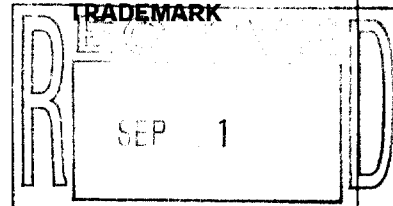


09-27-1999



101153859



RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

101-21-79

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

Submission Type

New

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger

Change of Name

Other

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

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

FOR OFFICE USE ONLY

09/28/1999 DNGUYEN 00000106 161322 2204160
01 FC:581 40.00 CH

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

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

TRADEMARK
REEL: 001964 FRAME: 0861

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="2204160"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved. #

Fee Amount

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

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

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

Kathryn A. Donohue

9/21/99

Name of Person Signing

Signature

Date Signed

INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. DATE: December 7, 1998

**PARTIES: Names and Addresses
of Debtors:**

dELiA*s INC.
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s DISTRIBUTION COMPANY
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s FOREIGN SALES CORPORATION
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s INTERACTIVE COMPANY
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s OPERATING COMPANY
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s PROPERTIES INC.
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

dELiA*s RETAIL COMPANY
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

SCREEEM! INC.
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

STORYBOOK INC.
333 Hatch Drive
Foster City, CA 94404
Attention: President

TSI SOCCER CORPORATION
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

TSI RETAIL COMPANY
435 Hudson Street
New York, NY 10014
Attention: Evan Guilleman

Secured Party: **FIRST UNION NATIONAL BANK**

Secured Party Address: 1339 Chestnut Street
Philadelphia, PA 19107
Attention: Irene Rosen-Marks

RECITALS

A. Secured Party and Debtors are parties to a Credit Agreement dated of even date herewith (as such Credit Agreement may be amended, modified, extended, and renewed from time to time, the "Credit Agreement"), pursuant to which Secured Party is making a loan to Debtors on a revolving credit basis in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000).

B. It is a condition precedent to the Credit Agreement that Debtors shall have entered into this Intellectual Property Security Agreement (this "IP Agreement") granting Secured Party a security interest in the collateral described in this IP Agreement as security for payment of funds advanced to Debtors under the terms of the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of Debtors' Obligations (as defined below) to Secured Party, Debtors hereby represent, warrant, covenant and agree as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Debtors' Obligations, Debtors hereby grant to Secured Party a security interest in all of Debtors' right, title and interest in, to and under the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the

Trade Secrets Collateral and the Trademark Collateral (each as defined below), now or hereafter existing, created, acquired or held, if any (all of which shall collectively be called the "Intellectual Property Collateral"). As used herein:

"Computer Hardware and Software Collateral" means:

(a) all of any Debtor's: computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware;

(b) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter developed, designed or acquired by any Debtor;

(c) all firmware associated with the property described in clauses (a) and (b) of this definition;

(d) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c);

(e) the specific collateral set forth in Exhibit A attached hereto; and

(f) all rights with respect to all of the foregoing, including without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all copyrights of any Debtor in addition to the Computer Hardware and Software Collateral, and all semi-conductor chip product mask works of any Debtor, whether under statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of Debtors' right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, those set forth on Exhibit B attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license (whether as licensee or licensor) referred to in Exhibit B, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Patent Collateral” means:

- (a) all of any Debtor’s letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world, whether now existing or hereafter acquired (current patents are listed on Exhibit C);
- (b) all patent licenses of any Debtor (whether as licensee or licensor);
- (c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b) of this definition; and
- (d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to herein, and for breach or enforcement of any patent license, including any patent license referred to herein, and all rights corresponding thereto throughout the world.

