunder by the Company or by the Executive during the Term of Employment (other than termination pursuant to Section 5(a)) shall be communicated by written notice of termination ("Notice of Termination") to the other party hereto in accordance with Section 15(a).

(b) Date of Termination. "Date of Termination" shall mean (i) if the Executive's employment is terminated by reason of the Executive's death, the date of his death, (ii) if the Executive's employment is terminated pursuant to Section 5(b), thirty (30) days after Notice of Termination (provided that the Executive shall not have returned to the substantial performance of his duties in accordance with this Agreement during such thirty (30) day period), (iii) if the Executive's employment is terminated pursuant to Section 5(f), a date specified in the Notice of Termination which is at least three months from the date of such notice as specified in such Section 5(f); and (iv) if the Executive's employment is terminated for any other reason, the date on which a Notice of Termination is given or any later date (within thirty (30) days (or any alternative time period agreed upon by the parties) after the giving of such notice) set forth in such Notice of Termination.

7. Termination Payments.

(a) Without Cause or for Good Reason. In the event of the termination of the Executive's employment during the Term of Employment by the Company without Cause or by the Executive, for Good Reason, the Executive shall be entitled to (i) a payment, within ten (10) days following the Date of Termination, of Base Salary through the Date of Termination (to the extent not theretofore paid), for any accrued vacation pay, and any unreimbursed expenses under Sections 2(c), (d) and (f) hereof, (collectively, the "Accrued Obligations") and (ii) subject to the effectiveness, within 60 days following the Date of Termination, of the Executive's execution of a general release and waiver of all claims against the Company, its affiliates and their respective officers and directors related to the Executive's employment, in the form annexed as Exhibit A (but excluding (1) his rights to receive the benefits provided under this Agreement or under any and all equity agreements entered into in connection herewith or in connection with the predecessor of this Agreement and, to the extent then in effect, the Stockholders' Agreement, (2) his rights with respect to related investments in the Company and (3) his rights to be indemnified in accordance with the provisions of the Company's charter and bylaws and to receive any benefits to which he is entitled under the Company's directors' and officers' liability insurance policies, all in accordance with Section 8 hereof (collectively, the "Excluded Obligations")), and subject to the Executive's compliance with the terms and conditions contained in this Agreement, (A) a payment equal to one year's Base Salary and Target Bonus, one-half of such payment will be paid on the first business day that is six months and one day following the Date of Termination and the remaining one-half of such payment will be paid in six equal monthly installments commencing on the first business day of the seventh calendar month following the Date of Termination; (B) a payment equal to the product of (x) the Bonus, if any, that the Executive would have earned based on the actual achievement of applicable performance objectives in the performance year in which the Date of Termination occurs had Executive's employment with the Company not been terminated, and (y) a fraction, the numerator of which is the number of days from the beginning of such year through the Date of Termination, and the denominator of which is 365, which will be paid when annual bonuses are generally paid to employees of the Company, but in no event later than the date that is 2.5 months following the end of the year in which the Date of Termination occurs; (C) the immediate vesting of such portion of the Company restricted stock granted to the Executive as provided in and pursuant to the terms of the Restricted Stock Agreements between the Parent and the Executive under the Company's 2003 Equity Incentive Plan as it may be amended from time to time (the "Equity Plan") and (D) the immediate vesting of such portion of the options granted to the Executive as provided in and pursuant to the terms of the Stock Option Grant Agreements between the Parent and the Executive under the Equity Plan. The Company shall have no additional obligations under this Agreement, but the Executive shall retain all rights with respect to the Excluded Obligations in accordance with the terms of the agreements under which such obligations are provided.

In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced, regardless of whether the Executive obtains other employment or is engaged to perform other services.

(b) Cause, Death, Disability, Without Good Reason, Failure to Renew. If the Executive's Employment is terminated during the Term of Employment by the Company for Cause, by the Executive without Good Reason, by either party serving a notice not to renew pursuant to Section 1(b) herein (such notice, a "Failure to Renew"), or as a result of the Executive's death or Disability, the Company shall pay the Accrued Obligations to the Executive within thirty (30) days following the Date of Termination. The Company shall have no additional obligations under this Agreement, but the Executive shall retain all rights with respect to the Excluded Obligations in accordance with the terms of the agreements under which such obligations are provided.

(c) Other Rights and Benefits. In the event of the termination of the Term of Employment for any reason, the Executive shall retain his rights under all employee benefit plans, including the Equity Plan, in accordance with the terms and conditions of such plans, provided that in no event will the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

8. Indemnification.

The Company agrees that if the Executive is made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), other than any Proceeding initiated by the Executive or the Company related to any contest or dispute between the Executive and the Company or any of its affiliates with respect to this Agreement or the employment of the Executive hereunder, by reason of the fact that the Executive is or was a director or officer of the Company, or any subsidiary of the Company or is or was serving at the request of the Company, as a director, officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise, the Executive shall be indemnified and held harmless by the Company to the fullest extent authorized by applicable law from and against any and all liabilities, costs, claims and expenses, including all costs and expenses incurred in defense of any Proceeding (including attorneys' fees). Costs and expenses incurred by the Executive in defense of such Proceeding (including attorneys' fees) shall be paid by the Company in advance of the final disposition of such litigation upon receipt by the Company of (a) a written request for payment, (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought, and (c) an undertaking adequate under applicable law made by or on behalf of the Executive to repay the amounts so paid if it shall ultimately be determined that the Executive is not entitled to be indemnified by the Company under this Agreement. The Company and the Executive will consult in good faith with respect to the conduct of any Proceeding. If the Company or any of its successors or assigns consolidates with or merges into any other entity or transfers all or substantially all of its properties or assets, then in each such case, proper provisions shall be made so that the successors or assigns of the Company shall assume all of the obligations set forth in this Section 8.

