As filed with the United States Securities and Exchange Commission on April 21, 2005

Registration No. 333-122865

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2
to
Form S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Zumiez Inc.

(Exact name of registrant as specified in its charter)

Delaware	**5600**	**91-1040022**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

6300 Merrill Creek Parkway, Suite B
Everett, WA 98203
(425) 551-1500
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Richard M. Brooks
President and Chief Executive Officer
Zumiez Inc.
6300 Merrill Creek Parkway, Suite B
Everett, WA 98203
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

Gary J. Kocher, Esq. **Chris K. Visser, Esq.** Preston Gates & Ellis LLP 925 Fourth Avenue Seattle, WA 98104 (206) 623-7580	**Brenda I. Morris** Chief Financial Officer Zumiez Inc. 6300 Merrill Creek Parkway, Suite B Everett, WA 98203 (425) 551-1500	**Eric S. Haueter, Esq.** **Bradley S. Fenner, Esq.** Sidley Austin Brown & Wood LLP 555 California Street San Francisco, CA 94104 (415) 772-1200

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, no par value	3,593,750	$17.00	$61,093,750	$7,190.73(3)

(1) Includes shares to be sold upon exercise of the underwriters' over-allotment option. See "Underwriting."

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) of Regulation C under the Securities Act of 1933, as amended.

(3) Of this amount, $6,767.75 was previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 21, 2005

PROSPECTUS

3,125,000 Shares

Zumiez Inc.

Common Stock

This is Zumiez Inc.'s initial public offering. We are offering 1,875,000 shares of our common stock and the selling shareholders identified in this prospectus are offering an additional 1,250,000 shares of our common stock. We currently estimate that the initial public offering price will be between $15.00 and $17.00 per share. We will not receive any proceeds from the sale of the shares offered by the selling shareholders.

Prior to this offering, there has been no public market for our common stock. We have filed an application for our common stock to be quoted on the Nasdaq National Market under the symbol "ZUMZ."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 7.

	Per Share	Total
Public Offering Price	$	$
Underwriting Discounts and Commissions	$	$
Proceeds to Zumiez Inc.	$	$
Proceeds to the Selling Shareholders	$	$

Delivery of the shares of our common stock will be made on or about , 2005.

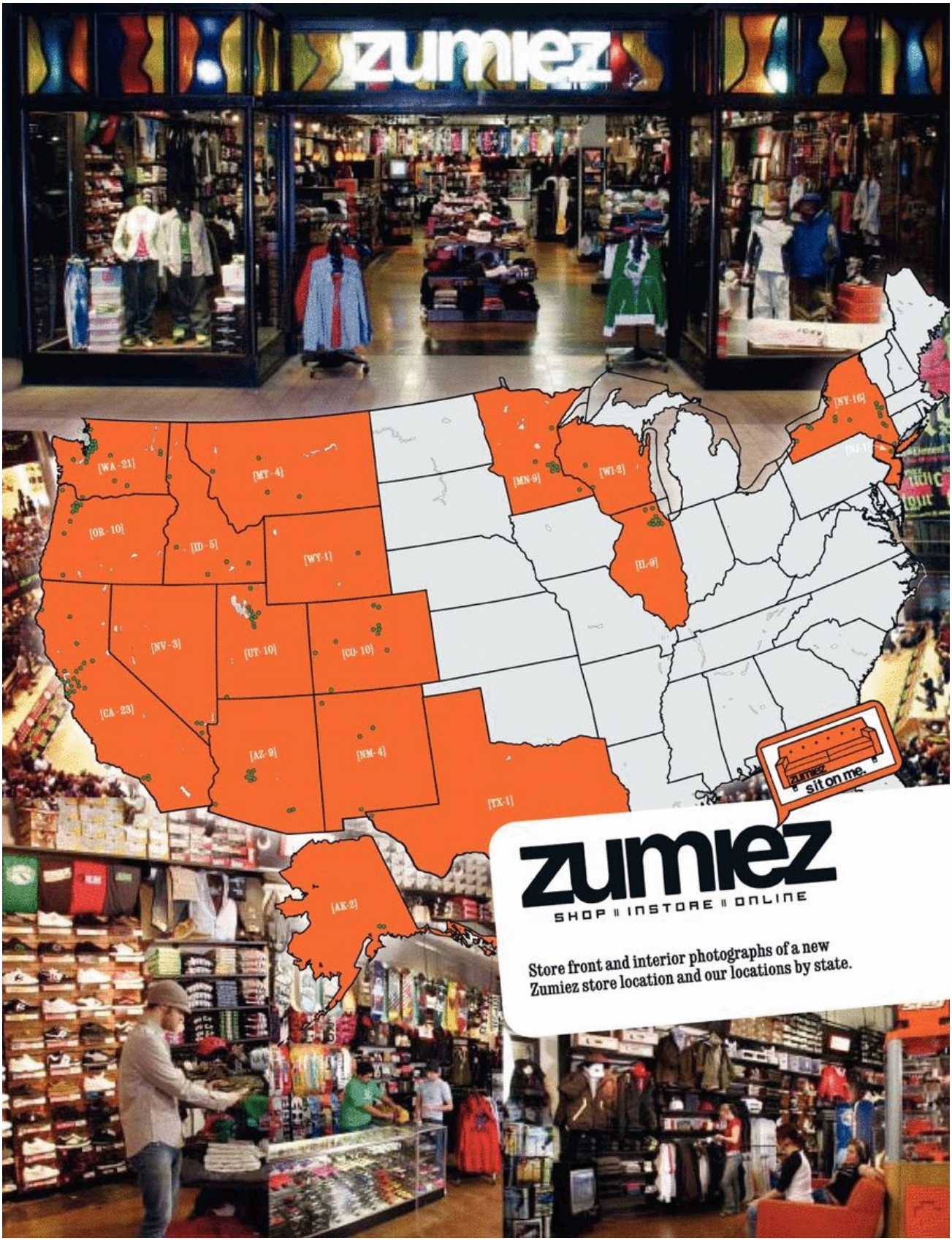
Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The selling shareholders have granted the underwriters an option to purchase a maximum of 468,750 additional shares of our common stock to cover over-allotment of shares, if any, exercisable at any time until 30 days after the date of this prospectus.

Wachovia Securities **Piper Jaffray**

William Blair & Company

The date of this prospectus is , 2005.


zumiez
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[UT - 10]
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[CA - 23]
[AZ - 9]
[NM - 4]
[TX - 1]
[AK - 2]
zumiez
sit on me.
zumiez
SHOP || INSTORE || ONLINE
Store front and interior photographs of a new Zumiez store location and our locations by state.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We and the underwriters have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell or seeking offers to buy these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing herein is accurate as of the date appearing on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus and does not contain all of the information that you should consider before investing in our common stock. You should carefully read the following summary together with the more detailed information regarding us and our common stock being sold in this offering, including "Risk Factors" and the financial statements and the related notes, appearing elsewhere in this prospectus before making an investment decision.

Zumiez Inc.

We are a leading specialty retailer of action sports related apparel, footwear, equipment and accessories operating under the Zumiez brand name. Our stores cater to young men and women between the ages of 12 and 24 who seek popular brands representing a lifestyle centered on activities that include skateboarding, surfing, snowboarding, bicycle motocross (or "BMX") and motocross. We support the action sports lifestyle and promote our brand through a multi-faceted marketing approach that is designed to integrate our brand image with our customers' activities and interests. As of January 29, 2005, we operated 140 stores primarily located in shopping malls, giving us a presence in 18 states.

Our stores bring the look and feel of an independent specialty shop to the mall through a differentiated merchandising strategy, high-energy sales personnel and a distinctive store environment. We offer a diverse and dynamic collection of brands that currently includes Billabong, Burton, DC Shoe, DVS Shoes, Element, Etnies, Hurley, Quiksilver, Roxy and Volcom, among many others. We believe that our strategic mix of both apparel and hardgoods, including skateboards, snowboards, bindings, components and other equipment, allows us to strengthen the potential of the brands we sell and helps to affirm our credibility with our customers. In addition, we supplement our stores with a select offering of private label apparel and products as a value proposition that we believe complements our overall merchandise selection. We seek to staff our stores with store associates who are knowledgeable users of our products, which we believe provides our customers with enhanced customer service and supplements our ability to identify and react quickly to emerging trends and fashions. Most of our stores, which average approximately 2,700 square feet, feature couches and action sports oriented video game stations that are intended to encourage our customers to shop for longer periods of time and to interact with each other and our store associates.

Over our 26-year history, we have developed a corporate culture based on a passion for the action sports lifestyle. Our management philosophy emphasizes an integrated combination of results measurement, training and incentive programs, all designed to drive sales productivity at the individual store associate level. We have:

- increased our store count from 53 as of the end of fiscal 1999 to 140 as of the end of fiscal 2004;
- improved net sales per store from approximately $882,000 in fiscal 1999 to approximately $1.2 million in fiscal 2004, representing a compound annual growth rate of 6.3%;
- maintained net sales per square foot in excess of $440 for our last five fiscal years ending with fiscal 2004;
- increased net sales from approximately $44.5 million in fiscal 1999 to approximately $153.6 million in fiscal 2004, representing a compound annual growth rate of 28.1%;
- increased operating profit from $3.1 million in fiscal 1999 to $12.0 million in fiscal 2004, representing a compound annual growth rate of 31.1%; and
- been profitable in every fiscal year of our 26-year history.

In fiscal 2002, certain affiliates (the "Brentwood Affiliates") of Brentwood Private Equity III, LLC, a private equity firm, acquired an indirect minority interest in us through Zumiez Holdings LLC, or "Zumiez Holdings." Since the investment by the Brentwood Affiliates, we have positioned ourselves for accelerated

growth by enhancing our infrastructure and deepening our management team. We believe that these initiatives will improve our ability to continue to expand our business.

Competitive Strengths

We believe that the following competitive strengths differentiate us from our competitors and are critical to our continuing success:

- attractive lifestyle retailing concept targeting the large action sports segment;
- differentiated merchandising strategy in which we offer an extensive selection of relevant brands and styles encompassing apparel, equipment and accessories;
- deep-rooted corporate culture that we believe allows us to successfully attract and retain passionate and knowledgeable employees;
- distinctive store experience that is designed to enhance our image as an authentic action sports retailer;
- disciplined operating philosophy and comprehensive training programs driven by our experienced management team; and
- high-impact, integrated marketing approach designed to reach our target customer audience through interactive events, promotions, live entertainment and contests.

However, as further described below in "Risk Factors," our business operates in a highly competitive market and some of our competitors have longer operating histories, greater brand recognition and significantly greater financial and other resources than we do. As a result, these competitors may be able to undertake more extensive sales and marketing campaigns than our own; adopt more aggressive pricing policies than our own; and make more attractive offers to potential employees and customers than we can.

Growth Strategy

We intend to expand our presence as a leading action sports lifestyle retailer by:

- opening new store locations;
- continuing to generate sales growth through improved store level productivity;
- enhancing our operating efficiency; and
- enhancing our brand awareness through continued marketing and promotion.

Corporate Information

We were founded in 1978 as a Washington corporation. In 2002, we reincorporated in Delaware and, immediately prior to this offering, we will reincorporate back to Washington. Our principal executive offices are located at 6300 Merrill Creek Parkway, Suite B, Everett, WA 98203. Our telephone number is (425) 551-1500 and our principal website address is www.zumiez.com. The information contained on our website does not constitute part of, nor is it incorporated into, this prospectus.