“Trade Secrets Collateral” means all common law and statutory trade secrets and all other confidential or proprietary or useful information of any Debtor and all know-how obtained by or used in or contemplated at any time for use in the business of any Debtor (all of the foregoing being collectively called a “Trade Secret”), 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, all Trade Secret licenses of any Debtor (whether as licensee or licensor), including each Trade Secret license referred to herein, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

“Trademark Collateral” means:

- (a) all of any Debtor’s: trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a “Trademark”), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any state thereof or any foreign country (current trademarks are listed on Exhibit D);

(b) all Trademark licenses (whether as licensee or licensor);

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) of this definition;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by any Debtor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to herein, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

2. **Obligations Secured.** The foregoing assignment and security interest is made for the purpose of securing (in such order as Secured Party may elect) the following ("Obligations"): any and all obligations and indebtedness of every kind and description of any Debtor and/or of any other obligor ("Obligor") under the Credit Agreement, the Note or any other Loan Document (as defined in the Credit Agreement) owed to the Secured Party or to any affiliate of Secured Party, under or arising from the Credit Agreement or other Loan Documents and whether such debts or obligations are primary or secondary, direct or indirect, absolute or contingent, sole, joint or several, secured or unsecured, due or to become due, contractual or tortious, arising by operation of law or otherwise, or now or hereafter existing, whether incurred by a Debtor and/or any other Obligor as principal, surety, endorser, guarantor, accommodation party or otherwise, including without limitation, principal, interest and fees, late fees and expenses (including without limitation, reasonable attorneys' fees and costs), or that have been or may hereafter be contracted or incurred.

3. **Authorization and Request.** Each Debtor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement.

4. **Covenants and Warranties.** Each Debtor represents, warrants, covenants and agrees as follows:

(a) Debtors are the sole and exclusive owners of the entire and unencumbered right, title and interest in the Intellectual Property Collateral, free and clear of any liens, charges and encumbrances except for those created hereunder, except for Debtor's rights in Intellectual Property Collateral licensed by Debtors from third parties (which are limited by the terms and conditions of the applicable license agreements) and except as otherwise permitted in Paragraph 6.7(a) of the Credit Agreement;

(b) Performance of this IP Agreement does not conflict with or result in a breach of any other agreement to which any Debtor is bound, and this IP Agreement constitutes the grant of a security interest;

(c) During the term of this IP Agreement, no Debtor will transfer, assign, sell, hypothecate, or otherwise encumber any interest in the Intellectual Property Collateral, except as permitted by the Credit Agreement;

(d) Each Debtor agrees that simultaneously with execution of this IP Agreement, and upon any amendment of Exhibit A, B, C or D hereto, Debtors shall execute the form of Notice appended hereto as Schedule 1 (each, a "Notice") with respect to any Patent, Trademark or Copyright Collateral now owned or hereafter acquired, and shall deliver it to Secured Party for recording in the Patent and Trademark Office or Copyright Office so as to formally record this IP Agreement;

(e) Debtors shall promptly advise Secured Party of any material adverse change in the composition of the Intellectual Property Collateral, including but not limited to any ownership right of any Debtor in or to any Trademark, Patent, Copyright, or other Intellectual Property Collateral specified in this IP Agreement and any abandonment, forfeiture or dedication to the public of the Computer Hardware and Software, Trademark, Patent, Copyright and other Intellectual Property Collateral specified in this IP Agreement;

(f) Debtors shall (i) protect, defend and maintain the validity and enforceability of the Trademark, Patent, Copyright and other Intellectual Property Collateral, (ii) apply for registration of non-registered Hardware and Software, Patent, Trademark and Copyright Collateral as such are created, adopted or used and shall diligently prosecute such applications, (iii) use its reasonable best efforts to detect infringements of the Trademark, Patent, Copyright and other Intellectual Property Collateral and promptly advise Secured Party in writing of material infringements detected, (iv) not forego any right to protect and enforce rights to material Trademark, Patent, Copyright or other Intellectual Property Collateral, and (v) not allow any material Trademark, Patent, Copyright, or other Intellectual Property Collateral to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld;

(g) Debtors shall promptly notify Secured Party of all after-acquired intellectual property, whether hereafter owned, developed or acquired by any Debtor and shall notify Secured Party of any filed applications to register or patents issued after the execution hereof. Any expenses incurred in connection with such applications shall be borne by the Debtors;

(h) Each Debtor shall take such actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Intellectual Property Collateral;