During the Term of Employment and for a term of six years thereafter, the Company, or any successor to the Company shall purchase and maintain, at its own expense, directors and officers liability insurance providing coverage for Executive in the same amount as the other executive officers and directors of the Company.

During the Term of Employment and for a term of six years thereafter, the Company shall provide Executive with copies of all binders and policies issued in connection with any directors and officers liability insurance affording coverage to Executive, within 30 days following the Executive's request for such documents.

9. Non-Solicitation.

During the Term of Employment and for a period of two years following the Date of Termination, the Executive hereby agrees not to, directly or indirectly, for his own account or for the account of any other person or entity, (i) solicit or hire or assist any other person or entity in soliciting or hiring any employee of the Company or any of its subsidiaries or affiliates to perform any services for any entity (other than the Company or their respective subsidiaries or affiliates), attempt to induce any such employee to leave the employ of the Company or any affiliates of the Company, or otherwise interfere with or adversely modify such employee's relationship with the Company or any of its subsidiaries or affiliates, or (ii) induce any employee of the Company who is a member of management to engage in any activity which the Executive is prohibited from engaging in under any of Sections 9, 10 or 11 of this Agreement. For purposes of this Agreement, "employee" shall mean any natural person anywhere in the world who is employed by or otherwise engaged to perform services for the Company or any of its affiliates on the Date of Termination or during the one-year period preceding the Date of Termination.

10. Non-Compete.

In connection with the employment of the Executive under this Agreement and in recognition that the Executive shall be a significant stockholder in the Company, and except as specifically provided in Section 1(d) above, the Executive hereby agrees that, during the Term of Employment and for the one year period following any termination of the Executive's employment (other than a termination without Cause, for Good Reason or Failure to Renew as described in Sections 5(d), 5(e) and 7(b) above), the Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of a passive investment of not in excess of 5% of the outstanding voting shares of any publicly traded company), that is actively engaged in retail apparel business in any geographic area in which the Company or any of its subsidiaries or affiliates are engaged in such business.

11. Confidentiality; Non-Disclosure.

(a) The Executive hereby agrees that, during the Term of Employment and thereafter, he will hold in strict confidence any proprietary or Confidential Information related to the Company and its affiliates. For purposes of this Agreement, the term "Confidential Information" shall mean all information of the Company or any of its affiliates (in whatever form) which is not generally known to the public, including without limitation any inventions, processes, methods of distribution or customers' or trade secrets.

(b) The Executive hereby agrees that, upon the termination of the Term of Employment, he shall not take, without the prior written consent of the Company, any drawing,

blueprint, specification or other document (in whatever form) of the Company or its affiliates, which is of a confidential nature relating to the Company or its affiliates, or, without limitation, relating to its or their methods of distribution, or any description of any formulas or secret processes and will return any such information (in whatever form) then in his possession.

12. Injunctive Relief

It is impossible to measure in money the damages that will accrue to the Company in the event that the Executive breaches any of the restrictive covenants provided in Sections 9, 10 or 11 hereof. In the event that the Executive breaches any such restrictive covenant, the Company shall be entitled to an injunction restraining the Executive from violating such restrictive covenant. If the Company shall institute any action or proceeding to enforce any such restrictive covenant, the Executive hereby waives the claim or defense that the Company has an adequate remedy at law and agrees not to assert in any such action or proceeding the claim or defense that the Company has an adequate remedy at law. The foregoing shall not prejudice the Company's right to require the Executive to account for and pay over to the Company, and the Executive hereby agrees to account for and pay over, the compensation, profits, monies, accruals or other benefits derived or received by the Executive, directly or indirectly, as a result of any transaction constituting a breach of any of the restrictive covenants provided in Sections 9, 10 or 11 of this Agreement.

13. Representations and Covenants: Certain Reimbursements.

(a) The Executive and the Company hereby represent to each other that they have full power and authority to enter into this Agreement on behalf of themselves and that the execution of, and performance of duties or obligations under, this Agreement shall not constitute a breach of or otherwise violate any other agreement to which the Executive or the Company, as applicable, is a party.

(b) The Executive hereby represents and covenants to the Company that he will not utilize or disclose any confidential information obtained by the Executive in connection with his former employment with respect to his duties and responsibilities hereunder and the Company, and the Company covenants that it will not ask the Executive to do so.