Through and including December 31, 2002, our fiscal year ended on December 31 and was the same as the calendar year. After December 31, 2002, we changed our fiscal year to end on the Saturday closest to January 31. As a result of this change in our fiscal year, our financial statements included elsewhere in this prospectus include our statement of operations for the one month period ended February 1, 2003, which was the one month transition period following the end of fiscal 2002 and prior to the beginning of fiscal 2003. Information in this prospectus regarding the compound annual growth rates of our net sales, net sales per store and operating profit, as well as the annual percentage changes in our comparable store net sales and other data regarding changes in our results of operations, for periods encompassing fiscal 2002 and fiscal 2003 do not take into account the one month transition period. In this prospectus, we refer to our fiscal year ended January 31, 2004 as "fiscal 2003" and to our fiscal year ended January 29, 2005 as "fiscal 2004."

The Offering

Common stock offered by Zumiez	1,875,000 shares
Common stock offered by selling shareholders	1,250,000 shares
Common stock to be outstanding immediately after this offering	13,180,261 shares
Use of Proceeds	We intend to use the net proceeds from this offering, together with cash flow from operations, to fund new store openings, store improvements, infrastructure improvements, working capital and other general corporate purposes. We will not receive any proceeds from the sale of shares of our common stock by the selling shareholders. See "Use of Proceeds."
Proposed Nasdaq National Market symbol	"ZUMZ"
Risk Factors	See "Risk Factors" beginning on page 7 for a discussion of some of the factors that you should consider carefully before deciding to purchase our common stock.

The number of shares of common stock that will be outstanding immediately after this offering is based on the number of shares outstanding on January 29, 2005 and excludes the following shares:

- 1,855,397 shares issuable upon exercise of outstanding options at January 29, 2005, with a weighted average exercise price of $3.54 per share;
- an aggregate of 3,307,297 additional shares available for future awards under our 2004 Stock Option Plan (the "2004 Option Plan") at January 29, 2005; and
- an aggregate of 3,425,000 additional shares that will be initially available for future awards under our 2005 Equity Incentive Plan (the "2005 Incentive Plan") and our 2005 Employee Stock Purchase Plan (the "Stock Purchase Plan"), plus scheduled annual increases and other potential increases in the number of shares reserved for issuance under the 2005 Incentive Plan.

Unless otherwise expressly stated or the context otherwise requires, the information in this prospectus:

- gives effect to a 258.6485 for one split of our outstanding common stock that was effected on April 20, 2005;
- assumes no exercise of the underwriters' over-allotment option to purchase up to 468,750 additional shares of common stock from the selling shareholders;
- assumes no exercise of outstanding options;
- is based upon the number of our shares and options outstanding on January 29, 2005; and
- assumes the adoption and filing of our new articles of incorporation in the State of Washington, referred to in this prospectus as our articles of incorporation, and the adoption of our new bylaws, referred to in this prospectus as our bylaws, in connection with our reincorporation in the State of Washington, which will be completed prior to the closing of this offering and which will, among other things, change our common stock from $0.01 par value per share to no par value and increase our authorized capital stock.

In addition, unless otherwise expressly stated or the context otherwise requires, information concerning ownership of our common stock assumes that all of the shares of our common stock held by Zumiez Holdings have been distributed in accordance with the terms of its limited liability company agreement. This distribution will occur prior to the closing of this offering. See "Certain Relationships and Related Transactions—Equity Sales and Related Transactions." The exact number of shares that will be distributed to the persons entitled to those shares will depend upon the public offering price of our common stock in this offering. The information in this preliminary prospectus regarding the number of shares of common stock owned by those persons has been calculated based upon an assumed public offering price of $16.00 per share (the mid-point of the price range reflected on the cover of this preliminary prospectus) and will change unless the actual public offering price in this offering is $16.00 per share.

Summary Financial Data

The following tables provide summary historical financial data for the periods indicated. You should read this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

Through and including December 31, 2002, our fiscal year ended on December 31 and was the same as the calendar year. Subsequent to December 31, 2002, we changed our fiscal year to end on the Saturday closest to January 31 and, as a result, the following tables include financial data as of and for the one month ended February 1, 2003, which was the one month transition period following the end of the fiscal year ended December 31, 2002 and prior to the beginning of the fiscal year ended January 31, 2004. Each fiscal year ending subsequent to December 31, 2002 consists of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. Our fiscal years ended December 31, 2000, 2001 and 2002, January 31, 2004 and January 29, 2005 each consisted of 52 weeks. In this prospectus, we refer to the fiscal year ended January 31, 2004 as "fiscal 2003" and to the fiscal year ended January 29, 2005 as "fiscal 2004."

The summary statement of operations data for the fiscal year ended December 31, 2002, the one month ended February 1, 2003, the fiscal year ended January 31, 2004 and the fiscal year ended January 29, 2005 and the summary balance sheet data as of February 1, 2003, January 31, 2004 and January 29, 2005 are derived from our audited financial statements, which are included elsewhere in this prospectus. The summary statement of operations data for the fiscal years ended December 31, 2000 and 2001 and the summary balance sheet data as of December 31, 2000, 2001 and 2002 are derived from our audited financial statements not included in this prospectus.

	Fiscal Year Ended December 31,			One Month Ended February 1,	Fiscal Year Ended January 31,	Fiscal Year Ended January 29,
	2000	2001	2002	2003	2004	2005
	(In thousands, except share and per share data)					
Statement of Operations Data:						
Net sales	$ 60,827	$ 84,735	$ 101,391	$ 6,392	$ 117,857	$ 153,583
Cost of goods sold	41,027	57,534	71,017	4,575	81,320	103,152
Gross margin	19,800	27,201	30,374	1,817	36,537	50,431
Selling, general and administrative expenses	14,010	20,470	23,404	2,013	29,076	38,422
Operating profit (loss)	5,790	6,731	6,970	(196)	7,461	12,009
Other income (expense)	36	(3)	148	—	8	8
Interest expense	(335)	(322)	(317)	(12)	(293)	(250)
Earnings (loss) before income taxes	5,491	6,406	6,801	(208)	7,176	11,767
Provision (benefit) for income taxes(1)	—	—	1,096	(39)	2,701	4,500
Net income (loss)	$ 5,491	$ 6,406	$ 5,705	$ (169)	$ 4,475	$ 7,267
Net income (loss) per share						
Basic	$ 0.54	$ 0.63	$ 0.49	$ (0.01)	$ 0.40	$ 0.64
Diluted	$ 0.43	$ 0.50	$ 0.42	$ (0.01)	$ 0.35	$ 0.56
Weighted average shares outstanding						
Basic	10,128,132	10,132,983	11,547,012	11,305,261	11,305,261	11,305,261
Diluted	12,629,007	12,718,806	13,581,579	11,305,261	12,811,855	12,938,858

(1) For fiscal 2000 and 2001 and for a portion of fiscal 2002 ended November 3, 2002, we were treated as a Subchapter S corporation for federal income tax purposes and, as a result, we were exempt from paying federal and state income taxes for those periods. As a result, our results of operations for fiscal 2000 and 2001 do not reflect any provision for income taxes and our provision for income taxes for fiscal 2002 reflects a provision for only the last two months of fiscal 2002. Accordingly, our provision for income taxes and our total and per share net income for fiscal 2000, 2001 and 2002 are not comparable to our provision for income taxes and our total and per share net income for the subsequent periods reflected in this table. See note 1 to our financial statements included elsewhere in this prospectus.

	December 31,			February 1,	January 31,	January 29,
	2000	2001	2002	2003	2004	2005
	(In thousands)					
Balance Sheet Data:						
Cash and cash equivalents	$ 3,536	$ 645	$ 7,722	$ 482	$ 578	$ 1,026
Working capital	1,335	1,108	(556)	(455)	2,975	4,756
Total assets	20,996	28,180	42,608	36,003	41,558	54,811
Total long term liabilities	1,772	2,237	1,955	1,935	2,613	5,576
Total shareholders' equity	7,488	11,916	14,136	13,967	18,438	25,799

	Fiscal Year Ended December 31,			One Month Ended February 1,	Fiscal Year Ended January 31,	Fiscal Year Ended
	2000	2001	2002	2003	2004	January 29, 2005
	(Dollars in thousands except net sales per square foot)					
Other Financial Data:						
Gross margin percentage(1)	32.6%	32.1%	30.0%	28.4%	31.0%	32.8%
Capital expenditures	$ 3,315	$ 7,500	$ 7,186	$ 42	$ 5,937	$ 11,060
Depreciation	$ 1,694	$ 2,348	$ 3,571	$ 332	$ 4,185	$ 5,857
Store Data:						
Number of stores open at end of period	64	80	99	99	113	140
Comparable store sales increase (decrease)(2)(3)	18.5%	20.2%	(1.1)%	(5.8)%	4.3%	9.6%
Net sales per store(3)(4)	$ 1,049	$ 1,203	$ 1,105	$ 65	$ 1,131	$ 1,195
Total square footage at end of period(5)	147,223	194,651	247,476	247,476	288,784	371,864
Average square footage per store at end of period(6)	2,300	2,433	2,500	2,500	2,556	2,656
Net sales per square foot(3)(7)	$ 456	$ 506	$ 443	$ 26	$ 448	$ 457

(1) Gross margin percentage represents gross margin divided by net sales.

(2) Comparable store sales percentage changes are calculated by comparing comparable store sales for the applicable fiscal year to comparable store sales for the prior fiscal year or, in the case of the one month ended February 1, 2003, by comparison to comparable store sales for the one month ended February 2, 2002. Comparable store sales are based on net sales, and stores are considered comparable beginning on the first anniversary of their first day of operation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—General" for more information about how we compute comparable store sales.

(3) Comparable store sales, net sales per store and net sales per square foot include our in-store sales and our Internet sales. Our Internet sales represented less than 1.0% of our total net sales in each of the periods presented.

(4) Net sales per store represents net sales for the period divided by the average number of stores open during the period. For purposes of this calculation, the average number of stores open during the period is equal to the sum of the number of stores open as of the end of each month during the period divided by the number of months in the period.

(5) Total square footage at end of period includes retail selling, storage and back office space.

(6) Average square footage per store at end of period is calculated on the basis of the total square footage at end of period, including retail selling, storage and back office space, of all stores open at the end of the period.

(7) Net sales per square foot represents net sales for the period divided by the average square footage of stores open during the period. For purposes of this calculation, the average square footage of stores open during the period is equal to the sum of the total square footage of the stores open as of the end of each month during the period divided by the number of months in the period.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with the financial statements and other information contained in this prospectus, before making a decision to buy our common stock. If any of the following risks actually occurs, our business, financial condition and results of operations could suffer. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock.

Risks Related to Our Business

Our growth strategy depends on our ability to open and operate a significant number of new stores each year, which could strain our resources and cause the performance of our existing stores to suffer.