(i) This IP Agreement creates, and in the case of after-acquired Intellectual Property Collateral this IP Agreement will create at the time any Debtor first has rights in such after-acquired Intellectual Property Collateral, in favor of Secured Party, a valid and, upon making the filings referred to in clause (j) below, a perfected first priority security interest in the Intellectual Property Collateral securing the payment and performance of the Obligations;

(j) Except for, and upon, the filings (i) with the United States Patent and Trademark Office with respect to the Patents and Trademark Collateral and (ii) the Register of Copyrights with respect to the Copyright Collateral, that are necessary to perfect the security interests created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either: (i) for the grant by Debtors of the security interest granted hereby or for the execution, delivery or performance of this IP Agreement by Debtors or (ii) for the perfection of the security interests granted hereby or the exercise by Secured Party of its rights and remedies thereunder;

(k) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of any Debtor with respect to the Intellectual Property Collateral is accurate and complete in all material respects;

(l) No Debtor shall enter into any agreement that would materially impair or conflict with such Debtor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. No Debtor shall permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in such Debtor's rights and interest in any Intellectual Property Collateral that may be acquired by such Debtor under such contract;

(m) No Debtor shall take any action, or enter into any license, royalty, assignment or other agreement which is inconsistent with such Debtor's obligations under this IP Agreement or which has the effect of reducing the value of the Intellectual Property Collateral, and each Debtor shall give the Secured Party thirty (30) days' prior written notice of any proposed license, royalty, assignment or other agreement; and

(n) Upon any executive officer of any Debtor obtaining actual knowledge thereof, such Debtor will promptly notify Secured Party in writing of any event that materially adversely affects: (i) the value of any material Intellectual Property Collateral, (ii) the ability of such Debtor to dispose of any material Intellectual Property Collateral and (iii) the rights and remedies of Secured Party in relation thereto, including without limitation the levy of any legal process against any of the Intellectual Property Collateral.

5. **Secured Party's Rights.** Secured Party shall have the right, but not the obligation, to take, at Debtors' sole expense, any actions that any Debtor is required to take under this IP Agreement but which such Debtor fails to take, after ten (10) days' notice of such failure to such Debtor. Debtors shall reimburse and indemnify Secured Party for all costs and expenses incurred in the exercise of its rights under this Section 5.

6. **Responsibility of Debtors.** In furtherance and not in limitation of the other provisions of this Section 6, Secured Party shall have no duty or responsibility with respect to the Intellectual Property Collateral or its preservation. Each Debtor acknowledges and agrees that it has reviewed the terms of this IP Agreement with counsel of its choosing and that such Debtor has determined that neither execution, delivery nor performance of this IP Agreement by such Debtor or by the Secured Party will in any way impair the Intellectual Property Collateral or Debtors' right, title and interest therein, subject to the purpose of this IP Agreement, which is to impose a lien thereon in favor of Secured Party.

7. **Conduct of Business: Inspection Rights.** In order to preserve and protect the goodwill associated with the Trademarks, each Debtor covenants and agrees that it shall maintain the quality of the products and services sold under or in connection with the Intellectual Property Collateral and, except in accordance with customary business practices, shall not at any time permit any impairment of the quality of said products and services, and will provide the Secured Party from time to time with a certificate to such effect signed by an officer of such Debtor upon request. Each Debtor hereby grants to the Secured Party and its employees and agents the right to visit such Debtor's (or its affiliates') plants and facilities that manufacture, provide, inspect or store products or services sold under any of the Trademark Collateral, and to inspect the products and quality control records relating thereto, at reasonable times during regular business hours and upon reasonable advance written notice. Each Debtor shall do any and all acts reasonably required by the Secured Party to ensure such Debtor's compliance with this Section 7. Each Debtor hereby grants to Secured Party and its employees, representatives and agents the right, during reasonable hours upon prior reasonable written notice to such Debtor, to visit such Debtor, and any of such Debtor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to such Debtor and as often as may be reasonably requested. The foregoing provisions of this Section 7 shall become applicable to each Debtor at such time as such Debtor has developed products and services capable of being sold to the public.