14. Additional Payments.

In the event that, following a Change in Control IPO (as defined below), any payment, right or benefit made or provided to the Executive under this Agreement and under any other plan, program or agreement of the Company or any of its affiliates (collectively, the "Aggregate Payment") become subject to any tax (the "Excise Tax") imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company shall pay to the Executive an additional amount (the "Excise Tax Payment") such that the net amount retained by the Executive with respect to the Aggregate Payment, after deduction of any Excise Tax on the Aggregate Payment and any Federal, state and local income and employment tax and Excise Tax on the Excise Tax Payment (and any interest and penalties thereon), but before deduction for any Federal, state or local income or employment tax withholding on such Aggregate Payment, shall be equal to the amount of the Aggregate Payment. The Company shall

pay the Excise Tax Payment to the Executive no later than the end of Executive's taxable year next following Executive's taxable year in which the Excise Tax (and any income or other related taxes or interest or penalties thereon) on the Aggregate Payment are remitted to the Internal Revenue Service or any other applicable taxing authority.

The determination of whether the Aggregate Payment will be subject to the Excise Tax and, if so, the amount to be paid to the Executive and the time of payment pursuant to this Section 14 shall be made by the Auditor (as defined below), subject to a different determination by the Internal Revenue Service. All fees and expenses of the Auditor shall be borne solely by the Company.

For purposes of determining the amount of any additional payments hereunder, the Executive shall be deemed to pay: (i) Federal income taxes at the highest applicable marginal rate of Federal income taxation for the calendar year in which such payments are to be made, and, (ii) any applicable state and local income taxes at the highest applicable marginal rate of taxation for the calendar year in which such payments are to be made, net of the maximum reduction in Federal incomes taxes that could be obtained from the deduction of such state or local taxes if paid in such year.

For purposes of this Agreement, the following definitions shall have the following meanings:

(a) "Auditor" shall mean a nationally recognized United States public accounting firm, jointly selected by the Company and the Executive, which has not, during the two years preceding the date of its selection, acted in any way on behalf of the Company. If the Executive and the Company cannot agree on the firm to serve as the Auditor, then the Executive and the Company shall each select one accounting firm and those two firms shall jointly select the accounting firm to serve as the Auditor.

(b) "Change in Control IPO" shall mean the Company has equity securities that are readily tradable on an established securities market or otherwise within the meaning of Q&A 6 of Treasury Regulation 1.280G-1.

In the event that, prior to a Change in Control IPO, any Aggregate Payment becomes subject to the Excise Tax, the Executive will have the option (to be exercised in his sole discretion) to waive any portion of any payments or benefits due hereunder or under any other plan, program or agreement of the Company or any of its affiliates in order to avoid any such Excise Tax. The Company shall, in conformity with the requirements set forth at Q&A 7 of Treas. Reg. Section 1.280G-1, use its best efforts to seek approval from the stockholders of the Company of payment of such payments or benefits.

15. Miscellaneous.

(a) Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and delivered personally or sent by registered or certified mail, postage prepaid, addressed as follows (or if it is sent through any other method agreed upon by the parties):

If to the Company:

J. Crew Group, Inc.
770 Broadway
New York, NY 10003
Attention: Board of Directors and Secretary

with a copy to:

Paul Shim, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, NY 10006

If to the Executive:

To the address on file with the Company,

with a copy to:

David Rubinsky, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019-6099

or to such other address as any party hereto may designate by notice to the others, and shall be deemed to have been given upon receipt.

(b) The Company shall reimburse the Executive for reasonable legal fees incurred by the Executive in connection with the negotiation of this Agreement and any related agreements.

(c) This Agreement and the prior grant agreements and plans referenced herein constitute the entire agreement among the parties hereto with respect to the employment of the Executive.

(d) This Agreement may be amended only by an instrument in writing signed by the parties hereto, and any provision hereof may be waived only by an instrument in writing signed by the party or parties against whom or which enforcement of such waiver is sought. The failure of any party hereto at any time to require the performance by any other party hereto of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by any party hereto of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement.

(e) (i) This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, heirs, executors, administrators and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be assigned by the Company or the Executive.

(ii) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in the Agreement, the “Company” shall mean both the Company as defined above and any such successor that assumes and agrees to perform this Agreement, by operation of law or otherwise.

(f) If any provision of this Agreement or portion thereof is so broad, in scope or duration, so as to be unenforceable, such provision or portion thereof shall be interpreted to be only as broad as is enforceable.

(g) The Company may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation.

(h) This Agreement shall be governed by and construed in accordance with the laws of the State of NEW YORK, without reference to its principles of conflicts of law.

(i) Any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or the interpretation hereof or any agreements relating hereto or contemplated herein or the interpretation, breach, termination, validity or invalidity hereof shall be settled exclusively and finally by arbitration; provided that the Company shall not be required to submit claims for injunctive relief to enforce the covenants contained in Sections 8, 9 or 10 of this Agreement to arbitration. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the “Rules”) of the American Arbitration Association (the “AAA”), except as amplified or otherwise varied hereby. The Company and the Executive jointly shall appoint one individual to act as arbitrator within thirty (30) days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed by the President of the Association of the Bar of the City of New York and shall be a person who maintains his or her Executive place of business in the New York metropolitan area and shall be an attorney, accountant or other professional licensed to practice by the State of New York who has substantial experience in employment and executive compensation matters. All fees and expenses of such arbitrator shall be shared equally by the Company and the Executive. The situs of the arbitration shall be New York City. Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to seek review of such award by any court or tribunal. The arbitration award shall be paid within thirty (30) days after the award has been made. Judgment upon the award may be entered in any federal or state court having jurisdiction over the parties and shall be final and binding. Each party shall be required to keep all proceedings related to any such arbitration and the final award and judgment strictly confidential; provided that either party may disclose such award as necessary to enter the award in a court of competent jurisdiction or to enforce the award, and to the extent required by law, court order, regulation or similar order.