Our growth will largely depend on our ability to open and operate new stores successfully. However, our ability to open new stores is subject to a variety of risks and uncertainties, and we may be unable to open new stores as planned, and any failure to successfully open and operate new stores would have a material adverse effect on our results of operations and on the market price of our common stock. We opened 27 stores in fiscal 2004 and 15 stores in fiscal 2003. We plan to open approximately 35 stores in our fiscal year ending in January 2006, which we refer to as "fiscal 2005," an increase of 25.0% over our store base as of the end of fiscal 2004. We intend to continue to open a significant number of new stores in future years while remodeling a portion of our existing store base annually. However, there can be no assurance that we will open the planned number of new stores in fiscal 2005 or thereafter. In addition, our proposed expansion will place increased demands on our operational, managerial and administrative resources. These increased demands could cause us to operate our business less effectively, which in turn could cause deterioration in the financial performance of our individual stores and our overall business. To the extent our new store openings are in markets where we already have stores, we may experience reduced net sales in existing stores in those markets. In addition, successful execution of our growth strategy may require that we obtain additional financing, and we cannot assure you that we will be able to obtain that financing on acceptable terms or at all.

If we fail to effectively execute our expansion strategy, we may not be able to successfully open new store locations in a timely manner, if at all, which could have an adverse affect on our net sales and results of operations.

Our ability to open and operate new stores successfully depends on many factors, including, among others, our ability to:

- identify suitable store locations, the availability of which is outside of our control;
- negotiate acceptable lease terms, including desired tenant improvement allowances;
- source sufficient levels of inventory at acceptable costs to meet the needs of new stores;
- hire, train and retain store personnel;
- successfully integrate new stores into our existing operations; and
- identify and satisfy the merchandise preferences of new geographic areas.

In addition, many of our planned new stores are to be opened in regions of the United States in which we currently have few, or no, stores. The expansion into these markets may present competitive, merchandising and distribution challenges that are different from those currently encountered in our existing markets. Any of these challenges could adversely affect our business and results of operations.

Our business is dependent upon our being able to anticipate, identify and respond to changing fashion trends, customer preferences and other fashion-related factors; failure to do so could have a material adverse effect on us.

Customer tastes and fashion trends in the action sports lifestyle market are volatile and tend to change rapidly. Our success depends on our ability to effectively anticipate, identify and respond to changing fashion tastes and consumer preferences, and to translate market trends into appropriate, saleable product offerings in a timely manner. If we are unable to successfully anticipate, identify or respond to changing styles or trends and misjudge the market for our products or any new product lines, our sales may be lower than predicted and we may be faced with a substantial amount of unsold inventory or missed opportunities. In response to such a situation, we may be forced to rely on markdowns or promotional sales to dispose of excess or slow-moving inventory, which could have a material adverse effect on our results of operations.

Our ability to attract customers to our stores depends heavily on the success of the shopping malls in which our stores are located; any decrease in customer traffic in those malls could cause our sales to be less than expected.

In order to generate customer traffic we depend heavily on locating our stores in prominent locations within successful shopping malls. Sales at these stores are derived, in part, from the volume of traffic in those malls. Our stores benefit from the ability of a mall's other tenants to generate consumer traffic in the vicinity of our stores and the continuing popularity of malls as shopping destinations. Our sales volume and mall traffic generally may be adversely affected by, among other things, economic downturns in a particular area, competition from Internet retailers, non-mall retailers and other malls, increases in gasoline prices and the closing or decline in popularity of other stores in the malls in which we are located. A reduction in mall traffic as a result of these or any other factors could have a material adverse effect on our business, results of operations and financial condition.

Our sales and inventory levels fluctuate on a seasonal basis, leaving our operating results particularly susceptible to changes in back-to-school and holiday shopping patterns.

Our sales are typically disproportionately higher in the third and fourth fiscal quarters of each fiscal year due to increased sales during the back-to-school and winter holiday shopping seasons. Sales during these periods cannot be used as an accurate indicator of annual results. Our sales in the first and second fiscal quarters are typically lower than in our second and third fiscal quarters due, in part, to the traditional retail slowdown immediately following the winter holiday season. Any significant decrease in sales during the back-to-school and winter holiday seasons would have a material adverse effect on our financial condition and results of operations. In addition, in order to prepare for the back-to-school and winter holiday shopping seasons, we must order and keep in stock significantly more merchandise than we carry during other parts of the year. Any unanticipated decrease in demand for our products during these peak shopping seasons could require us to sell excess inventory at a substantial markdown, which could have a material adverse effect on our business, results of operations and financial condition.

Our quarterly results of operations are volatile and may decline.

Our quarterly results of operations have fluctuated significantly in the past and can be expected to continue to fluctuate significantly in the future. As discussed above, our sales and operating results are typically lower in the first and second quarters of our fiscal year due, in part, to the traditional retail slowdown immediately following the winter holiday season. Our quarterly results of operations are affected by a variety of other factors, including:

- the timing of new store openings and the relative proportion of our new stores to mature stores;
- fashion trends and changes in consumer preferences;
- calendar shifts of holiday or seasonal periods;

- changes in our merchandise mix;
- timing of promotional events;
- general economic conditions and, in particular, the retail sales environment;
- actions by competitors or mall anchor tenants;
- weather conditions;
- the level of pre-opening expenses associated with our new stores; and
- inventory shrinkage beyond our historical average rates.

Our business is susceptible to weather conditions that are out of our control, and unseasonable weather could have a negative impact on our results of operations.

Our business is susceptible to unseasonable weather conditions. For example, extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with those unseasonable conditions. These prolonged unseasonable weather conditions, particularly in the western United States where we have a concentration of stores, could have a material adverse effect on our business and results of operations.

We may be unable to compete favorably in the highly competitive retail industry, and if we lose customers to our competitors, our sales could decrease.

The teenage and young adult retail apparel, hardgoods and accessories industry is highly competitive. We compete with other retailers for vendors, teenage and young adult customers, suitable store locations, qualified store associates and management personnel. In the softgoods markets, which includes apparel, accessories and footwear, we currently compete with other teenage-focused retailers such as Abercrombie & Fitch Co., Aeropostale, Inc., American Eagle Outfitters, Inc., Anchor Blue Clothing Company, Charlotte Russe Inc., Claire's Stores, Inc., Forever 21, Inc., Hollister Co., Hot Topic, Inc., Old Navy, Inc., Pacific Sunwear of California, Inc., The Buckle, Inc., The Wet Seal, Inc. and Urban Outfitters, Inc. In addition, in the softgoods market we compete with independent specialty shops, department stores, and direct marketers that sell similar lines of merchandise and target customers through catalogs and e-commerce. In the hardgoods markets, which includes skateboards, snowboards, bindings, components and other equipment, we compete directly or indirectly with the following categories of companies: other specialty retailers that compete with us across a significant portion of our merchandising categories, such as local snowboard and skate shops; large-format sporting goods stores and chains, such as Big 5 Sporting Goods Corporation, Dick's Sporting Goods, Inc., Sport Chalet, Inc. and The Sports Authority Inc., which operates stores under the brand names Sports Authority, Gart Sports, Oshman's and Sportmart; and Internet retailers.

Some of our competitors are larger than we are and have substantially greater financial, marketing and other resources than we do. Direct competition with these and other retailers may increase significantly in the future, which could require us, among other things, to lower our prices and could result in the loss of our customers. Current and increased competition could have a material adverse effect on our business, results of operations and financial condition.

If we fail to maintain good relationships with vendors or if a vendor is otherwise unable or unwilling to supply us with adequate quantities of their products at acceptable prices, our business and financial performance could suffer.

Our business is dependent on continued good relations with our vendors. In particular, we believe that we generally are able to obtain attractive pricing and other terms from vendors because we are perceived as a desirable customer, and a deterioration in our relationship with our vendors would likely have a material adverse effect on our business. We do not have any contractual relationships with our

vendors and, accordingly, there can be no assurance that our vendors will provide us with an adequate supply or quality of products or acceptable pricing. Our vendors could discontinue selling to us or raise the prices they charge at any time. There can be no assurance that we will be able to acquire desired merchandise in sufficient quantities on terms acceptable to us in the future. Also, certain of our vendors sell their products directly to the retail market and therefore compete with us directly, and other vendors may decide to do so in the future. There can be no assurance that such vendors will not decide to discontinue supplying their products to us, supply us only less popular or lesser quality items, raise the prices they charge us or focus on selling their products directly. Any inability to acquire suitable merchandise at acceptable prices, or the loss of one or more key vendors, would have a material adverse effect on our business, results of operations and financial condition.

If we lose key management or are unable to attract and retain the talent required for our business, our financial performance could suffer.

Our performance depends largely on the efforts and abilities of our senior management, including our Co-Founder and Chairman, Thomas D. Campion, our President and Chief Executive Officer, Richard M. Brooks, our Chief Financial Officer, Brenda I. Morris, and our General Merchandising Manager, Lynn K. Kilbourne. None of our employees, except Mr. Brooks, has an employment agreement with us and we do not have, and do not plan to obtain, key person life insurance covering any of our employees. If we lose the services of one or more of our key executives, we may not be able to successfully manage our business or achieve our growth objectives. As our business grows, we will need to attract and retain additional qualified management personnel in a timely manner and we may not be able to do so.

Our failure to meet our staffing needs could adversely affect our ability to implement our growth strategy and could have a material impact on our results of operations.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including regional managers, district managers, store managers and store associates, who understand and appreciate our corporate culture based on a passion for the action sports lifestyle and are able to adequately represent this culture to our customers. Qualified individuals of the requisite caliber, skills and number needed to fill these positions may be in short supply in some areas, and the employee turnover rate in the retail industry is high. Competition for qualified employees could require us to pay higher wages to attract a sufficient number of suitable employees. If we are unable to hire and retain store managers and store associates capable of consistently providing a high level of customer service, as demonstrated by their enthusiasm for our culture and knowledge of our merchandise, our ability to open new stores may be impaired and the performance of our existing and new stores could be materially adversely affected. We are also dependent upon temporary personnel to adequately staff our stores and distribution center, particularly during busy periods such as the back-to-school and winter holiday seasons. There can be no assurance that we will receive adequate assistance from our temporary personnel, or that there will be sufficient sources of temporary personnel. Although none of our employees is currently covered by collective bargaining agreements, we cannot guarantee that our employees will not elect to be represented by labor unions in the future, which could increase our labor costs and could subject us to the risk of work stoppages and strikes. Any such failure to meet our staffing needs, any material increases in employee turnover rates, any increases in labor costs or any work stoppages or interruptions or strikes could have a material adverse effect on our business or results of operations.

Our operations, including our sole distribution center, are concentrated in the western United States, which makes us susceptible to adverse conditions in this region.

Our home office and sole distribution center are located in a single facility in Washington, and a substantial number of our stores are located in Washington and the western half of the United States. As a result, our business may be more susceptible to regional factors than the operations of more geographically diversified competitors. These factors include, among others, economic and weather

conditions, demographic and population changes and fashion tastes. In addition, we rely on a single distribution center in Everett, Washington to receive, store and distribute merchandise to all of our stores and to fulfill our Internet sales. As a result, a natural disaster or other catastrophic event, such as an earthquake affecting western Washington, in particular, or the West Coast, in general, could significantly disrupt our operations and have a material adverse effect on our business, results of operations and financial condition.

We are required to make substantial rental payments under our operating leases and any failure to make these lease payments when due would likely have a material adverse effect on our business and growth plans.