8. **Further Assurances: Attorney in Fact.**

(a) On a continuing basis, and at Debtors' sole expense, each Debtor shall, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation

statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to create, preserve, continue, charge, validate or perfect Secured Party's security interest in all Computer Hardware and Software, Copyright, Patent, Trademark, and other Intellectual Property Collateral and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Each Debtor hereby irrevocably appoints Secured Party as such Debtor's attorney-in-fact, with full authority in the place and stead of such Debtor and in the name of such Debtor, Secured Party or otherwise, from time to time in Secured Party's discretion, upon such Debtor's failure or inability to do so, to take any action and/or to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this IP Agreement, including without limitation:

(i) the modification, in its sole discretion, of this IP Agreement without first obtaining Debtors' approval of or signature to such modification by amending any Exhibit hereof, as appropriate, to include reference to any right, title or interest in any Copyright, Patent, Trademark, and/or other Intellectual Property Collateral acquired by any Debtor after the execution hereof or to delete any reference to any right, title or interest in any Copyright, Patent, Trademark, and/or other Intellectual Property Collateral in which a Debtor no longer has or claims any right, title or interest, provided that Secured Party shall deliver to dELiA*s Inc., on behalf of Debtors, written notice of such modification within a reasonable time after such modification;

(ii) the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of the applicable Debtor where permitted by law; and

(iii) upon the occurrence and during the continuance of an Event of Default, the endorsement of such Debtors' name on all applications, documents, papers and instruments as is necessary for the Secured Party to use the Intellectual Property Collateral, or to grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to any third person, or necessary for the Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral, including the goodwill and equipment associated therewith, to Secured Party or any third person.

(c) This power of attorney, being coupled with an interest, shall be irrevocable for the life of this IP Agreement.

9. Remedies.

(a) Upon the occurrence and continuance of an Event of Default, each Debtor's rights to use the Intellectual Property Collateral shall terminate forthwith and Secured Party shall have the right to exercise all the remedies of a secured party under the Uniform Commercial Code and any applicable federal law, including without limitation the right to require any or all Debtors to assemble the Intellectual Property Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have a nonexclusive, royalty-free license to use the Copyright, Patent, Trademark, and other Intellectual Property Collateral to the extent reasonably necessary to permit Secured Party to exercise its rights and remedies upon the occurrence and during the continuance of an Event of Default. Debtors will pay any expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Secured Party's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

(b) Upon the occurrence and continuance of an Event of Default, without limiting the generality of the foregoing, the Secured Party may immediately, without demand of performance and without advertisement, require any or all Debtors to assign of record the Intellectual Property Collateral to Secured Party (or its assignees), and beneficially sell at public or private sale or otherwise realize upon the whole, or from time to time any part, of the Intellectual Property Collateral and the goodwill associated therewith or any interest which any or all Debtors have therein, and after deducting from the proceeds of said sale or other disposition of the Intellectual Property Collateral all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Credit Agreement shall be paid over to the Debtors. Prior notice of any sale or other disposition of the Intellectual Property Collateral need not be given to Debtors unless otherwise required by law (and if notice is required by law, it shall be given ten (10) days before the time of any intended public or private sale or other disposition of the Intellectual Property Collateral is to be made, which the Debtors hereby agree shall be reasonable notice of such sale or other disposition). At any such sale or other disposition, the Secured Party [or any assignee of the Secured Party or Participant under the Credit Agreement] may, to the extent permissible under applicable law, purchase the whole or any part of or interest in the Intellectual Property Collateral sold, free from any right of redemption on the part of any Debtor, which right is hereby waived and released.

10. Conduct of Business After Event of Default. The parties understand and agree that the collateral assignment with respect to the Intellectual Property Collateral as provided for in this IP Agreement will and is intended to permit the Secured Party and its successors and assigns, upon the occurrence and continuance of an Event of Default, to take title to and make use of all rights to the Intellectual Property Collateral and to carry on the business of Debtors.

11. **Deficiency.** If proceeds referred to in Section 10(b) above are insufficient to pay the Obligations in full, Debtors shall, jointly and severally, continue to be liable for the entire deficiency.