(j) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(k) The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

(1) Notwithstanding anything in this Agreement to the contrary, (i) all reimbursement and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code to the extent that such reimbursements or in-kind benefits are subject to Section 409A of the Code; (ii) all expenses or other reimbursements paid pursuant to this Agreement that are taxable income to the Executive shall in no event be paid later than the end of the calendar year next following the calendar year in which the Executive incurs such expense or pays such related tax; and (iii) with regard to any provision in this Agreement that provides for reimbursement of costs and expenses or provision of in-kind benefits, except as permitted by Section 409A of the Code, (A) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit and (B) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(m) This Agreement is intended to comply with Section 409A of the Code. In determining the time for payment of any amounts which are treated as nonqualified deferred compensation, the Agreement shall be interpreted so that all references therein to a "termination", or a "termination of employment", or like terms are treated as instead referring to a "separation from service", as such term is defined in Section 409A of the Code. All provisions of the Agreement are meant to be exempt from compliance with Section 409A of the Code, to the maximum extent permitted, and otherwise to comply with Section 409A of the Code. Accordingly, all provisions of the Agreement shall be construed in a manner consistent with avoiding taxes or penalties under Section 409A of the Code. The amendments made by this Agreement to Sections 2(b), 2(c), 7(a), 14, 15(1) and 15(m) hereof shall be effective as of December 31, 2008.

IN WITNESS WHEREOF, J. Crew Group, Inc. and J. Crew Operating Corp. have each caused their respective names to be ascribed to this Third Amended and Restated Employment Agreement by a duly authorized representative and the undersigned, Millard S. Drexler, has executed this Amendment, on or before this 13 day of July, 2010.

J. CREW GROUP, INC.

/s/ James S. Scully

Name: James S. Scully

Title: Chief Administrative Officer and Chief Financial
Officer

J. CREW OPERATING CORP.

/s/ James S. Scully

Name: James S. Scully

Title: Chief Administrative Officer and Chief Financial
Officer

/s/ Millard S. Drexler

Millard S. Drexler

Exhibit A

FORM OF GENERAL RELEASE

GENERAL RELEASE OF CLAIMS

1. Millard S. Drexler (the "Executive"), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration contained in Section 6(a)(ii) of the Amended and Restated Employment Agreement to which this release is attached as Exhibit A (the "Employment Agreement"), which the Executive acknowledges is in addition to any amounts to which he would have otherwise been entitled but for the Employment Agreement and execution of this General Release of Claims, does hereby release and forever discharge J. Crew Group, Inc. ("Parent") and its operating subsidiary J. Crew Operating Corp. (together with Parent, the "Company") and their respective subsidiaries or affiliated companies, and their respective current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown, arising under or in connection with the Principal's employment or the termination of such employment with the Company, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of the termination of the employment. The Executive acknowledges that the Company encouraged him to consult with an attorney of his choosing, and through this General Release of Claims encourages him to consult with his attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that he understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, the Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. The Executive further understand that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any actions to enforce rights arising under, or any claim for benefits that may be due the Executive pursuant to any vested benefits under any employee benefit plan, or vested rights under any and all equity agreements entered into in connection with the Employment Agreement or the predecessor of the Employment Agreement and, to the extent in effect, the Stockholders' Agreement, (ii) any actions to enforce the Executive's rights with respect to his related investments in the Company, and (iii) any indemnification rights the Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies in accordance with the Company's charter and bylaws and any claims to receive any benefits to which he is entitled under the Company's directors' and officers' liability policies, all in accordance with Section 8 of the Employment Agreement.

2. The Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will

never individually or with any person to file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by the Executive pursuant to paragraph 1 hereof.

3. The Executive hereby acknowledges that the Company has informed him that he has up to twenty-one (21) days to sign this General Release of Claims and he may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. The Executive also understands that he shall have seven (7) days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

4. The Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of NEW YORK applicable to contracts made and to be performed entirely within such State.

5. The Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

6. This General Release of Claims shall take effect on the eighth day following the Executive's execution of this General Release of Claims unless the Executive's written revocation is delivered to the Company within seven (7) days after such execution.

Millard S. Drexler

_____, 20____

The parties understand and agree that the release of claims provided in this form of general release shall be entered into by the parties to the Employment Agreement in connection with termination of the Executive's employment pursuant to a separation agreement or arrangement, which shall state, among other things, the consideration the Executive is entitled to receive in connection with such termination.