We do not own any of our retail stores or our combined home office and distribution center, but instead we lease all of these facilities under operating leases. Payments under these operating leases account for a significant portion of our operating expenses. For example, total rental expense, including additional rental payments (or "percentage rent") based on sales of some of the stores, common area maintenance charges and real estate taxes, under operating leases was $13.9 million and $17.1 million for fiscal year 2003 and fiscal year 2004, respectively, and, as of January 29, 2005, we were a party to operating leases requiring future minimum lease payments aggregating approximately $48.2 million through fiscal year 2009 and approximately $26.2 million thereafter. In addition, substantially all of our store leases provide for additional rental payments based on sales of the respective stores, as well as common area maintenance charges, and require that we pay real estate taxes, none of which is included in the amount of future minimum lease payments. We expect that any new stores we open will also be leased by us under operating leases, which will further increase our operating lease expenses.

Our substantial operating lease obligations could have significant negative consequences, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring that a substantial portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes;
- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and
- placing us at a disadvantage with respect to some of our competitors.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities, and sufficient funds are not otherwise available to us from borrowings under bank loans or from other sources, we may not be able to service our operating lease expenses, grow our business, respond to competitive challenges or to fund our other liquidity and capital needs, which would have a material adverse effect on us.

This offering and our proposed reincorporation in Washington require waivers or consents from landlords of some of our retail store locations which we have not obtained, and our failure to obtain these waivers and consents could have a material adverse effect on us.

The leases for some of our retail stores require that we obtain waivers or consents from the landlords in order to effect this offering and our reincorporation in the State of Washington, which reincorporation will occur prior to the closing of this offering. We have obtained consents or waivers from the lessors under most of these leases. However, we are currently aware of three store leases for which we have not obtained required consents and waivers, and while we are currently seeking waivers or consents under these leases, there can be no assurance that we will obtain them. In addition, it is possible that we may not have accurately identified all store leases under which waivers or consents are required in connection with this offering or such reincorporation.

Our failure to obtain the required waivers or consents, or our failure to accurately determine which of our store leases have a waiver or consent requirement triggered by this offering or our reincorporation

in the State of Washington, could result in the landlords exercising the remedies set forth in the particular store leases. These remedies may include, in certain instances, termination of the store leases. Any such termination would require us to enter into a new lease with the landlord, possibly at a higher rental rate, or, if we were unable to do so, would result in a loss of revenue from the store in question, would require us to find and lease, possibly at a higher rental rate, a new location for that store and incur the cost of improving that new location and other costs, and could result in charges resulting from the write off of improvements to the store that had been closed. These landlords may also seek to increase our rental payments, renegotiate our leases or obtain other concessions or payments from us as a condition to providing their waivers or consents. Accordingly, our failure to obtain all waivers and consents required under our store leases could have a material adverse effect on our results of operations and financial condition.

The terms of our revolving credit facility impose operating and financial restrictions on us that may impair our ability to respond to changing business and economic conditions. This impairment could have a significant adverse impact on our business.

We have a $20 million revolving credit facility with Bank of America, N.A., which we use for inventory financing and other general corporate purposes, that contains a number of significant restrictions and covenants that generally limit our ability to, among other things, (1) incur additional indebtedness or certain lease obligations outside the ordinary course of business; (2) enter into sale/leaseback transactions; (3) make certain changes in our management; and (4) undergo a change in ownership. In addition, our obligations under the revolving credit facility are secured by almost all of our personal property, including, among other things, our inventory, equipment and fixtures. Our revolving credit facility also contains financial covenants that require us to meet certain specified financial ratios, including a debt to earnings ratio, an earnings to interest expense ratio and an inventory to debt ratio. Our ability to comply with these ratios may be affected by events beyond our control.

A breach of any of these restrictive covenants or our inability to comply with the required financial ratios could result in a default under the revolving credit facility. If a default occurs, the lender may elect to declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable. If we are unable to repay outstanding borrowings when due, whether at their maturity or if declared due and payable by the lender following a default, the lender has the right to proceed against the collateral granted to it to secure the indebtedness. As a result, any breach of these covenants or failure to comply with these ratios could have a material adverse effect on us. In that regard, in fiscal 2002 we breached certain financial covenants in a prior credit facility which required that we obtain waivers from the lender. These breaches did not have a material adverse impact on our financial condition or results of operations. There can be no assurance that we will not breach the covenants or fail to comply with the ratios in our revolving credit facility or any other debt agreements we may enter into in the future and, if a breach occurs, there can be no assurance that we will be able to obtain necessary waivers or amendments from the lenders.

The restrictions contained in our revolving credit facility could: (1) limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and (2) adversely affect our ability to finance our operations, strategic acquisitions, investments or other capital needs or to engage in other business activities that would be in our interest.

Our business could suffer as a result of United Parcel Service being unable to distribute our merchandise.

We rely upon United Parcel Service for our product shipments, including shipments to, from and between our stores. Accordingly, we are subject to risks, including employee strikes and inclement weather, which may affect United Parcel Service's ability to meet our shipping needs. Among other things, any circumstances that require us to use other delivery services for all or a portion of our shipments could result in increased costs and delayed deliveries and could harm our business materially. In addition, although we have a contract with United Parcel Service that expires in June 2007, United Parcel Service has the right to terminate the contract upon 30 days written notice. Although the contract with United

Parcel Service provides certain discounts from the shipment rates in effect at the time of shipment, the contract does not limit United Parcel Services' ability to raise the shipment rates at any time. Accordingly, we are subject to the risk that United Parcel Service may increase the rates they charge, that United Parcel Service may terminate their contract with us, that United Parcel Service may decrease the rate discounts provided to us when an existing contract is renewed or that we may be unable to agree on the terms of a new contract with United Parcel Service, any of which could materially adversely affect our operating results.

Our business could suffer if a manufacturer fails to use acceptable labor practices.

We do not control our vendors or the manufacturers that produce the products we buy from them, nor do we control the labor practices of our vendors and these manufacturers. The violation of labor or other laws by any of our vendors or these manufacturers, or the divergence of the labor practices followed by any of our vendors or these manufacturers from those generally accepted as ethical in the United States, could interrupt, or otherwise disrupt, the shipment of finished products to us or damage our reputation. Any of these, in turn, could have a material adverse effect on our financial condition and results of operations. In that regard, most of the products sold in our stores are manufactured overseas, primarily in Asia and Central America, which may increase the risk that the labor practices followed by the manufacturers of these products may differ from those considered acceptable in the United States.

Our failure to adequately anticipate a correct mix of private label merchandise may have a material adverse effect on our business.

Sales from private label merchandise accounted for 12.8% of our net sales in fiscal 2004. We may take steps to increase the percentage of net sales of private label merchandise in the future, although there can be no assurance that we will be able to achieve increases in private label merchandise sales as a percentage of net sales. Because our private label merchandise generally carries higher gross margins than other merchandise, our failure to anticipate, identify and react in a timely manner to fashion trends with our private label merchandise, particularly if the percentage of net sales derived from private label merchandise increases, may have a material adverse effect on our comparable store sales, financial condition and results of operations.

Most of our merchandise is produced by foreign manufacturers; therefore the availability and costs of these products may be negatively affected by risks associated with international trade and other international conditions.

Most of our merchandise is produced by manufacturers in Asia and Central America. Some of these facilities are also located in regions that may be affected by natural disasters, political instability or other conditions that could cause a disruption in trade. Trade restrictions such as increased tariffs or quotas, or both, could also affect the importation of merchandise generally and increase the cost and reduce the supply of merchandise available to us. Any reduction in merchandise available to us or any increase in its cost due to tariffs, quotas or local issues that disrupt trade could have a material adverse effect on our results of operations. Although the prices charged by vendors for the merchandise we purchase are all denominated in United States dollars, a continued decline in the relative value of the United States dollar to foreign currencies could lead to increased merchandise costs, which could negatively affect our competitive position and our results of operation.

If our information systems hardware or software fails to function effectively or does not scale to keep pace with our planned growth, our operations could be disrupted and our financial results could be harmed.

Over the past several years, we have made improvements to our existing hardware and software systems, as well as implemented new systems. If these or any other information systems and software do not work effectively, this could adversely impact the promptness and accuracy of our transaction processing, financial accounting and reporting and our ability to manage our business and properly forecast operating results and cash requirements. To manage the anticipated growth of our operations and

personnel, we may need to continue to improve our operational and financial systems, transaction processing, procedures and controls, and in doing so could incur substantial additional expenses which could harm our financial results. In addition, as discussed below, we will be required to improve our financial and managerial controls, reporting systems and procedures to comply with Section 404 of the Sarbanes-Oxley Act of 2002.

Our inability or failure to protect our intellectual property or our infringement of other's intellectual property could have a negative impact on our operating results.

We believe that our trademarks and domain names are valuable assets that are critical to our success. The unauthorized use or other misappropriation of our trademarks or domain names could diminish the value of the Zumiez brand, our store concept, our private label brands or our goodwill and cause a decline in our net sales. At this time, we have not secured protection for our trademarks in any jurisdiction outside of the United States, and thus we cannot prevent other persons from using our trademarks outside of the United States, which also could materially adversely affect our business. We are also subject to the risk that we may infringe on the intellectual property rights of third parties. Any infringement or other intellectual property claim made against us, whether or not it has merit, could be time-consuming, result in costly litigation, cause product delays or require us to pay royalties or license fees. As a result, any such claim could have a material adverse effect on our operating results.

The effects of war or acts of terrorism could adversely affect our business.

Substantially all of our stores are located in shopping malls. Any threat of terrorist attacks or actual terrorist events, particularly in public areas, could lead to lower customer traffic in shopping malls. In addition, local authorities or mall management could close shopping malls in response to security concerns. Mall closures, as well as lower customer traffic due to security concerns, would likely result in decreased sales. Additionally, the escalation of the armed conflicts in the Middle East, or the threat, escalation or commencement of war or other armed conflict elsewhere, could significantly diminish consumer spending, and result in decreased sales for us. Decreased sales would have a material adverse effect on the our business, financial condition and results of operations.

Failure to successfully integrate any businesses or stores that we acquire could have an adverse impact on our results of operations.

We may from time to time acquire other retail stores, individually or in groups, or businesses. We may experience difficulties in assimilating any stores or businesses we may acquire, and any such acquisitions may also result in the diversion of our capital and our management's attention from other business issues and opportunities. We may not be able to successfully integrate any stores or businesses that we may acquire, including their facilities, personnel, financial systems, distribution, operations and general operating procedures. If we fail to successfully integrate acquisitions, we could experience increased costs and other operating inefficiencies, which could have an adverse effect on our results of operations.

Our executive officers and the Brentwood Affiliates have significant influence over, and acting collectively can control, our management and affairs.

Our executive officers and the Brentwood Affiliates will, in the aggregate, beneficially own approximately 72.4% of our outstanding common stock immediately following the completion of this offering, or approximately 68.8% of our outstanding common stock if the underwriters' over-allotment option is exercised in full. Specifically, the Brentwood Affiliates will beneficially own approximately 25.5% of our outstanding common stock immediately following this offering, and Thomas D. Campion, our Chairman of the Board, and Richard M. Brooks, our President and Chief Executive Officer, will beneficially own approximately 29.1% and 17.7%, of our outstanding common stock, respectively, immediately following this offering. If the underwriters' over-allotment option is exercised in full, then the Brentwood Affiliates will beneficially own approximately 22.5% of our outstanding common stock, and Mr. Campion and Mr. Brooks will beneficially own approximately 29.1% and 17.1% of our outstanding common stock, respectively, immediately following this offering.