12. **Indemnity.**

(a) Each Debtor agrees to defend, indemnify and hold harmless Secured Party and its directors, officers, employees, and agents from and against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement, including without limitation, the assignment of the Intellectual Property Collateral, the use of the Intellectual Property Collateral, the alleged infringement by the Secured Party of the intellectual property rights of others, any infringement action or other claim relating to the Intellectual Property Collateral or enforcement of the terms hereof (all of which shall collectively be called the "Transactions") and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to the Transactions under this IP Agreement, the Credit Agreement or any other Loan Document (including without limitation, reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

(b) Each Debtor also agrees to defend, indemnify and hold harmless Secured Party and each of its directors, officers, employees and agents, on demand, from and against any and all losses, claims, obligations, damages, fees, costs, liabilities, expenses or disbursements of any kind and nature whatsoever (including but not limited to reasonable fees and disbursements of counsel, interest, penalties, and amounts paid in settlement) incurred by the Secured Party in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Intellectual Property Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property Collateral.

13. **Release of Security Interest.** At such time as Debtors shall completely and finally satisfy all of the Obligations secured hereunder, and there shall exist no continuing liability of Debtors with respect to the Obligations secured hereunder, then upon the written request of Debtors, Secured Party shall release its security interest in the Intellectual Property Collateral and execute and deliver to Debtors all UCC-3 termination statements or other instruments evidencing such release as may be requested by Debtors.

14. **Course of Dealing.** No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. Attorneys' Fees. If any action relating to this IP Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys fees, costs and disbursements.

16. Assigns. This IP Agreement shall be binding upon each Debtor and its respective successors and permitted assigns, but shall not be assignable by any Debtor, and shall inure to the benefit of Secured Party.

17. Amendments. This IP Agreement may be amended only by a written instrument signed by all parties hereto, except as specifically provided under Section 8 hereof.

18. Counterparts. This IP Agreement may be executed in two or more counterparts, and each party may sign on a separate counterpart, each of which shall be deemed an original but all of which together shall constitute the same instrument.

19. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to conflicts of law principles.

20. Confidentiality. In handling any confidential information, Secured Party shall exercise the same degree of care that it exercises with respect to its own proprietary information to maintain the confidentiality of any non-public information thereby received or received pursuant to this IP Agreement, except that the disclosure of this information may be made (a) as required by law, regulation, rule or order, subpoena, judicial order or similar order and (b) provided that the recipient has entered into a comparable confidentiality agreement in favor of Debtors and has delivered a copy (i) to Debtors, (ii) to the affiliates of the Secured Party, (iii) to prospective transferee or purchasers of an interest in the obligations secured hereby, and (iv) as may be required in connection with the examination, audit or similar investigation of Secured Party.

21. Severability. The provisions of this IP Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause of provision in any other jurisdiction, or any other clause or provision of this IP Agreement in any jurisdiction.

22. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

Debtors:

dELiA*s INC.

By: _____

Alex S. Navarro
Name: Alex S. NAVARRO
Title: Senior V.P.

dELiA*s DISTRIBUTION COMPANY

By: _____

Alex S. Navarro
Name: Alex S. NAVARRO
Title: Senior V.P.

dELiA*s FOREIGN SALES CORPORATION

By: _____

Alex S. Navarro
Name: Alex S. NAVARRO
Title: Senior V.P.

dELiA*s INTERACTIVE COMPANY

By: _____

Alex S. Navarro
Name: Alex S. NAVARRO
Title: Senior V.P.

dELiA*s OPERATING COMPANY

By: _____

Alex S. Navarro
Name: Alex S. NAVARRO
Title: Senior V.P.

dELiA*s PROPERTIES INC.

By:

Alex Navarro
Name: Alex S. Navarro
Title: Senior V.P.

dELiA*s RETAIL COMPANY

By:

Alex Navarro
Name: Alex S. Navarro
Title: Senior V.P.

SCREEEM! INC.

By:

Alex Navarro
Name: Alex S. Navarro
Title: Senior V.P.

STORYBOOK INC.

By:

Alex Navarro
Name: Alex S. Navarro
Title: Senior V.P.

TSI SOCCER CORPORATION

By:

Alex Navarro
Name: Alex S. Navarro
Title: Senior V.P.

TSI RETAIL COMPANY

By:

Alex S. Navarro
Name: Alex S. Navarro
Title: Senior J.P.