J. CREW

EXECUTION COPY

July 15, 2010

Ms. Jenna Lyons Mazeau

Dear Jenna:

Reference is made herein to the letter agreement between you and J. Crew Group, Inc. (the "Parent") and its operating subsidiaries (collectively with the Parent, the "Company"), dated December 17, 2008 (the "2008 Agreement"), which sets forth certain terms and conditions of your employment with the Company, as amended by the parties to the extent necessary to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder. In connection therewith, this letter agreement (the "Agreement") amends and restates the terms and conditions of your employment with the Company, and thus supersedes the 2008 Agreement, effective as of the date hereof.

1. Employment

(a) The Company hereby agrees to continue to employ you during the "Employment Period" (as defined below) in the position of Creative Director, and you hereby agree to continue to serve the Company in such capacity. As Creative Director, in addition to your responsibilities as former Senior Vice President of Womens' Design, you will also be responsible for creative direction of catalog and e-commerce. You shall continue to report to the Chief Executive Officer.

(b) During the Employment Period, you shall devote your full business time and energy, attention, skills and ability to the performance of your duties and responsibilities hereunder and shall faithfully and diligently endeavor to promote the business and best interests of the Company. Accordingly, you may not, directly or indirectly, without the prior written consent of the Company, operate, participate in the management, operations or control of, or act as an employee, officer, consultant, agent or representative of, any type of business or service (other than as an employee of the Company), provided that it shall not be a violation of the foregoing for you to (i) act or serve as a director, trustee or committee member of any civic or charitable organization, and (ii) manage your personal, financial and legal affairs, so long as such activities (described in clauses (i) or (ii)) do not interfere with the performance of your duties and responsibilities to the Company as provided hereunder.

2. Employment Period.

(a) The "Employment Period" commenced effective as of December 10, 2007 (the "Effective Date") and shall terminate ("Termination Date") upon the earliest to occur of (i) the fifth anniversary of the Effective Date (the "Scheduled Termination Date"), (ii) your death or Disability (as defined below), (iii) voluntary termination of employment by you without Good

770 Broadway New York NY 10003 Tel 212 209 2500 Fax 212 209 2666

Reason (as defined below) on at least two months prior notice, unless waived by the Company, (iv) voluntary termination of employment by you for Good Reason in accordance with the procedure outlined in Section 2(e) below, (v) termination of employment by the Company without Cause (as defined below) or (vi) termination of employment by the Company for Cause. The Scheduled Termination Date shall be extended for successive one year periods beginning on the fifth anniversary of the Effective Date and on each anniversary thereafter, unless either the Company or you notifies the other in writing at least four months prior to the applicable Scheduled Termination Date of its intention not to extend the Scheduled Termination Date further in which case the Employment Period shall terminate on such Scheduled Termination Date.

(b) Upon termination of the Employment Period for any reason, you shall be entitled to any earned but unpaid Base Salary (as defined below) as of the Termination Date. If the Company terminates the Employment Period without Cause or you terminate the Employment Period for Good Reason, you will be entitled to the following severance benefits (the “Severance Benefits”): (i) continuation of your Base Salary as in effect immediately prior to such termination (your “Ending Base Salary”, and such continuation of your Ending Base Salary being referred to herein as the “Continuation Severance Payment”) and medical benefits which may be provided by the Company reimbursing payment of COBRA premiums if any (“Continuation Medical Benefit”) for a period of one (1) year (the “Severance Period”) after the Termination Date and (ii) on the date that is six months and one day after the Termination Date, a lump sum amount equal to the Annual Bonus, if any, that you received for the fiscal year ended prior to the fiscal year which includes the Termination Date. In no event shall you be entitled to payment of an Annual Bonus pursuant to Section 3(b) hereof for the fiscal year in which your Termination Date occurs. In addition, in the event the Company terminates the Employment Period without Cause or you terminate the Employment Period for Good Reason prior to the second anniversary of the Effective Date and subject to the approval of the Compensation Committee of the Board of Directors of the Company, you will also receive as part of the Severance Benefits immediate vesting as of the Termination Date of the unvested portion of all stock option and restricted stock awards that were granted to you prior to the Company’s initial public offering in June 2006. Your right to receive the Severance Benefits outlined above are subject to and conditioned upon your execution of a valid general release and waiver within 60 days after your termination of employment (and any payment that constitutes non-qualified deferred compensation under Section 409A of the Code and any regulations thereunder that otherwise would be made within such 60-day period pursuant to this paragraph shall be paid at the expiration of such 60-day period) in a form reasonably satisfactory to the Company waiving all claims that you may have against the Company, its successors, assigns, affiliates, employees, officers and directors and your compliance with the provisions set forth in Section 4 hereof. Notwithstanding anything herein to the contrary, your right to receive the Continuation Severance Payment during the Severance Period shall terminate effective immediately upon the date that you become employed by a new employer or otherwise begin providing services for an entity as a consultant or otherwise (“New Employment”); provided that if the base salary you receive pursuant to such New Employment and any guaranteed bonus or other forms of cash compensation payments relating to the Severance Period whether or not paid during the Severance Period, (“New Compensation”) is less than your Ending Base Salary, the Company will continue to pay you an incremental amount during the remaining Severance Period such that

the New Compensation payments you receive together with such incremental amount will equal your Ending Base Salary on an annualized basis and your right to receive the Continuation Medical Benefit shall cease immediately upon your being eligible for coverage under another group health plan. You shall immediately notify the Company upon obtaining New Employment and provide all information regarding medical benefits coverage reasonably requested by the Company. The Company shall have no additional obligations under this Agreement, including under any severance or termination pay plan, and your rights under any benefit plan of the Company to vested benefits or welfare benefits will be determined pursuant to the terms of the applicable plan.