As a result, the Brentwood Affiliates and Messrs. Campion and Brooks will individually have significant influence over, and acting together will control, matters requiring approval by our shareholders, including the election of directors and approval of mergers, consolidations, sales of assets, recapitalizations and amendments to our articles of incorporation. These shareholders may take actions with which you do not agree, including actions that delay, defer or prevent a change of control of our company and that could cause the price that investors are willing to pay for our common stock to decline.

Our Internet operations subject us to numerous risks that could have an adverse effect on our results of operations.

Although Internet sales constitute only a small portion of our overall sales, our Internet operations subject us to certain risks that could have an adverse effect on our operational results, including:

- diversion of traffic and sales from our stores;
- liability for online content; and
- risks related to the computer systems that operate our website and related support systems, including computer viruses and electronic break-ins and similar disruptions.

In addition, risks beyond our control, such as governmental regulation of the Internet, entry of our vendors in the Internet business in competition with us, online security breaches and general economic conditions specific to the Internet and online commerce could have an adverse effect on our results of operations.

The outcome of litigation could have a material adverse effect on our business.

We are involved, from time to time, in litigation incidental to our business. Management believes, after considering a number of factors and the nature of the legal proceedings to which we are subject, that the outcome of current litigation will not have a material adverse effect upon our results of operations or financial condition. However, management's assessment of our current litigation could change in light of the discovery of facts not presently known to us or determinations by judges, juries or other finders of fact that are not in accord with management's evaluation of the possible liability or outcome of such litigation. As a result, there can be no assurance that the actual outcome of pending or future litigation will not have a material adverse effect on our results of operations or financial condition.

We will incur significant expenses as a result of being a public company, which will negatively impact our financial performance.

We will incur significant legal, accounting, insurance and other expenses as a result of being a public company. The Sarbanes-Oxley Act of 2002, as well as related rules implemented by the SEC and The Nasdaq Stock Market, have required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act as discussed in the following risk factor, will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as officers. As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could have a material adverse effect on our results of operations and financial condition.

In addition, we currently have only one director who qualifies as an independent director under the rules of the SEC and The Nasdaq Stock Market, and those rules require that we appoint a second independent director within 90 days, and a third independent director within one year, following this offering. Any failure to appoint these additional independent directors by these deadlines would allow The

Nasdaq Stock Market to de-list our common stock and could result in adverse publicity and other sanctions, which could have a material adverse effect on our results of operations and the market value of our common stock.

Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting and could harm our ability to manage our expenses.

Reporting obligations as a public company and our anticipated growth are likely to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel. In addition, as a public company we will be required to document and test our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 so that our management can certify as to the effectiveness of our internal controls and our independent registered public accounting firm can render an opinion on management's assessment and on the effectiveness of our internal control over financial reporting by the time our annual report for fiscal 2006 is due and thereafter, which will require us to document and make significant changes to our internal controls over financial reporting. As a result, we will be required to improve our financial and managerial controls, reporting systems and procedures, to incur substantial expenses to test our systems and to make such improvements and to hire additional personnel. If our management is unable to certify the effectiveness of our internal controls or if our independent registered public accounting firm cannot render an opinion on management's assessment and on the effectiveness of our internal control over financial reporting, or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could have a material adverse effect on our business and our stock price. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in our stock price and adversely affect our ability to raise capital.

Risks Related to this Offering

Our stock price may be volatile and the market price of our common stock may decline.

Prior to this offering, our common stock has not been sold in a public market. We cannot predict the extent to which a trading market will develop or how liquid that market might become. An active trading market for our common stock may never develop or may not be sustained, which could adversely affect your ability to sell your shares and the market price of your shares. The initial public offering price for the shares was determined by negotiations between us, the selling shareholders and the underwriters and does not purport to be indicative of prices at which our common stock will trade upon completion of this offering.

The stock market in general, and the market for stocks of some retailers, has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those listed elsewhere in this "Risk Factors" section and others such as:

- variations in our operating performance and the performance of our competitors;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in our net sales or earnings estimates or recommendations by securities analysts;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;

- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- speculation in the press or investment community;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest; and
- changes in general market and economic conditions.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

We may invest or spend the proceeds of this offering in ways you may not agree with or in ways which may not yield a return.

We will have broad discretion over the net proceeds from this offering received by us. We may use these funds to acquire or invest in businesses, stores or products. We have not reserved specific amounts for any particular purposes, and we cannot specify with certainty how we will use these funds. Accordingly, our management will have considerable discretion in the application of these funds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. These funds may be used for purposes that do not improve our operating results or the market value of our stock. Until these funds are used, they may be placed in investments that do not produce income or that lose value.

Future sales of our common stock in the public market could cause our stock price to fall.

Sales of our common stock in the public market after this offering, or the perception that such sales might occur, could cause the market price of our common stock to decline. Immediately after completion of this offering, we will have 13,180,261 shares of common stock outstanding, including approximately 3,361,837 shares that will be beneficially owned by the Brentwood Affiliates, in each case based on shares outstanding as of January 29, 2005. In general, the shares sold in this offering will be freely transferable without restriction or additional registration under the Securities Act of 1933, or the "Securities Act." In addition, all of the 10,055,261 remaining shares of our common stock that will be outstanding immediately after completion of this offering will be available for sale in the public markets, pursuant to Rule 144 or Rule 701 under the Securities Act, 180 days (subject to extension for up to an additional 34 days under limited circumstances as described under "Underwriting") after the completion of this offering following the expiration of lock-up agreements entered into by our directors and officers and all of our shareholders for the benefit of the underwriters. Furthermore, immediately after completion of this offering and based on shares outstanding as of January 29, 2005, the holders of those 10,055,261 shares of our outstanding common stock, including the Brentwood Affiliates, will also have the right to include those shares in any registration statement we file with the SEC, subject to exceptions, which would enable those shares to be sold in the public markets, subject to the restrictions under the lock-up agreements referred to above.

Any or all of the shares subject to the lock-up agreements may be released for sale in the public market prior to expiration of the lock-up period at the discretion of Wachovia Capital Markets, LLC and Piper Jaffray & Co. Sales of our common stock in the public market, or the perception that those sales may occur, could cause the market price of our common stock to decline. For additional information, see "Shares Eligible for Future Sale" and "Underwriting."

Purchasers in this offering will immediately experience substantial dilution in net tangible book value of their shares.

The initial public offering price of our common stock in this offering is considerably more than the net tangible book value per share of our outstanding common stock. Purchasers in this offering will suffer immediate dilution of $12.05 per share in net tangible book value, based on the sale of shares of common stock to be sold by us in this offering at an assumed initial public offering price of $16.00 per share of common stock (the mid-point of the price range set forth on the cover of this preliminary prospectus). See "Dilution."

We have outstanding options that have the potential to dilute shareholder value and cause the price of our common stock to decline.

In the past, we have offered, and we expect to continue to offer, stock options or other forms of stock-based compensation to our directors, officers and employees. Stock options issued in the past have per share exercise prices below the initial public offering price per share. As of January 29, 2005, we had options outstanding to purchase 1,855,397 shares of our common stock at exercise prices ranging from $0.46 to $7.73 per share, and a weighted average exercise price of $3.54 per share. If some or all of these options are exercised and such shares are sold into the public market, the market price of our common stock may decline.

Washington law and our articles of incorporation and bylaws contain antitakeover provisions that could delay, discourage or prevent takeover attempts that shareholders may consider favorable or attempts to replace or remove our management that would be beneficial to our shareholders.

Certain provisions of our articles of incorporation and our bylaws and of Washington law may delay, discourage or prevent transactions that our shareholders may consider favorable, including transactions that could provide for payment of a premium over the prevailing market price of our common stock, and also may limit the price that investors are willing to pay in the future for our common stock. For example, our articles of incorporation contain provisions, such as allowing our board of directors to issue preferred stock with rights superior to those of our common stock without the consent of our shareholders and prohibitions on cumulative voting in the election of directors, which could make it more difficult for a third party to acquire us without the consent of our board of directors. In addition, our articles of incorporation provide for our board of directors to be divided into three classes serving staggered terms of three years each, permit removal of directors only for cause, provide that vacancies on the board of directors may be filled only by the affirmative vote of a majority of directors then in office, and require two-thirds shareholder approval of certain types of business transactions and to amend our bylaws. Furthermore, our bylaws require advance notice of shareholder proposals and nominations of candidates for election to our board of directors and eliminate the ability of shareholders to call for special shareholder meetings. In addition, Chapter 23B.19 of the Washington Business Corporation Act prohibits certain business combinations between us and certain significant shareholders unless certain conditions are met. These provisions may have the effect of delaying, deterring or preventing a third-party from acquiring us. See "Description of Capital Stock—Antitakeover Effects of Washington Law and Certain Provisions of Our Articles of Incorporation and Our Bylaws."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

This prospectus includes forward-looking statements that are based on our expectations regarding net sales, selling, general and administrative expenses, profitability, financial position, business strategy, new store openings, and plans and objectives of management. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions, as they relate to us and our business, industry, markets and consumers, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among others, those described in "Risk Factors" and elsewhere in this prospectus, and the following:

- our ability to open and operate new stores successfully;
- our ability to anticipate, identify and respond to fashion trends and customer preferences;
- our dependence on mall traffic for our sales;
- seasonal fluctuations in our business;
- unseasonable weather conditions;
- competition, including promotional and pricing competition; and
- changes in the availability or cost of merchandise, labor or delivery services.

These risks are not exhaustive. Other sections of this prospectus describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We assume no obligation to update any forward-looking statements as a result of new information, future events or developments.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur and actual results could differ materially from those projected or implied in the forward-looking statements.

The market and demographic data included in this prospectus concerning our business and markets, including data regarding retail sales of skateboard, snowboard and surf/bodyboard merchandise, data regarding participation in board sports and data regarding spending by teenagers in the United States is estimated and is based on data made available by market research firms, industry trade associations or other publicly available information.

USE OF PROCEEDS

We estimate that the net proceeds from the shares to be sold by us in this offering will be approximately $26.2 million, based on an assumed initial public offering price of $16.00 per share (the mid-point of the price range set forth on the cover of this preliminary prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of the shares by the selling shareholders.

We intend to use the net proceeds from this offering, together with cash flow from operations, to fund new store openings, store improvements, infrastructure improvements, working capital and other general corporate purposes, which may include general and administrative expenses. For fiscal 2005, we have budgeted $14.8 million for new store openings and store improvements and $0.9 million for infrastructure improvements, although the actual amounts that we spend on such items may vary. As a result, we will retain broad discretion over the use of the net proceeds from this offering. In that regard, we consider possible acquisitions of other businesses and stores from time to time and we may therefore apply a portion of the net proceeds to finance all or a portion of the cost of acquisitions. However, we do not currently have any binding agreements or commitments with respect to any acquisitions, and we might be required to obtain additional financing if we were to proceed with an acquisition. Pending application, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities or money market accounts.

The principal purposes of this offering are (1) to provide additional funds for the purposes described above, (2) to attract and retain qualified employees by providing them with equity incentives and (3) to create a public market for our common stock for the benefit of our current shareholders.