Secured Party:

FIRST UNION NATIONAL BANK

By:

Irene Rosen Marks
Name: Irene Rosen Marks
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA)

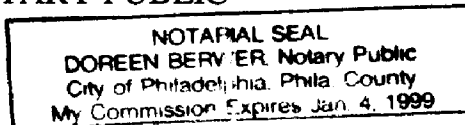
:SS.

COUNTY OF PHILADELPHIA)

The foregoing instrument was acknowledged before me this 4th day of December, 1998, by Wiley News, the Secretary of dELiA*s Inc., dELiA*s Distribution Company, dELiA*s Foreign Sales Corporation, dELiA*s Interactive Company, dELiA*s Operating Company, dELiA*s Properties Inc., dELiA*s Retail Company, Screem! Inc., Storybook Inc., TSI Soccer Corporation and TSI Retail Company, on behalf of each corporation.

[seal]

Doreen Bever
NOTARY PUBLIC



COMMONWEALTH OF PENNSYLVANIA)

:SS.

COUNTY OF PHILADELPHIA)

The foregoing instrument was acknowledged before me this 4th day of December, 1998, by Gene Roseman, a Vice President of FIRST UNION NATIONAL BANK, a national banking association, on behalf of the bank

[seal]

Doreen Berwer
NOTARY PUBLIC

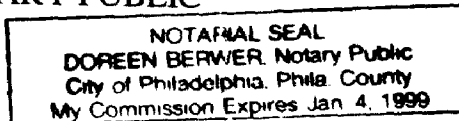


EXHIBIT "A"

HARDWARE AND SOFTWARE

DESCRIPTION OF HARDWARE AND SOFTWARE COLLATERAL

<u>Vendor</u>	<u>Name of Item</u>	<u>Description</u>
Smith-Gardner Associates	MACS II software	catalog management system software
STS	Storeworks and related software	retail management system software

EXHIBIT "B"

COPYRIGHT COLLATERAL

<u>COPYRIGHT DESCRIPTION</u>	<u>DATE OF CREATION</u>	<u>FIRST DATE OF DISTRIBUTION</u>	<u>ORIGINAL AUTHOR OR OWNER OR COPYRIGHT (IF DIFFERENT FROM DEBTOR)</u>	<u>DATE AND RECORDATION NUMBER OF IP AGREEMENT TO OWNER OF DEBTOR (IF ORIGINAL AUTHOR OR OWNER OF COPYRIGHT IS DIFFERENT FROM DEBTOR)</u>
----------------------------------	-----------------------------	---	---	---

NONE.

EXHIBIT "C"

PATENT COLLATERAL

<u>PATENT</u> <u>DESCRIPTION</u>	<u>DOCKET NO.</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
-------------------------------------	-------------------	----------------	-------------------	--------------------	---------------

None.

EXHIBIT D
REVISED
TRADEMARK COLLATERAL

<u>TRADEMARK DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO.</u>	<u>STATUS</u>
Daisy Design	[U.S.]	08-138746	4161941	Registered
10 SPEED	United States	75/307,920		Published
CONTENTS	United States	75/323,129		Published
Daisy Design	United States	75/038,789	2,084,854	Registered
Daisy Design	Japan	08-138746	4161941	Registered
Daisy Design	Japan	08-138477	4190968	Registered
Daisy Design	Japan	08-138478	4125846	Registered
Daisy Design	Canada	851,637	502,668	Registered
Daisy Design	United States	75/976,254	2,104,334	Registered
DELIA'S	United States	75/277,416	2,169,351	Registered
DELIA'S	China	970087658	1215979	Published
DELIA'S	Hong Kong	11911/97		Pending
DELIA'S	Hong Kong	11912/97		Pending
DELIA'S	Hong Kong	11913/97		Pending
DELIA'S	New Zealand	280488	280488	Registered
DELIA'S	New Zealand	280487	B280487	Registered

PHLEGAL: #764693 v1 (G#1H01!.WPD)