Notwithstanding the foregoing paragraph, in the event the Company terminates the Employment Period without Cause or you terminate the Employment Period for Good Reason, and you are a "specified employee" within the meaning of Section 409A of Code (as determined in accordance with the methodology established by the Company as in effect on the Termination Date), any amounts that are considered "nonqualified deferred compensation" (within the meaning of Section 409A of the Code) payable to you on account of your termination of employment during the six month period immediately following the date of your "separation from service" within the meaning of Section 409A of the Code (not including any accrued but unpaid Base Salary as of your Termination Date) shall be deferred and accumulated for a period of six months from the date of separation from service and paid in a lump sum on the first day of the seventh month following such separation from service (or, if earlier, the date of your death).

(c) For purposes of this Agreement, the term "Cause" shall mean (i) the indictment for a felony or any crime involving moral turpitude or being charged or sanctioned by a federal or state government or governmental authority or agency with violations of federal or state securities laws in any judicial or administrative process or proceeding, or having been found by any court or governmental authority or agency to have committed any such violation, (ii) willful misconduct or gross negligence in connection with the performance of your duties as an employee of the Company, (iii) a willful and material breach of this Agreement, including without limitation, your failure to perform your duties and responsibilities hereunder, after you have been given written notice specifying such breach and at least thirty (30) days to cure such breach, to the extent reasonably susceptible to cure, (iv) a fraudulent act or omission by you adverse to the reputation of the Company or any affiliate, (v) the willful disclosure by you of any Confidential Information (as defined below) to persons not authorized to know same, and (vi) your violation of or failure to comply with (A) any Company policy, including, without limitation, the Code of Ethics and Business Practices, or (B) any legal or regulatory obligations or requirements, provided that with respect to this Section 2(c)(vi), you shall be given thirty (30) days to cure such violation to the extent such violation is reasonably susceptible to cure. If subsequent to the termination of your employment, it is discovered that your employment could have been terminated for Cause pursuant to sections (i) or (iv) of this Section 2(c), your employment shall, at the election of the Company, in its sole discretion, be deemed to have been terminated for Cause in which event the Company shall be entitled to immediately cease providing any Severance Benefits to you or on your behalf and recover any payments previously made to you or on your behalf in the form of Severance Benefits. For purposes of this provision, no act or omission on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the

best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Parent (the “Board”) shall be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of the Company.

(d) For purposes of this Agreement, the term “Disability” shall mean your incapacity due to physical or mental illness or injury, which results in your being unable to perform your duties hereunder for a period of ninety (90) consecutive working days, and within thirty (30) days after the Company notifies you that your employment is being terminated for Disability, you shall not have returned to the performance of your duties on a full-time basis.

(e) For purposes of this Agreement, the term “Good Reason” shall mean (i) any action by the Company that results in a material and continuing diminution in your position, authority, duties or responsibilities, including without limitation an adverse change in your title from Creative Director or a change such that you no longer report directly to the Chief Executive Officer in accordance with Section 1(a) above; (ii) a material reduction by the Company in your Base Salary or Annual Bonus opportunity as in effect on the Effective Date or as the same may be increased from time to time; or (iii) a relocation of your principal place of employment to more than fifty (50) miles from your principal place of employment, in each case without your written consent. Termination of your employment for “Good Reason” shall not be effective until you deliver to the Board a written notice specifically identifying the conduct of the Company which you believe constitutes “Good Reason” in accordance with this Section 2(e) and you provide the Board at least thirty (30) days to remedy such conduct.

3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, your annual base salary shall be \$675,000 (“Base Salary”) and shall be paid pursuant to regular Company payroll practices. Your Base Salary may be increased (but not decreased) from time to time by the Company in its sole discretion.

(b) Annual Bonus. In addition to the Base Salary, in each fiscal year during the Employment Period, you will continue to have the opportunity to earn an annual bonus (“Annual Bonus”) at the following increased percentage of your Base Salary if both the Company achieves certain performance objectives (which will be determined by the Company for each such fiscal year in accordance with the Company’s bonus plan) and you achieve your performance goals established by the Company: target bonus of 50% up to a maximum bonus of 100% of Base Salary. Any Annual Bonus will be paid only if you are actively employed with the Company and not in breach of this Agreement on the date of actual payment and in no event will such Annual Bonus be paid later than the 15th day of the third month following the close of the fiscal year to which the Annual Bonus relates.

