

07-10-2003

7/10/03



Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)

RE 102493223  
**TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
 RECORD TOWN, INC., a New York Corporation,  
 RECORD TOWN MICHIGAN, INC., a Delaware  
 Corporation

Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation-State  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
 Name: CONGRESS FINANCIAL CORPORATION  
 Internal  
 Address: \_\_\_\_\_  
 Street Address: 1133 Avenue of the Americas  
 City: New York State: NY Zip: 10036

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State of Delaware  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)  
 Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:  
 Assignment       Merger  
 Security Agreement       Change of Name  
 Other Amendment No.2 to Security Agreement

Execution Date: 5/30/2003

4. Application number(s) or registration number(s):  
 A. Trademark Application No.(s) \_\_\_\_\_  
See Attached Schedule A

B. Trademark Registration No.(s) \_\_\_\_\_  
See Attached Schedule A

Additional number(s) attached  Yes  No


5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Otterbourg,Steindler, Houston  
 Internal Address: & Rosen, P.C.  
Attn: Preston R. Cappello  
 \_\_\_\_\_  
230 Park Avenue  
 \_\_\_\_\_  
 City: New York State: NY Zip: 10169

6. Total number of applications and registrations involved: 21

7. Total fee (37 CFR 3.41).....\$ 540.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

**DO NOT USE THIS SPACE**

9. Signature.  
Preston R. Cappello            7/8/03  
 Name of Person Signing      Signature      Date

Total number of pages including cover sheet, attachments, and document:     
 Mail documents to be recorded with required cover sheet information to:  
 Commissioner of Patent & Trademarks, Box Assignments  
 Washington, D.C. 20231

07/10/2003 6TON11 00000115 2169389  
 01 FC:8521 40.00 OP  
 02 FC:8522 500.00 OP

**TRADEMARK**  
**REEL: 002774 FRAME: 0858**

Schedule A

"Camelot Marks"

Camelot Music

<u>Description</u>	<u>Registration No.</u>	<u>Date Issued</u>
Camelot Music No One Knows Music Better (with design)	2169389	6/30/98
No One Knows Music Better (with design)	2163869	6/9/98
Repeat Performer	2077001	7/8/97
Camelot Repeat Performer	1871733	1/3/95 (filings 2000-01)

The Wall Music

The Wall Lifetime Music Guarantee Hear it First. Hear it Forever. (with ear design).	2123401	12/23/97
Hear it First. Hear it Forever.	2123400	12/23/97
The Wall Lifetime Music Guarantee	2123399	12/23/97
BuzzClub	2123398	12/23/97
The Wall (with box type design)	2123397	12/23/97
The Wall. Lifetime Music. Guaranteed. (with simple box design)	1927196	10/17/95 (filings 2000-01)
The Wall (with ceiling ring design)	1924228	10/3/95 (filings 2000-01)
The Wall (with store wall design)	1924227	10/3/95 (filings 2000-01)
The Wall Music, Inc. (flash design with no words)	1922618	9/26/95 (filings 2000-01)
The Wall Music, Inc. (brain icon design with no words)	1891497	4/25/95 (filings 2000-01)

The Wall (with flash design)	1891484	4/25/95 (filings 2000-01)
We got our mind on the music	1887609	4/4/95 (filings 2000-01)
We got our mind on the music (with box design)	1874408	1/17/95 (filings 2000-01)
Square Circle (with design)	1527503	2/28/89 (check expiration)

**Wee Tree**

The Wall	1783699	7/20/93
Record World (with world design)	1421531	12/16/86
Listening Booth (renewal)	0939144	7/25/92