DELIA'S	New Zealand	280489	B280489	Registered
DELIA'S	South Africa	9711754		Pending
DELIA'S	South Africa	9711755		Pending
DELIA'S	South Africa	9711756		Pending
DELIA'S (STYLIZED)	United Kingdom	2144536		Published
DELIA'S (WORD MARK)	United Kingdom	2144538		Published
DELIA*S	United States	74/644,794	2,204,160	Registered
DELIA*S	United States	74/644,795	2,011,083	Registered
DELIA*S	United States	74/644,799	2,076,125	Registered
DELIA*S	United States	74/644,796		Published
DELIA*S	United States	74/644,798	2,162,324	Registered
DELIA*S	United States	74/644,797	1,997,643	Registered
DELIA*S	United States	74/644,800	1943039	Registered
DELIA*S	United States	74/505,280	1908572	Registered
DELIA*S	United States	75/056,360	2,171,631	Registered
DELIA*S	United States	75/976,281	2,092,322	Registered
DELIA*S (STYLIZED LOGO)	Canada	849,008		Published
DELIA*S (STYLIZED)	Japan	7-98372	4097175	Registered
DELIA*S (STYLIZED)	Japan	7-98373		Pending

PHLEGAL: #764693 v1 (G#1H01:WPD)

DELIA*S (Stylized) in Katakana	Japan	08-138474	4190967	Registered
DELIA*S (Stylized) in Katakana	Japan	08-138475	4148465	Registered
DELIA*S AND DESIGN	Japan	08-138473		Pending
DELIA*S LOGO	Australia	725053	725053	Registered
DISCOUNT DOMAIN	United States	75/504,757		Pending
SPILL	United States	75/307,924		Published
SPILL	United States	75/307,921		Published
TEST KITCHEN	United States	75/451,326		Published
TWINK	United States	75/439,572		Published
AFTER THE STORK	United States	75/181,919	2,089,366	Registered
AFTER THE STORK	Japan	HEI 9- 11692		Pending
AFTER THE STORK	Canada	828,776	482,725	Registered
AFTER THE STORK & DESIGN	United States	73/608,327	1,435,045	Registered
AMERICAN ROCKET	United States	75/016,504	2,151,641	Registered
DROOG	United States	75/528,641		Published

PHLEGAL: #764693 v1 (G#1F01!.WPD)

DROOG	United States	75/528,643		Published
DROOG	United States	75/528,642		Published
JEAN COUNTRY	United States	74/608,765	1,933,220	Registered
JUST FOR KIDS	United States	74/307,000	1,806,551	Registered
PLAYCLOTHES	Japan	HEI 9-136513		Pending
PLAYCLOTHES	Japan	HEI 9-11696		Pending
PLAYCLOTHES (25)	Canada	846,864		Pending
PLAYCLOTHES (42)	Canada	830,201		Pending
SCREEEM	United States	75/214,613	2,140,655	Registered
STORYBOOK HEIRLOOMS	United States	74/009,165	1,742,020	Registered
STORYBOOK HEIRLOOMS	Canada	874,278		Pending
STORYBOOK HEIRLOOMS	Japan	10-31634		Pending
STORYBOOK HEIRLOOMS (166)	United States	75/009,166	1,641,786	Registered
STORYBOOK HEIRLOOMS (402)	United States	74/529,402	1,950,207	Registered
THE STORK	Canada	834,310	484,264	Registered
THE STORK	Japan	HEI 9-8777		Pending
ZOE	Canada	860,234		Pending

PHLEGAL: #764693 v1 (G#1F011.WPD)

ZOE	Japan	91997-173578	Pending
ZOE	United States	75/284,860	Pending

SCHEDULE 1

NOTICE OF INTELLECTUAL PROPERTY SECURITY AGREEMENT

NOTICE dated the ___ day of _____, 19__ by dELiA*s INC. (“dELiA*s”), a Delaware corporation, having an address at 435 Hudson Street, New York, NY 10014 and each of the other corporations set forth on the signature pages hereto (collectively, “Debtors”) to and in favor of FIRST UNION NATIONAL BANK, a national banking association having offices at 1339 Chestnut Street, Philadelphia, PA 19107 (“Secured Party”), under a certain Credit Agreement dated of even date herewith among Debtors and Secured Party (as may be amended from time to time, the “Credit Agreement”).