(c) Contract Supplement. The Company shall pay you a one-time cash contract supplement of \$2,000,000, which will be paid to you within thirty (30) days after the Effective Date; provided, that if the Employment Period is terminated prior to the second anniversary of the Effective Date for any reason other than by the Company without Cause or by you for Good Reason, you shall immediately reimburse the Company for the full \$2,000,000 amount of the

contract supplement; provided further, that if the Employment Period is terminated following the second anniversary but prior to the fourth anniversary of the Effective Date for any reason other than by the Company without Cause or by you for Good Reason, you shall immediately reimburse the Company for \$1,000,000 of the contract supplement. In the event that you fail to fully reimburse the Company for the applicable amount described in the preceding sentence, the Company shall be entitled to offset, in accordance with (and to the extent permitted by) Section 409A of the Code, against any amounts otherwise payable to you.

(d) Equity. As soon as reasonably practicable after the Effective Date and subject to the approval of the Compensation Committee of the Board of Directors of the Company, the Company will cause the Parent to grant you 50,000 restricted shares of Common Stock (the “Restricted Stock Grant”). Fifty percent (50%) of the shares underlying the Restricted Stock Grant shall become vested, if at all, on each of the fourth and fifth anniversaries of the grant date, based on achievement of an increase in total shareholder return (TSR) (as defined in the restricted stock grant agreement) over a three year period commencing on the grant date equal to or exceeding 30%. The Restricted Stock Grant shall be subject to and governed by the Company’s 2005 Equity Incentive Plan and shall be evidenced by a separate restricted stock grant agreement.

(e) Employee Benefits. During the Employment Period, you will continue to be entitled to participate in the Company’s benefit package made generally available to associates of the Company. The Company reserves the right to change these benefits at any time in its sole discretion.

4. Additional Agreements; Confidentiality.

(a) As additional consideration for the Company entering into this Agreement, you agree that for a period of twelve months following the Termination Date, you shall not, directly or indirectly, (i) engage (either as owner, investor, partner, employer, employee, consultant or director) in or otherwise perform services for any Competitive Business (as defined below) which operates within a 100 mile radius of the location of any store of the Company or its affiliates or in the same area as the Company directs its mail order operations, provided that the foregoing restriction shall not prohibit you from owning a passive investment of not more than 5% of the total outstanding securities of any publicly-traded company, or (ii) solicit or cause another to solicit any customers or suppliers of the Company or any of its subsidiaries to terminate or otherwise adversely modify their relationship with the Company or any such subsidiary. The term “Competitive Business” means the retail, mail order and internet specialty apparel and accessories business and any other business the Company or its affiliates is engaged in on the Termination Date. Notwithstanding anything herein to the contrary, the provisions of this Section 4(a) shall not apply in any of the following circumstances: (i) the Company terminates the Employment Period without Cause, (ii) you terminate the Employment Period for Good Reason, or (iii) the Company elects not to extend the Scheduled Termination Date pursuant to Section 2(a) above.

(b) During the Employment Period and for a period of twelve months following the Termination Date, you shall not, directly or indirectly, solicit, hire, or seek to influence the employment decisions of, any employee of the Company or any of its subsidiaries on behalf of any person or entity other than the Company.

(c) You shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for your benefit or the benefit of any person, firm, corporation or other entity any confidential or proprietary information or trade secrets of or relating to the Company, including, without limitation, information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, business plans, designs, marketing or other business strategies, compensation paid to employees or other terms of employment, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets (collectively, the "Confidential Information"). You and the Company hereby stipulate and agree that as between the parties the foregoing matters are important, material and confidential proprietary information and trade secrets and affect the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Upon termination of your employment with the Company for any reason, you will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's customers, business plans, designs, marketing or other business strategies, products or processes. Notwithstanding the foregoing, this Section 4(c) shall not apply with respect to any information that is currently or becomes (i) publicly known or available in the absence of any improper or unlawful action on your part, or (ii) known or available to you other than through or on behalf of the Company. Further, during the Employment Period and thereafter, you agree not to directly or indirectly disparage or defame the Company, its affiliates or any of their directors, officers or employees.

(d) You also agree that breach of the provisions provided in this Section 4 would cause the Company to suffer irreparable harm for which money damages would not be an adequate remedy and therefore, if you breach any of the provisions in this Section 4, the Company will be entitled to an injunction restraining you from violating such provision without the posting of any bond. If the Company shall institute any action or proceeding to enforce the terms of any such provision, you hereby waive the claim or defense that the Company has an adequate remedy at law and you agree not to assert in any such action or proceeding the claim or defense that the Company has an adequate remedy at law. The foregoing shall not prejudice the Company's right to require you to account for and pay over to the Company, and you hereby agree to account for and pay over, the compensation, profits, monies, accruals and other benefits derived or received by you as a result of any transaction constituting a breach of any of the provisions set forth in this Section 4.