DIVIDEND POLICY

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We anticipate that we will retain all of our available funds for use in the operation and expansion of our business. Any future determination as to the payment of cash dividends will be at the discretion of our board of directors and will depend on our financial condition, operating results, current and anticipated cash needs, plans for expansion and other factors that our board of directors considers to be relevant. In addition, financial and other covenants in any instruments and agreements that we enter into in the future may restrict our ability to pay cash dividends on our common stock.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of January 29, 2005, as follows:

- on an actual basis; and
- on an as adjusted basis to give effect to our sale of 1,875,000 shares of common stock in this offering at an assumed initial public offering price of $16.00 per share (the mid-point of the price range set forth on the cover of this preliminary prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Information in the following table does not give effect to our anticipated use of the proceeds we will receive from this offering. You should read this information together with the sections of this prospectus entitled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes appearing elsewhere in this prospectus.

	As of January 29, 2005	
	Actual	As Adjusted
	(Dollars in thousands, except per share data)	
Cash and cash equivalents	$ 1,026	$ 27,226
Long-term debt(1)	$ —	$ —
Shareholders' equity(2)		
Preferred stock, no par value per share, 20,000,000 shares authorized, none issued and outstanding actual; 20,000,000 shares authorized, none issued and outstanding as adjusted	—	—
Common stock, no par value per share, 50,000,000 shares authorized, 11,305,261 shares issued and outstanding actual; 50,000,000 shares authorized, 13,180,261 shares issued and outstanding as adjusted	44	26,244
Employee stock options	95	95
Retained earnings	25,808	25,808
Receivable from parent	(148)	(148)
Total shareholders' equity	25,799	51,999
Total capitalization(1)	$ 25,799	$ 51,999

(1) All of the indebtedness outstanding under our $20.0 million revolving credit facility is classified as short-term debt. As of January 29, 2005, we had no short-term debt, and $671,000 of letters of credit, outstanding under our revolving credit facility. See note 5 to our financial statements included elsewhere in this prospectus. In addition, we have substantial obligations under operating leases which are not reflected in the above table. See note 9 to our financial statements appearing elsewhere in this prospectus for information as to our obligations under operating leases.

(2) The outstanding share information in the table above excludes:

- 1,855,397 shares issuable upon exercise of outstanding options with a weighted average exercise price of $3.54 per share;
- an aggregate of 3,307,297 additional shares available for future awards under our 2004 Option Plan; and
- an aggregate of 3,425,000 additional shares that will be initially available for future awards under our 2005 Incentive Plan and our Stock Purchase Plan, plus scheduled annual increases and other potential increases in the number of shares reserved for issuance under the 2005 Incentive Plan.

DILUTION

As of January 29, 2005, our net tangible book value was approximately $25.8 million, or $2.28 per outstanding share of our common stock. The net tangible book value per share of our common stock is the difference between our total tangible assets and our total liabilities, divided by the number of shares of common stock outstanding at that date. For new investors in our common stock, dilution is the per share difference between the initial public offering price of our common stock and the net tangible book value of our common stock.

After giving effect to our receipt of the net proceeds from our sale of shares of common stock in this offering at an assumed initial public offering price of $16.00 per share (the mid-point of the price range set forth on the cover of this preliminary prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value at January 29, 2005 would have been approximately $52.0 million, or $3.95 per share. This represents an immediate increase in our net tangible book value of $1.67 per share to existing shareholders and an immediate dilution of $12.05 per share to new investors purchasing shares of common stock in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$ 16.00
Net tangible book value per share as of January 29, 2005	$ 2.28	
Increase in net tangible book value per share attributable to new investors	1.67	
As adjusted net tangible book value per share after giving effect to this offering		$ 3.95
Dilution per share to new investors		$ 12.05

The following table summarizes, as of January 29, 2005, the number and percentage of shares of common stock purchased from us by our existing shareholders and new investors purchasing shares of common stock from us in this offering, as well as the total consideration and the average price per share paid to us by them:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders	11,305,261	85.8%	$ 7,575,584	20.2%	$ 0.67
New investors	1,875,000	14.2	30,000,000	79.8	16.00
Total	13,180,261	100%	$ 37,575,584	100%	

The discussion and tables above exclude, as of January 29, 2005:

- 1,855,397 shares issuable upon exercise of outstanding options with a weighted average exercise price of $3.54 per share;
- an aggregate of 3,307,297 additional shares available for future awards under our 2004 Option Plan; and
- an aggregate of 3,425,000 additional shares that will be initially available for future awards under our 2005 Incentive Plan and our Stock Purchase Plan, plus scheduled annual increases and other potential increases in the number of shares reserved for issuance under the 2005 Incentive Plan.

If all of the stock options outstanding at January 29, 2005 were exercised, the number of shares held by existing shareholders would increase to 13,160,658 shares, or approximately 87.5% of the total number of shares of common stock to be outstanding immediately after this offering, and the number of shares purchased from us by new investors would remain the same at 1,875,000 shares, which would represent a decrease to approximately 12.5% of the total number of shares of our common stock to be outstanding immediately after this offering, in each case based upon shares outstanding as of January 29, 2005, and the total consideration paid to us by existing shareholders and new investors would have been approximately $14.1 million and $30.0 million, respectively, or approximately 32.0% and 68.0%, respectively, of the total consideration paid.

SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

Through and including December 31, 2002, our fiscal year ended on December 31 and was the same as the calendar year. Subsequent to December 31, 2002, we changed our fiscal year to end on the Saturday closest to January 31 and, as a result, the following tables include financial data as of and for the one month ended February 1, 2003, which was the one month transition period following the end of the fiscal year ended December 31, 2002 and prior to the beginning of the fiscal year ended January 31, 2004. Each fiscal year ending subsequent to December 31, 2002 consists of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. Our fiscal years ended December 31, 2000, 2001 and 2002, January 31, 2004 and January 29, 2005 each consisted of 52 weeks. In this prospectus, we refer to the fiscal year ended January 31, 2004 as "fiscal 2003" and to the fiscal year ended January 29, 2005 as "fiscal 2004."

The selected statement of operations data for the fiscal year ended December 31, 2002, the one month ended February 1, 2003, the fiscal year ended January 31, 2004 and the fiscal year ended January 29, 2005 and the selected balance sheet data as of February 1, 2003, January 31, 2004 and January 29, 2005 are derived from our audited financial statements, which are included elsewhere in this prospectus. The selected statement of operations data for the fiscal years ended December 31, 2000 and 2001 and the selected balance sheet data as of December 31, 2000, 2001 and 2002 are derived from our audited financial statements not included in this prospectus.

	Fiscal Year Ended December 31,			One Month Ended February 1,	Fiscal Year Ended January 31,	Fiscal Year Ended January 29,
	2000	2001	2002	2003	2004	2005
	(In thousands, except share and per share data)					
Statement of Operations Data:						
Net sales	$ 60,827	$ 84,735	$ 101,391	$ 6,392	$ 117,857	$ 153,583
Cost of goods sold	41,027	57,534	71,017	4,575	81,320	103,152
Gross margin	19,800	27,201	30,374	1,817	36,537	50,431
Selling, general and administrative expenses	14,010	20,470	23,404	2,013	29,076	38,422
Operating profit (loss)	5,790	6,731	6,970	(196)	7,461	12,009
Other income (expense)	36	(3)	148	—	8	8
Interest expense	(335)	(322)	(317)	(12)	(293)	(250)
Earnings (loss) before income taxes	5,491	6,406	6,801	(208)	7,176	11,767
Provision (benefit) for income taxes(1)	—	—	1,096	(39)	2,701	4,500
Net income (loss)	$ 5,491	$ 6,406	$ 5,705	$ (169)	$ 4,475	$ 7,267
Net income (loss) per share						
Basic	$ 0.54	$ 0.63	$ 0.49	$ (0.01)	$ 0.40	$ 0.64
Diluted	$ 0.43	$ 0.50	$ 0.42	$ (0.01)	$ 0.35	$ 0.56
Weighted average shares outstanding						
Basic	10,128,132	10,132,983	11,547,012	11,305,261	11,305,261	11,305,261
Diluted	12,629,007	12,718,806	13,581,579	11,305,261	12,811,855	12,938,858

(1) For fiscal 2000 and 2001 and for a portion of fiscal 2002 ended November 3, 2002, we were treated as a Subchapter S corporation for federal income tax purposes and, as a result, we were exempt from paying federal and state income taxes for those periods. As a result, our results of operations for fiscal 2000 and 2001 do not reflect any provision for income taxes and our provision for income taxes for fiscal 2002 reflects a provision for only the last two months of fiscal 2002. Accordingly, our provision for income taxes and our total and per share net income for fiscal 2000, 2001 and 2002 are not comparable to our provision for income taxes and our total and per share net income for the subsequent periods reflected in this table. See note 1 to our financial statements included elsewhere in this prospectus.

	December 31,			February 1,	January 31,	January 29,
	2000	2001	2002	2003	2004	2005
	(In thousands)					
Balance Sheet Data:						
Cash and cash equivalents	$ 3,536	$ 645	$ 7,722	$ 482	$ 578	$ 1,026
Working capital	1,335	1,108	(556)	(455)	2,975	4,756
Total assets	20,996	28,180	42,608	36,003	41,558	54,811
Total long term liabilities	1,772	2,237	1,955	1,935	2,613	5,576
Total shareholders' equity	7,488	11,916	14,136	13,967	18,438	25,799

	Fiscal Year Ended December 31,			One Month Ended February 1,	Fiscal Year Ended January 31,	Fiscal Year Ended January 29,
	2000	2001	2002	2003	2004	2005
	(Dollars in thousands, except net sales per square foot)					
Other Financial Data:						
Gross margin percentage(1)	32.6%	32.1%	30.0%	28.4%	31.0%	32.8%
Capital expenditures	$ 3,315	$ 7,500	$ 7,186	$ 42	$ 5,937	$ 11,060
Depreciation	$ 1,694	$ 2,348	$ 3,571	$ 332	$ 4,185	$ 5,857
Store Data:						
Number of stores open at end of period	64	80	99	99	113	140
Comparable store sales increase (decrease)(2)(3)	18.5%	20.2%	(1.1)%	(5.8)%	4.3%	9.6%
Net sales per store(3)(4)	$ 1,049	$ 1,203	$ 1,105	$ 65	$ 1,131	$ 1,195
Total square footage at end of period(5)	147,223	194,651	247,476	247,476	288,784	371,864
Average square footage per store at end of period(6)	2,300	2,433	2,500	2,500	2,556	2,656
Net sales per square foot(3)(7)	$ 456	$ 506	$ 443	$ 26	$ 448	$ 457

(1) Gross margin percentage represents gross margin divided by net sales.

(2) Comparable store sales percentage changes are calculated by comparing comparable store sales for the applicable fiscal year to comparable store sales for the prior fiscal year or, in the case of the one month ended February 1, 2003, by comparison to comparable store sales for the one month ended February 2, 2002. Comparable store sales are based on net sales, and stores are considered comparable beginning on the first anniversary of their first day of operation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—General" for more information about how we compute comparable store sales.

(3) Comparable store sales, net sales per store and net sales per square foot include our in-store sales and our Internet sales. Our Internet sales represented less than 1.0% of our total net sales in each of the periods presented.

(4) Net sales per store represents net sales for the period divided by the average number of stores open during the period. For purposes of this calculation, the average number of stores open during the period is equal to the sum of the number of stores open as of the end of each month during the period divided by the number of months in the period.

(5) Total square footage at end of period includes retail selling, storage and back office space.