AMENDMENT NO. 2  
TO  
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS AMENDMENT NO. 2 TO TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Amendment"), made as of this ~~30<sup>th</sup>~~ day of May 2003, by and among RECORD TOWN, INC., a New York corporation ("Record Town"), RECORD TOWN MICHIGAN, INC., a Delaware corporation ("RT Michigan"; together with Record Town, each individually, a "Debtor" and, collectively, "Debtors"), and CONGRESS FINANCIAL CORPORATION, a Delaware corporation ("Secured Party"). Unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to such terms in the Trademark Security Agreement (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, Record Town and Secured Party are parties to the Trademark Collateral Assignment and Security Agreement, dated July 9, 1997, recorded on October 22, 1997, with the U.S. Patent and Trademark Office at Reel 1656, Frame 0580, as amended by Amendment No. 1 to Trademark Collateral Assignment and Security Agreement, dated February 27, 1998, recorded on March 13, 1998, with the U.S. Patent and Trademark Office at Reel 1708, Frame 0791 (the "Trademark Security Agreement"); and

WHEREAS, Record Town has acquired all of the right, title and interest in and to all of the trademarks, trademark applications and related assets, together with the goodwill of the business symbolized thereby, previously owned and used by any of Camelot Music Holdings, Inc. and its subsidiaries described on Exhibit A annexed hereto (collectively, the "Camelot Marks"); and

WHEREAS, Record Town and RT Michigan have entered into that certain Assignment and Assumption Agreement, dated October 31, 1999, pursuant to which Record Town has, among other things, assigned to RT Michigan all of its right, title and interest in and to all of the Camelot Marks; and

WHEREAS, Record Town and RT Michigan have requested that RT Michigan become an additional Debtor pursuant to the terms and conditions of the Trademark Security Agreement, as amended hereby, and Secured Party is willing to agree to such additional Debtor to the extent and upon the terms and conditions as set forth herein; and

WHEREAS, pursuant to Section 1 of the Trademark Security Agreement, Debtor has, among other things, granted to Secured Party a security interest in all future trademark applications and trademarks of Debtor, together with the goodwill of the business symbolized thereby, and, pursuant to Section 3(h) of the Trademark Agreement, Debtor has agreed to execute and deliver to Secured Party all agreements and documents as requested by Secured Party to evidence the security interests of Secured Party therein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Amendments to Trademark Security Agreement. As to Record Town, without limiting the Collateral elsewhere described in the Trademark Security Agreement as to Record Town, Exhibit A to the Trademark Security Agreement is hereby further amended to include, in addition and not by way of limitation, the Camelot Marks.

2. Grant of Security Interest; Collateral Assignment. As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations, RT Michigan hereby grants to Secured Party a continuing security interest in and a general lien upon, and hereby assigns and transfers to Secured Party: (a) all of RT Michigan's now existing or hereafter acquired right, title, and interest in and to: (i) all of RT Michigan's trademarks, trade names, trade styles and service marks; (ii) all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (iii) all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries; and (iv) all similar marks or reissues, extensions and renewals thereof, including, without limitation, those trademarks, terms, designs and applications of RT Michigan set forth on Exhibit A annexed hereto and made a part hereof (the "Camelot Marks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, all rights to income, royalties, damages, any claims by RT Michigan against third parties for infringement of the Trademarks or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Camelot Marks Collateral").

3. Amendments to Definitions; Exhibits.

(a) The following definitions in the Trademark Security Agreement are hereby amended as follows:

(i) The definition of "Collateral" is hereby amended to include, in addition and not by way of limitation, the Camelot Marks Collateral.

(ii) The definition of "Debtor" and "Debtors" is hereby amended to include, in addition and not by way of limitation, RT Michigan and its successors and assigns.

(iii) The definition of "Obligations" is hereby amended to include, in addition and not by way of limitation, the Obligations of RT Michigan pursuant to the Loan Agreement.

(iv) The definition of "Trademarks" is hereby amended to include, in addition and not by way of limitation, the Camelot Marks.

(b) Exhibits A and B to the Trademark Security Agreement are hereby amended to include the information on Exhibits A and B hereto.

4. Special Power of Attorney. RT Michigan shall, concurrently with the execution and delivery of this Amendment, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C to the Trademark Security Agreement.