5. Work Product. You agree that all sketches, drawings, samples, design samples, designs, patterns, methods, processes, techniques, themes, layouts, mechanicals, trade secrets, copyrights, trademarks, patents, ideas, specifications and other material or work product ("Intellectual Property") that you create, develop or assemble in connection with your employment with the Company shall become the permanent and exclusive property of the

Company to be used in any manner it sees fit, in its sole discretion. You shall not communicate to the Company any ideas, concepts, or information of any kind (i) which were earlier communicated to you in confidence by any third party, or (ii) which you know or have reason to know is the proprietary information of any third party, or (iii) which is subject to any claim of proprietary interest by any third party. Further, you shall adhere to and comply with the Company's Code of Ethics and Business Practices. All Intellectual Property created or assembled in connection with your employment with the Company shall be the permanent and exclusive property of the Company. You and the Company mutually agree that all Intellectual Property and work product created in connection with this agreement, which is subject to copyright, shall be deemed to be "work made for hire," and that all rights to copyrights shall be vested in the Company. If for any reason the Company cannot be deemed to have commissioned "work made for hire," and its rights to copyright are thereby in doubt, then you agree not to claim to be the proprietor of the work prepared for the Company, and to irrevocably assign to the Company, at the Company's expense, all rights in the copyright of the work prepared for the Company. The Company shall have the right to use your name and likeness in connection with the sale, display and advertising of any product designed by you during your employment with the Company; provided that, at any time after the Termination Date, such use is limited to use in conjunction with the trademark "J. Crew" or any other trademark of the Company under which such product was originally sold, displayed or advertised. Subject to Section 4(a) hereof, you shall have the right to use your own name and likeness in connection with the sale, display and advertising of any product designed by you to which the Company does not have proprietary or exclusive rights; provided that nothing herein shall give you any right to use any trademark owned by the Company for any purpose without the prior written consent of the Company.

6. Purchases and Sales of Company Securities. You agree to use your reasonable best efforts to comply in all respects with the Company's applicable written policies, including the J. Crew Group, Inc. Trading Manual, regarding the purchase and sale of the Company's securities by employees, as such written policies may be amended from time to time and disclosed to you. In particular, and without limitation, you agree that you shall not purchase or sell Company securities (i) at any time that you possesses material non-public information about the Company or any of its businesses; and (ii) while an employee during any "trading blackout period" as may be determined by the Company and set forth in the Company's applicable written policies from time to time.

7. Miscellaneous.

(a) Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to be given when delivered personally or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested or one day after it is sent by a reputable overnight courier service and, in each case, addressed as follows:

If to the Company:

J. Crew Group, Inc.
2 Penn Plaza
26th Floor
New York, NY 10121
Attention: General Counsel

If to you:

To the address on file with the Company

or to such other address as any party may designate by notice to the other.

(b) This Agreement constitutes the entire agreement between you and the Company with respect to your employment by the Company, and supersedes and is in full substitution for any and all prior understandings or agreements with respect to your employment (including, without limitation, the 2008 Agreement).

(c) This Agreement shall inure to the benefit of and be an obligation of the Company's assigns and successors; however you may not assign any of your rights or duties hereunder to any other party.

(d) No provision of this Agreement may be amended or waived, unless such amendment or waiver is specifically agreed to in writing and signed by you and an officer of the Company duly authorized to execute such amendment. The failure by either you or the Company at any time to require the performance by the other of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by you or the Company of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement.

(e) You and the Company acknowledge and agree that each of you has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties and not in favor or against either party.

(f) Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

(g) The Company may withhold from any amounts payable to you hereunder all federal, state, city or other taxes that the Company may reasonably determine are required to be withheld pursuant to any applicable law or regulation (it being understood, that you shall be responsible for payment of all taxes in respect of the payments and benefits provided herein).

(h) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(i) The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

(j) This Agreement and all amendments thereof shall, in all respects, be governed by and construed and enforced in accordance with the internal laws (without regard to principles of conflicts of law) of the State of New York. Each party hereto hereby agrees to and accepts the exclusive jurisdiction of any court in New York County or the U.S. District Court for the Southern District of New York in respect of any action or proceeding relating to the subject matter hereof, expressly waiving any defense relating to jurisdiction or forum non conveniens, and consents to service of process by U.S. certified or registered mail in any action or proceeding with respect to this Agreement.

(k) If any provision of this agreement (or any award of compensation or benefits provided under this agreement) would cause you to incur any additional tax or interest under Section 409A of the Code, the Company and you shall reasonably cooperate to reform such provision to comply with 409A and the Company agrees to maintain, to the maximum extent practicable without violating 409A of the Code, the original intent and economic benefit to you of the applicable provision; provided that nothing herein shall require the Company to provide you with any gross-up for any tax, interest or penalty incurred by you under Section 409A of the Code.

(signatures on following page)

If the terms of this Agreement meet with your approval, please sign and return one copy to me.

Sincerely,

/s/ Millard S. Drexler
Millard S. Drexler
Chief Executive Officer

AGREED TO AND ACCEPTED:

/s/ Jenna Lyons Mazeau
Jenna Lyons Mazeau

Dated: _____, 2010

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Millard Drexler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J. Crew Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2010

/s/ MILLARD DREXLER

Millard Drexler
Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, James Scully, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J. Crew Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 2, 2010

/S/ JAMES SCULLY

James Scully
Chief Administrative Officer and Chief
Financial Officer

**CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of J. Crew Group, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Millard Drexler, Chief Executive Officer of the Company, and James Scully, Chief Administrative Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of each of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 2, 2010

/S/ MILLARD DREXLER

Millard Drexler
Chief Executive Officer

/S/ JAMES SCULLY

James Scully
Chief Administrative Officer and Chief
Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