(6) Average square footage per store at end of period is calculated on the basis of the total square footage at end of period, including retail selling, storage and back office space, of all stores open at the end of the period.

(7) Net sales per square foot represents net sales for the period divided by the average square footage of stores open during the period. For purposes of this calculation, the average square footage of stores open during the period is equal to the sum of the total square footage of the stores open as of the end of each month during the period divided by the number of months in the period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those discussed in "Risk Factors" above. See "Cautionary Note Regarding Forward-Looking Statements and Market Data."

Through and including December 31, 2002, our fiscal year ended on December 31 and was the same as the calendar year. Subsequent to December 31, 2002, we changed our fiscal year to end on the Saturday closest to January 31 and to consist of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. Our fiscal years ended December 31, 2002, January 31, 2004 and January 29, 2005 each consisted of 52 weeks and references in this prospectus to "fiscal 2000," "fiscal 2001," "fiscal 2002," "fiscal 2003" and "fiscal 2004" refer to the 52-week periods ended December 31, 2000, December 31, 2001, December 31, 2002, January 31, 2004 and January 29, 2005, respectively. For subsequent fiscal years, we refer to each fiscal year by using the calendar year that is prior to the year in which the fiscal year actually ends. For example, we refer to the fiscal year ending in January 2006 as "fiscal 2005".

As a result of this change in our fiscal year, the financial data and our financial statements included elsewhere in this prospectus include financial information for the one month ended February 1, 2003, which was the one month transition period following the end of fiscal 2002 and prior to the beginning of fiscal 2003. The following discussion of our results of operations for fiscal 2003 compared to 2002 disregards this one month transition period because we do not believe it is material to an understanding of our results of operations. Likewise, information in this prospectus regarding the compound annual growth rates of our net sales, net sales per store and operating profit, as well as the annual percentage changes in our comparable store net sales and other data regarding changes in our results of operations, for periods encompassing fiscal 2002 and fiscal 2003, do not take into account this one month transition period. We sometimes refer to this one month transition period, which began on January 1, 2003 and ended on February 1, 2003, as the "one-month ended February 1, 2003".

Overview

We were founded in 1978 by Thomas D. Campion, our Chairman. Our current President and Chief Executive Officer, Richard M. Brooks, joined us as Chief Financial Officer in 1993. In fiscal 2002, certain affiliates (the "Brentwood Affiliates") of Brentwood Private Equity III, LLC, a private equity firm, acquired an indirect 41% minority interest in us through Zumiez Holdings LLC, or "Zumiez Holdings." Since the investment by the Brentwood Affiliates, we have positioned ourselves for accelerated growth by enhancing our infrastructure and deepening our management team. Although these initiatives resulted in increased selling, general and administrative expenses as a percentage of net sales in fiscal 2003 and fiscal 2004, we believe that they improved our ability to continue to expand our business. Moreover, the additional expenses resulting from these initiatives consisted primarily of infrastructure improvements, most of which were incurred during fiscal 2003, and increased administrative personnel costs, and we believe that we can leverage these additional expenses to the extent we are able to increase our net sales.

Our net sales increased from approximately $44.5 million in fiscal 1999 to approximately $153.6 million in fiscal 2004, a compound annual growth rate of 28.1%. Net sales for fiscal 2004 increased by $35.7 million, or 30.3%, over net sales for fiscal 2003. Over the five fiscal years ended with fiscal 2004, we increased our store base from 53 to 140 and our comparable store net sales increased an average of 10.3% per fiscal year. As of January 29, 2005, we operated 140 stores that averaged approximately 2,700 square feet per store, giving us a presence in 18 states.

We intend to expand our presence as a leading action sports lifestyle retailer by opening new stores and continuing to generate sales growth through improved store level productivity. We have successfully and consistently implemented our store concept across a variety of mall classifications and geographic locations, and our strategy is to continue to open stores in both new and existing markets. We plan to open 35 new stores in fiscal 2005 and to continue to open a significant number of new stores in future years. Through our merchandising and marketing efforts, we have generally been successful in increasing the level of net sales in our existing stores and we will seek to continue such increases going forward.

We believe that we have developed an economically compelling store model. Our new stores opened during fiscal 2003 generated average net sales of approximately $1.0 million during their first full year of operations. On average, our net investment to open these stores was approximately $360,000, which includes capital expenditures, net of landlord contributions, and initial inventory, net of payables. However, net sales and other operating results for stores that we open or have opened subsequent to the end of fiscal 2003, as well as our net investment to open those stores, may differ substantially from net sales and other operating results and our net investment for stores we opened in fiscal 2003. See "Business—Stores."

In any given period, our overall gross margin may be impacted by changes in the margins of the various products we offer as well as changes in the relative mix of revenues from the different categories of apparel and hardgoods products that we sell. We believe our ability to effectively manage our gross margin despite these factors is evidenced by the relative stability of our gross margin as a percentage of net sales over the last five fiscal years. Over the past five fiscal years, our annual gross margin as a percentage of our net sales has ranged from a low of 30.0% to a high of 32.8%. We achieved these results while continuing to adjust our merchandise mix to respond to changing consumer preferences and market conditions. A number of other factors may also positively or negatively impact our gross margins and results of operations, including, but not limited to:

- the timing of new store openings and the relative proportion of our new stores to mature stores;
- fashion trends and changes in consumer preferences;
- calendar shifts of holiday or seasonal periods;
- timing of promotional events;
- general economic conditions and, in particular, the retail sales environment;
- actions by competitors or mall anchor tenants;
- weather conditions;
- the level of pre-opening expenses associated with our new stores; and
- inventory shrinkage beyond our historical average rates.

One of our goals is to better leverage our expenses, particularly general corporate overhead and fixed costs such as non-variable occupancy costs, through increases in both comparable store sales and total net sales. At the store level, our strategy is to increase comparable store sales in an effort to improve operating results by spreading our store level fixed costs over increased net sales per comparable store. We also seek to increase our total net sales, both through increases in comparable store sales and by opening new stores, in an effort to better leverage our corporate level expenses and decrease our general and administrative expenses as a percentage of our net sales.

General

Net sales constitute gross sales net of returns. Net sales include our in-store sales and our Internet sales and, accordingly, information in this prospectus with respect to comparable store sales, net sales per

store and net sales per square foot includes our Internet sales. For fiscal 1999 through fiscal 2004, Internet sales represented less than 1% of our annual net sales. Sales with respect to gift cards are deferred and recognized when gift cards are redeemed.

We report "comparable store sales" based on net sales, and stores are included in our comparable store sales beginning on the first anniversary of their first day of operation. Changes in our comparable store sales between two periods are based on net sales of stores which were in operation during both of the two periods being compared and, if a store is included in the calculation of comparable store sales for only a portion of one of the two periods being compared, then that store is included in the calculation for only the comparable portion of the other period. When additional square footage is added to a store that is included in comparable store sales, that store remains in comparable store sales. There may be variations in the way in which some of our competitors and other apparel retailers calculate comparable or same store sales. As a result, data in this prospectus regarding our comparable store sales may not be comparable to similar data made available by our competitors or other retailers.

Cost of goods sold consists of the cost of merchandise sold to customers, inbound shipping costs, distribution costs, depreciation on leasehold improvements at our distribution center, buying and merchandising costs and store occupancy costs. This may not be comparable to the way in which our competitors or other retailers compute their cost of goods sold.

In early February 2005, we completed our move from the 49,000 square foot combined home office and distribution center we had leased since 1994 to a newly leased 87,000 square foot combined home office and distribution center. As a result, we expect a slight increase in our distribution and warehousing costs, which are included as a component of our costs of goods sold, in fiscal 2005 and future periods attributable to the new facility.

Selling, general and administrative expenses consist primarily of store personnel wages and benefits, administrative staff and infrastructure expenses, store supplies, depreciation on leasehold improvements at our home office and stores, facility expenses, and training, advertising and marketing costs. Credit card fees, insurance and other miscellaneous operating costs are also included in selling, general and administrative expenses. This may not be comparable to the way in which our competitors or other retailers compute their selling, general and administrative expenses. We expect that our selling, general and administrative expenses will, as described below, increase in future periods due in part to increased expenses associated with operating as a public company, including compliance with the Sarbanes-Oxley Act of 2002.

In conjunction with the Brentwood Affiliates' investment in fiscal 2002, we terminated our Subchapter S tax election on November 4, 2002 and elected to be taxed as a Subchapter C corporation under the Internal Revenue Code. As a result, we became subject to federal and state income taxes. Prior to this date, we were not subject to federal or state income taxes and, accordingly, our financial statements for fiscal 2000 and fiscal 2001 do not include any provision for income taxes and our financial statements for fiscal 2002 reflect a provision for income taxes for only the last two months of fiscal 2002. Accordingly, our provision for income taxes and net income for fiscal 2000, fiscal 2001 and fiscal 2002 are not comparable to our provision for income taxes and net income for subsequent periods. Our financial statements for fiscal 2003 and fiscal 2004 include a provision for income taxes for the entire fiscal year.

In connection with this offering, we recognized stock-based compensation expense of approximately $95,000 in fiscal 2004 and we expect to recognize additional stock-based compensation expense in connection with this offering of approximately $164,000, $164,000, $164,000, $164,000, $121,000, $78,000, $78,000 and $28,000 in fiscal 2005, 2006, 2007, 2008, 2009, 2010, 2011 and 2012, respectively. As a result of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment (Revised 2004)," which will become effective for us beginning with the first quarter of fiscal 2006, share-based payments granted in future periods will increase compensation expense that would otherwise have been recognized in accordance with Accounting Principles Board Opinion No. 25, "Accounting For Stock Issued To

Employees," and outstanding unvested options will result in additional compensation expense that otherwise would only have been recognized on a pro-forma basis. Accordingly, our results of operations in future periods will be adversely affected by all of this additional stock-based compensation expense. For more information regarding the implementation of SFAS 123R, see "—Recently Issued Accounting Pronouncements" below.

Our success is largely dependent upon our ability to anticipate, identify and respond to the fashion tastes of our customers and to provide merchandise that satisfies customer demands. Any inability to provide appropriate merchandise in sufficient quantities in a timely manner could have a material adverse effect on our business, operating results and financial condition.

We will incur significant additional legal, accounting, insurance and other expenses as a result of being a public company which will adversely affect our results of operations, perhaps materially. Among other things, we expect that compliance with the Sarbanes-Oxley Act of 2002 and related rules and regulations will substantially increase our legal and accounting costs in the future. See "Risk Factors—We will incur significant expenses as a result of being a public company, which will negatively impact our financial performance" and "—Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting and could harm our ability to manage our expenses."

We may take steps, such as increased promotional activities, to increase the percentage of net sales of private label merchandise in the future, although there can be no assurance that we will be able to achieve increases in private label merchandise sales as a percentage of net sales. Because our private label merchandise generally carries higher gross margins than other merchandise, our failure to anticipate, identify and react in a timely manner to fashion trends with our private label merchandise, particularly if the percentage of net sales derived from private label merchandise increases, may have a material adverse effect on our comparable store sales, financial condition and results of operations. Please refer to "Risk Factors—Our failure to adequately anticipate a correct mix of private label merchandise may have a material adverse effect on our business."

