

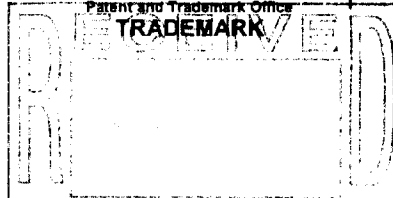
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RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

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



MRD 11/17/99

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  Effective Date  
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached  
Execution Date  
Month Day Year

Name

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

- Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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

FOR OFFICE USE ONLY

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01 FC:401  
02 FC:402

40.00 OP  
50.00 OP

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

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

TRADEMARK  
REEL: 001992 FRAME: 0414

**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" value="2,115,903"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,090,280"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,146,864"/>	<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

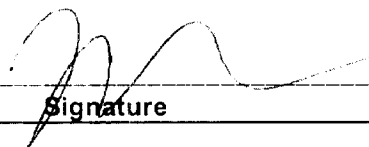
No

**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.

Jason A. Harman, Esq.

Name of Person Signing



Signature

11/16/99

Date Signed

**TRANSACTION AGREEMENT**

dated as of

May 3, 1999

among

**FS EQUITY PARTNERS IV, L.P.,**

**THE LIMITED, INC.**

and

**GALYAN'S TRADING COMPANY, INC.**

# TRANSACTION AGREEMENT

AGREEMENT dated as of May 3, 1999 among FS EQUITY PARTNERS IV, L.P. (the "FS Stockholder"), THE LIMITED, INC., a Delaware corporation ("The Limited"), and GALYAN'S TRADING COMPANY, INC., an Indiana corporation (the "Company").

## WITNESSETH:

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, the FS Stockholder desires to subscribe for shares of Class A Common Stock, without par value, of the Company; and

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, the parties hereto desire to effect the other transactions contemplated hereby;

The parties agree as follows:

### ARTICLE 1 DEFINITIONS

SECTION 1.01. *Definitions.* (a) The following terms, as used herein, have the following meanings:

"Adjusted Net Assets" means, at any date, the sum of (i) the Company's net asset balance at such date, determined in accordance GAAP (except that pre-opening store costs shall be capitalized and the costs of computer software developed or obtained for internal use will be expensed as incurred even if in either case such treatment is not in accordance with GAAP) and consistent with the Company's historical audited financial statements excluding the following accounts: goodwill and other intangibles, property, plant and equipment, other long-term assets, income taxes, deferred taxes, intercompany payable and other long-term liabilities (except for the amount payable to Patrick Galyan under the Separation Agreement dated as of June 29, 1997), (ii) the Company's Capital Expenditures at such date and (iii) the Store Planning CIP at such date. Without limiting the generality of the foregoing, it is understood that "Adjusted Net Assets" at any date shall reflect, among other things, accruals for those liabilities to be assumed by the Company in accordance with the terms of this Agreement

conditions set forth in Article 11, or at such other time or place as Freeman Spogli and The Limited may agree. At the Closing:

(a) The Company shall issue to The Limited or an Affiliate of The Limited (as may be directed by The Limited) as a distribution with respect to the Common Stock owned by The Limited or an Affiliate of The Limited immediately prior to the issuance of Class A Common Stock to the FS Stockholder (i) 3,599,900 shares of newly issued Class A Common Stock and (ii) warrants to acquire 1,350,000 million shares of Class A Common Stock or Class B Common Stock, as the case may be, with the terms set forth in Attachment A (the "**Warrants**");

(b) The Limited shall cause the contribution to the Company of all of the Trademarks held by G Trademark, Inc.;

(c) The Company shall pay to The Limited or an Affiliate of The Limited (as may be directed by The Limited) as a distribution with respect to the Common Stock owned by The Limited or an Affiliate of The Limited immediately prior to the issuance of Class A Common Stock to the FS Stockholder an amount of cash equal to \$7,127,000 in immediately available funds by wire transfer to an account of The Limited or such Affiliate of The Limited designated by The Limited by notice to the Company not later than two Business Days prior to the Closing;

(d) The Company shall issue to the FS Stockholder an aggregate of 5,400,000 shares of newly issued Class A Common Stock to the FS Stockholder;