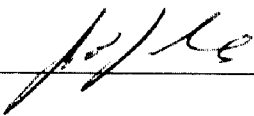
5. Effect of this Amendment. Except as expressly amended pursuant hereto, no other changes or modifications to the Trademark Security Agreement or waivers of or consents under any provisions thereof are intended or implied, and in all other respects the Trademark Security Agreement is hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof. To the extent any term or provision of this Amendment conflicts with any term or provision of the Trademark Security Agreement, the term or provision of this Amendment, shall control.

6. 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. 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.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

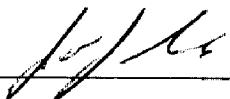
IN WITNESS WHEREOF, each Debtor and Secured Party have executed this Amendment No. 2 to Trademark Collateral Assignment and Security Agreement as of the day and year first above written.

RECORD TOWN, INC.

By: 

Title: Executive VP & CFO

RECORD TOWN MICHIGAN, INC.

By: 

Title: Executive VP & CFO

CONGRESS FINANCIAL CORPORATION

By: 

Title: Vice President

STATE OF New York )  
 ) ss.:  
COUNTY OF Albany )

On this 29 day of May 2003, before me personally came John Sullivan, to me known, who stated that he is the EVP/CFO of RECORD TOWN, INC., the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto by the due authority of said limited liability company.

Alyssa Ellsworth

Notary Public  
Alyssa Ellsworth  
Notary Public, State of New York  
No. 01EL6065780  
Qualified in Schenectady County  
Commission Expires Oct. 29, 2005

STATE OF New York )  
 ) ss.:  
COUNTY OF Albany )

On this 29<sup>th</sup> day of May 2003, before me personally came John Sullivan, to me known, who stated that he is the EVP/CFO of RECORD TOWN MICHIGAN, INC., the limited liability company described in and which executed the foregoing instrument; and that he signed his name thereto by the due authority of said limited liability company.

Alyssa Ellsworth  
Notary Public

Alyssa Ellsworth  
Notary Public, State of New York  
No. 01EL6065780  
Qualified in Schenectady County  
Commission Expires Oct. 29, 2005

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 30<sup>th</sup> day of May, 2003, before me personally came James K. Gatto, to me known, who, being duly sworn, did depose and say, that (s)he is the vice president of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

Maria Camacho  
Notary Public

MARIA CAMACHO  
NOTARY PUBLIC, State of New York  
No.: 01CA5086952  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires October 27, 2005



EXHIBIT A  
TO  
AMENDMENT NO. 1 TO TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

Camelot Marks

[SEE ATTACHED]

Schedule A

"Camelot Marks"

Camelot Music

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**Wee Tree**

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Listening Booth (renewal)	0939144	7/25/92

EXHIBIT B  
TO  
AMENDMENT NO. 2 TO TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

List of Licenses

1. Record Town, Inc.

None

2. Record Town Michigan, Inc.

None

EXHIBIT C  
TO  
AMENDMENT NO. 2 TO TRADEMARK  
COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

FORM OF SPECIAL POWER OF ATTORNEY (TRADEMARKS)

STATE OF                    )  
                                  ) ss.:  
COUNTY OF                )

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_ (“Debtor”), having an address at 38 Corporate Circle, Albany, New York 10036, hereby appoints and constitutes CONGRESS FINANCIAL CORPORATION (“Secured Party”), and each of its officers and employees, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.
2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated July 9, 1997, as amended by Amendment No. 1 to Trademark Collateral Assignment and Security Agreement, dated February 27 1998 and Amendment No. 2 to Trademark Security Agreement, dated as of the date hereof (the “Security Agreement”) and may not be revoked until payment in full of all “Obligations”, as such term is defined in the Security Agreement, and is subject to the terms and provisions thereof.

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

STATE OF )  
 ) ss.:  
COUNTY OF )

On this \_\_\_\_ day of \_\_\_\_\_, 2003, before me personally came \_\_\_\_\_, to me known, who being duly sworn, did depose and say, that he is the \_\_\_\_\_ of \_\_\_\_\_ the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_  
Notary Public