WHEREAS, Debtors are the owners of certain Intellectual Property Collateral as listed in Exhibits A, B, C and D hereto; and

WHEREAS, Secured Party has agreed to extend certain credit to Debtors on a revolving basis under the Credit Agreement on the condition that the Debtors pledge and grant to Secured Party as collateral for Obligations (as defined in the IP Agreement described below) a security interest and lien in and to such Intellectual Property Collateral and application therefor described above, including the registrations thereof, the goodwill associated therewith and all other related claims and rights (the “IP”) as more fully described in a certain Intellectual Property Security Agreement by Debtors in favor of Secured Party dated December 7, 1998 (the “IP Agreement”);

NOW THEREFORE, for good and valuable consideration, as security for the due and timely payment and performance of the Obligations, Debtors hereby pledge, grant and collaterally assign to Secured Party a security interest and lien in and to all rights, title and interest in and to the aforesaid IP, and give notice of such security interest and the existence of such IP Agreement providing therefor.

Executed as of the date first above written.

dELiA*s INC.
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

dELiA*s DISTRIBUTION COMPANY
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

dELiA*s FOREIGN SALES CORPORATION
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

[EXECUTIONS CONTINUED]

dELiA*s INTERACTIVE COMPANY
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

dELiA*s OPERATING COMPANY
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

dELiA*s PROPERTIES INC.
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

dELiA*s RETAIL COMPANY
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

SCREEEM! INC.
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

[EXECUTIONS CONTINUED]

STORYBOOK INC.
333 Hatch Drive
Foster City, CA 94404

By: _____
Name:
Title:

TSI SOCCER CORPORATION
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

TSI RETAIL COMPANY
435 Hudson Street
New York, NY 10014

By: _____
Name:
Title:

STATE OF _____ :
 :
COUNTY OF _____ :
 :
SS.

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, on this ____ day of _____, 19__, personally appeared _____ and _____, to me known personally, and who, being first by me duly sworn, depose and say that they are the _____ and _____ of dELiA*s Inc., dELiA*s Inc., dELiA*s Distribution Company, dELiA*s Foreign Sales Corporation, dELiA*s Interactive Company, dELiA*s Operating Company, dELiA*s Properties Inc., dELiA*s Retail Company, Screem! Inc., Storybook Inc., TSI Soccer Corporation and TSI Retail Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that they acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:_____

(Notarial Seal)

3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103-2799
215.981.4000
Fax 215.981.4750

215.981.4915
mulligar@pepperlaw.com

September 21, 1999

VIA EXPRESS MAIL NO. EM121264439US

Commissioner of Patents and Trademarks
BOX ASSIGNMENTS
Washington, DC 20231

Re: Recordation of Security Agreement

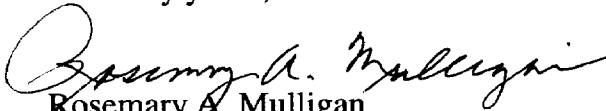
Dear Sir:

On behalf of First Union National Bank, I am enclosing the following:

1. The Trademark Recordation Form Cover Sheet recording an assignment of security interest in the trademark DELIA*S (Registration No. 2,204,160) as listed on Exhibit D of the Intellectual Property Security Agreement to First Union National Bank by dELiA*s INC.
2. A copy of the Notice of Intellectual Property Security Agreement between dELiA*s INC. and First Union National Bank dated December 7, 1998.

Please charge deposit account No. 16-1322 for the required filing fee. If you have any comments or questions concerning the enclosures, please feel free to contact me.

Sincerely yours,


Rosemary A. Mulligan
Legal Assistant

Enclosures

PHLEGAL: #770794 v1 G\$QY01!.WPD

Philadelphia, Pennsylvania

Washington, D.C.

Detroit, Michigan

New York, New York

Pittsburgh, Pennsylvania

Wilmington, Delaware

Harrisburg, Pennsylvania

Berwyn, Pennsylvania

Cherry Hill, New Jersey

www.pepperlaw.com

RECORDED: 09/21/1999

TRADEMARK
REEL: 001964 FRAME: 0893