(e) The FS Stockholder shall pay, or shall cause to be paid, to the Company, as the purchase price for the shares of Class A Common Stock to be issued to such FS Stockholder pursuant to Section 2.01, \$54 million (the "**Purchase Price**") in immediately available funds by wire transfer to an account of the Company with a bank designated by the Company to Freeman Spogli no later than two Business Days prior to the Closing Date;

(f) The Company shall, in partial repayment of the Company's intercompany obligations to The Limited and its Affiliates, deliver to The Limited or an Affiliate of The Limited (as may be directed by The Limited) \$61,873,000 in immediately available funds by wire transfer to an account of The Limited or such Affiliate of The Limited designated by The Limited by notice to the Company not later than two Business Days prior to the Closing;

(g) The Company shall, in further repayment of the Company's intercompany obligations to The Limited and its Affiliates, deliver to The Limited

Road in Columbus, Ohio; (B) Castleton Square Mall in Indianapolis, Indiana; (C) Mall of Georgia in Atlanta, Georgia; (D) Galyan's Main Office in Indianapolis, Indiana; (E) Northgate @ North Pointe at Gaithersburg, Maryland; (F) Minneapolis Warehouse in Eagan, Minnesota; and (G) Lackman Road in Lenexa, Kansas.

(b) Except as set forth in any environmental audits referenced Section 3.13(a), to the knowledge of The Limited: (i) each of the Company and the Real Property is in compliance with all applicable Environmental Laws, except where the failure to be in such compliance would not constitute a Material Adverse Effect; (ii) none of the Company and the Real Property has been alleged by any governmental agency or third party to be in violation of or has been subject to any administrative or judicial proceeding pursuant to, any Environmental Law, which has not been resolved; (iii) there are no facts or circumstances which could reasonably form the basis for the assertion of any claim against the Company under Environmental Laws including, but not limited to, any claim arising from past or present environmental practices asserted under any Environmental Laws, which would constitute a Material Adverse Effect; (iv) there is no asbestos contained in or forming part of any building component, structure or office space at any of the Real Property, except where the presence of such asbestos would not constitute a Material Adverse Effect; (v) no polychlorinated biphenyls are used or stored at any of Real Property in such quantities as would constitute a violation of Environmental Laws; (vi) the Company has all permits, licenses and other authorization required under Environmental Laws for the operation of the business of the Company and (vii) in the manner operated on the date hereof, each of the Company, and the Real Property is in compliance with all of such permits, licenses and authorizations, except where the failure to hold same or to be in such compliance would not constitute a Material Adverse Effect.

SECTION 3.14. *Finders' Fees.* Except for (a) Lazard Frères & Co. and Goldman, Sachs & Co. whose fees are (i) to be paid by the Company up to a maximum of \$500,000 in aggregate pursuant to Section 2.02(h) and (ii) to be paid by The Limited with respect to the remainder thereof and (b) The Limited's legal and accounting advisor fees up to a maximum of \$500,000 in aggregate pursuant to Section 2.02(h), there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of The Limited, its Affiliates or the Company who might be entitled to any fee or commission from the FS Stockholder in connection with the transactions contemplated by the Transaction Documents.

SECTION 3.15. *Trademarks.* The Disclosure Schedule contains a list of all material trademarks (the "Trademarks") owned by the Company or any of its Affiliates and used by the Company in its business. Except as set forth in the

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Disclosure Schedule, (a) each Trademark is registered in the name of G Trademark, Inc. or the Company on the principal register of the United States Patent and Trademark Office and in the foreign countries indicated thereon, (b) as of the date hereof, to the best knowledge of The Limited, there is no infringement of the Trademarks by others, (c) the continued use of the Trademarks in the business of the Company (as heretofore conducted and as currently planned by the Company) will not result in any infringement of the rights of others in the United States, and to the best knowledge of The Limited, there is no such claim as to any Trademarks registered in the foreign countries identified in the Disclosure Schedule, (d) the owner of the Trademarks as indicated in the Disclosure Schedule is the sole and legal owner of the relevant Trademarks in the United States and, as of the date hereof, to the best of the knowledge of The Limited, there is no claim by any other Person that such other Person is the legal owner of such Trademarks and (e) none of the Company and G Trademark, Inc. has granted any license or right to use any Trademark other than to the Company. Following the Closing Date, the Company shall have all of G Trademark, Inc.'s rights with respect to the Trademarks owned by G Trademark, Inc. immediately prior to the Closing.


SECTION 3.16. *Compliance with Law.* The business of the Company has been and is being conducted in all respects in compliance with all applicable federal, state, local or foreign laws, regulations, rulings or orders (including but not limited to, any of the foregoing relating to employment discrimination, occupational safety, environmental protection, conservation, restraints of trade, antitrust, unfair competition or corrupt practices), the noncompliance with which would constitute a Material Adverse Effect; and the Company has not received any governmental notice within three years of the date hereof of any such noncompliance by the Company.

SECTION 3.17. *Contracts and Other Obligations.* Except as contemplated by the Transaction Documents, the Company does not have nor is bound by (i) any agreement, indenture or other instrument relating to the borrowing of money, other than in connection with the issuance of letters of credit in the ordinary course of business consistent with past practices, (ii) any agreement, contract or commitment relating to capital expenditures of greater than \$100,000 individually except the expenditures related to the 1998 stores and 1999 stores listed in Attachment H, (iii) any loan or advance to, or investment in, any Person or any agreement, contract or commitment relating to the making of any such loan, advance or investment, other than travel and similar advances to employees in the ordinary course of business, (iv) any guarantee or other contingent liability in respect of any indebtedness or obligations of any Person (other than in connection with relocation of employees or the endorsement of negotiable instruments for collection in the ordinary course of business), (v) any management service, sales

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IN WITNESS WHEREOF, the parties hereto caused this Agreement to be  
duly-executed by their respective authorized officers on the day and year first  
above written.

FS EQUITY PARTNERS IV, L.P.  
a Delaware limited partnership  
By: FS Capital Partners, LLC  
its: General Partner

By:   
Name: JOHN M. ROTH  
Title: VICE PRESIDENT

THE LIMITED, INC.

By: \_\_\_\_\_  
Name:  
Title:

GALYAN'S TRADING COMPANY, INC.

By: \_\_\_\_\_  
Name:  
Title:

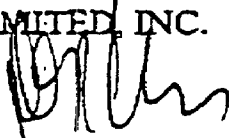


IN WITNESS WHEREOF, the parties hereto caused this Agreement to be duly executed by their respective authorized officers on the day and year first above written.

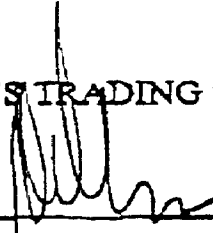
FS EQUITY PARTNERS IV, L.P.

By: \_\_\_\_\_  
Name:  
Title:

THE LIMITED, INC.

  
By: \_\_\_\_\_  
Name:  
Title:

GALYAN'S TRADING COMPANY, INC.

  
By: \_\_\_\_\_  
Name:  
Title:

Disclosure Schedule  
Section 3.15  
Trademarks

GALYAN'S TRADING COMPANY, INC.'S  
APPLICATIONS AND REGISTRATIONS

Mark	Application/ Registration No.	Classes	Status
ARE YOU SERIOUS ABOUT YOUR SPORTS? WE ARE	Registration No. 2, 036, 357	42	Registered
BEAR DESIGN	Application No. 203, 757	25, 28	Pending
BEAR DESIGN	Registration No. 2,197,046	25, 28, 35	Registered
THE WORLD'S COOLEST SPORTS STORE	Registration No. 2,015,608	42	Registered
THE WORLD'S COOLEST SPORTS STORE and Design	Registration No. 2, 017. 663	42	Registered

G TRADEMARK, INC.'S  
REGISTRATIONS

Mark	Application/Registration No.	Classes	Status
GALYAN'S	Registration No. 2, 115, 903	35	Registered
GALYAN'S	Registration No. 2, 090, 280	25, 28	Registered
GALYAN'S	Registration No. 2, 146, 864	25, 28	Registered
BEAR DESIGN	Application No. 398, 744	35	Pending

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