Results of Operations

The following table presents, for the periods indicated, selected items in the statements of operations as a percent of net sales:

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	70.0	71.6	69.0	67.2
Gross margin	30.0	28.4	31.0	32.8
Selling, general and administrative expenses	23.1	31.5	24.7	25.0
Operating profit (loss)	6.9	(3.1)	6.3	7.8
Other income	0.1	—	—	—
Interest expense	(0.3)	(0.2)	(0.2)	(0.1)
Earnings (loss) before income taxes	6.7	(3.3)	6.1	7.7
Provision (benefit) for income taxes	1.1	(0.6)	2.3	2.9
Net income (loss)	5.6%	(2.7)%	3.8%	4.8%

Fiscal Year Ended January 29, 2005 Compared with Fiscal Year Ended January 31, 2004

Net Sales

Net sales increased to $153.6 million for fiscal 2004 from $117.9 million for fiscal 2003, an increase of $35.7 million, or 30.3%. This increase in total net sales was due to an increase in comparable store net sales of approximately $11.3 million and an increase in net sales from non-comparable stores of approximately $24.4 million. We sometimes refer to stores that are not comparable stores as "non-comparable stores." For information as to how we define comparable stores, see "—General" above.

Comparable store net sales increased by 9.6% in fiscal 2004 compared to fiscal 2003. This increase was primarily due to higher net sales of footwear, snowboard hardgoods, juniors' apparel and accessories at our comparable stores. The increase in non-comparable store net sales was primarily due to the opening of 27 new stores subsequent to the end of fiscal 2003.

Gross Margin

Gross margin for fiscal 2004 was $50.4 million compared with $36.5 million for fiscal 2003, an increase of $13.9 million, or 38.0%. As a percentage of net sales, gross margin increased to 32.8% in fiscal 2004 from 31.0% in fiscal 2003. The increase in gross margin as a percentage of net sales was due primarily to the increase in net sales for fiscal 2004 compared fiscal 2003, which allowed us to leverage certain fixed costs, primarily non-variable occupancy costs, over greater overall net sales, improved pricing from some of our vendors due to our larger merchandise purchases and reduced freight and distribution costs as a percentage of net sales.

Selling, General and Administrative Expenses

Selling, general and administrative, or "SG&A," expenses in fiscal 2004 were $38.4 million compared with $29.1 million in fiscal 2003, an increase of $9.3 million, or 32.1%. This increase was primarily the result of costs associated with operating new stores as well as increases in infrastructure and administrative staff to support our growth. As a percentage of net sales, SG&A expenses increased to 25.0% in fiscal 2004 from 24.7% in fiscal 2003. The increase in SG&A expenses as a percentage of net sales was primarily attributable to an increase in store payroll for new stores of $3.3 million and additional depreciation of $1.6 million and, to a lesser extent, additional infrastructure and administrative staff costs to support our growth, which increased at a faster rate than our net sales.

Operating Profit

As a result of the above factors, operating profit increased by $4.5 million, or 61.0%, to $12.0 million in fiscal 2004 from $7.5 million in fiscal 2003. As a percentage of net sales, operating profit was 7.8% in fiscal 2004 compared with 6.3% in fiscal 2003.

Provision for Income Taxes

Provision for income taxes was $4.5 million for fiscal 2004 compared with $2.7 million for fiscal 2003. The effective tax rate was 38.2% for fiscal 2004 compared with 37.6% for fiscal 2003.

Net Income

Net income increased by $2.8 million, or 62.4%, to $7.3 million in fiscal 2004 from $4.5 million in fiscal 2003. As a percentage of net sales, net income was 4.8% in fiscal 2004 compared with 3.8% in fiscal 2003.

Fiscal Year Ended January 31, 2004 Compared with Fiscal Year Ended December 31, 2002

Through and including December 31, 2002, our fiscal year ended on December 31. Subsequent to December 31, 2002, we changed our fiscal year to end on the Saturday closest to January 31 and to consist of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. Our fiscal years ended December 31, 2002 and January 31, 2004 each consisted of 52 weeks. As a result of this change in our fiscal year, the financial data and our financial statements included elsewhere in this prospectus include financial information for the one month ended February 1, 2003, which was the one month transition period following the end of fiscal 2002 and prior to the beginning of fiscal 2003. The following discussion of our results of operations for fiscal 2003 compared to fiscal 2002 disregards this one month transition period because we do not believe it is material to an understanding of our results of operations.

Net Sales

Net sales increased to $117.9 million for fiscal 2003 from $101.4 million for fiscal 2002, an increase of $16.5 million, or 16.2%. This increase in total net sales was due to an increase in comparable store net sales of approximately $3.5 million and an increase in net sales from non-comparable stores of approximately $13.0 million.

Comparable store net sales increased by 4.3% in fiscal 2003 compared to fiscal 2002. This increase was primarily due to higher net sales of men's and juniors' apparel and accessories at our comparable stores, partially offset by lower net sales of skateboard hardgoods and boys' apparel at those stores. The increase in non-comparable store net sales was primarily due to the opening of 15 new stores subsequent to the end of fiscal 2002.

Gross Margin

Gross margin for fiscal 2003 was $36.5 million compared with $30.4 million for fiscal 2002, an increase of $6.1 million, or 20.3%. As a percentage of net sales, gross margin increased to 31.0% in fiscal 2003 from 30.0% in fiscal 2002. The increase in gross margin as a percentage of net sales was due primarily to the increase in net sales for fiscal 2003 compared to fiscal 2002, which allowed us leverage certain fixed costs, primarily non-variable occupancy costs, over greater overall net sales and, to a lesser extent, to improved pricing from some of our vendors due to our larger merchandise purchases and reduced freight and distribution costs as a percentage of net sales.

Selling, General and Administrative Expenses

SG&A expenses in fiscal 2003 were $29.1 million compared with $23.4 million in fiscal 2002, an increase of $5.7 million, or 24.2%. This increase was primarily the result of costs associated with operating new stores as well as increases in infrastructure and staff to support our growth. As a percentage of net sales, SG&A expenses increased to 24.7% in fiscal 2003 from 23.1% in fiscal 2002. The increase in SG&A expenses as a percentage of net sales was attributable to an increase in store payroll for new stores of $2.4 million, and to the fact that the costs of additional infrastructure and administrative staff to support our growth increased at a faster rate than our net sales.

Operating Profit

As a result of the above factors, operating profit increased by $491,000, or 7.0%, to $7.5 million in fiscal 2003 from $7.0 million in fiscal 2002. As a percentage of net sales, operating profit was 6.3% in fiscal 2003 compared with 6.9% in fiscal 2002.

Provision for Income Taxes

Provision for income taxes was $2.7 million for fiscal 2003 compared with $1.1 million for fiscal 2002. Effective November 4, 2002, we terminated our Subchapter S tax election for federal income tax purposes. As a Subchapter S corporation, we were not subject to federal and state income taxes and, accordingly, our financial statements reflected in this prospectus do not include a provision for income taxes for periods prior to November 4, 2002. The provision for income taxes for fiscal 2002 therefore reflects a provision for only the last two months of fiscal 2002, while fiscal 2003 reflects a full year's provision for income taxes. Accordingly, the provision for income taxes in fiscal 2002 is not comparable to the provision for income taxes in fiscal 2003. The effective tax rate was 37.6% for fiscal 2003 compared with 16.1% for fiscal 2002.

Net Income

Net income decreased by $1.2 million, or 21.6%, to $4.5 million in fiscal 2003 from $5.7 million in fiscal 2002. This decrease in net income was due primarily to the termination of our election to be taxed as a Subchapter S corporation, effective November 4, 2002. As a percentage of net sales, net income was 3.8% in fiscal 2003 compared with 5.6% in fiscal 2002. Earnings before income taxes increased by $375,000, or 5.5%, to $7.2 million in fiscal 2003 from $6.8 million in fiscal 2002. As a percentage of net sales, earnings before income taxes decreased to 6.1% in fiscal 2003 from 6.7% in fiscal 2002.

Seasonality and Quarterly Results

We have historically experienced and expect to continue to experience seasonal and quarterly fluctuations in our comparable store sales and operating results. As is the case with many retailers of apparel and related merchandise, our business is subject to seasonal influences. Our net sales and operating results are typically lower in the first and second quarters of our fiscal year, while the winter holiday and back-to-school periods historically have accounted for the largest percentage of our annual net sales. Quarterly results of operations may also fluctuate significantly as a result of a variety of factors, including the timing of store openings and the relative proportion of our new stores to mature stores, fashion trends and changes in consumer preferences, calendar shifts of holiday or seasonal periods, changes in merchandise mix, timing of promotional events, general economic conditions, competition and weather conditions.

The following table sets forth selected unaudited quarterly statement of operations data for the periods indicated. The unaudited quarterly information has been prepared on a basis consistent with the audited consolidated financial statements included elsewhere in this prospectus and includes all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of the information shown. This information should be read in conjunction with the audited consolidated financial statements and the notes thereto appearing elsewhere in this prospectus. The operating results for any fiscal quarter are not indicative of the operating results for a full fiscal year or

for any future period and there can be no assurance that any trend reflected in such results will continue in the future.

	Fiscal Year Ended January 31, 2004				Fiscal Year Ended January 29, 2005			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands, except per share data)							
Statement of Operations Data								
Net sales	$ 19,989	$ 23,601	$ 34,448	$ 39,819	$ 24,829	$ 30,615	$ 45,138	$ 53,001
Gross margin	$ 4,909	$ 6,595	$ 11,710	$ 13,323	$ 6,131	$ 9,101	$ 16,185	$ 19,014
Operating profit (loss)	$ (1,006)	$ (96)	$ 3,730	$ 4,833	$ (930)	$ 523	$ 5,576	$ 6,840
Net income (loss)	$ (629)	$ (90)	$ 2,307	$ 2,887	$ (678)	$ 239	$ 3,459	$ 4,247
Basic net income (loss) per share	(0.06)	(0.01)	0.20	0.27	(0.06)	0.02	0.31	0.37
Diluted net income (loss) per share	(0.06)	(0.01)	0.18	0.22	(0.06)	0.02	0.27	0.32
Number of stores open at end of period	99	102	105	113	118	129	132	140
Comparable store sales increase (decrease)	(4.8)%	3.5%	5.4%	9.0%	8.3%	6.8%	9.0%	12.5%

Comparable store sales percentage changes are calculated by comparing comparable store sales for the applicable fiscal quarter to comparable store sales for the same fiscal quarter in the prior fiscal year. Comparable store sales are based on net sales and stores are considered comparable beginning on the first anniversary of the first day of operations. See "—General" above for more information about how we compute comparable store sales.

Liquidity and Capital Resources

Our primary capital requirements are for capital investments, inventory, store remodeling, store fixtures and ongoing infrastructure improvements such as technology enhancements and distribution capabilities. Historically, our main sources of liquidity have been cash flows from operations and borrowings under our revolving credit facility.

The significant components of our working capital are inventory and liquid assets such as cash and receivables, specifically credit card receivables, reduced by short-term debt, accounts payable and accrued expenses. Our working capital position benefits from the fact that we generally collect cash from sales to customers the same day or within several days of the related sale, while we typically have extended payment terms with our vendors.

Our capital requirements include construction and fixture costs related to the opening of new stores and for maintenance and remodeling expenditures for existing stores. Future capital requirements will depend on many factors, including the pace of new store openings, the availability of suitable locations for new stores, and the nature of arrangements negotiated with landlords. In that regard, our net investment to open a new store has varied significantly in the past due to a number of factors, including the geographic location and size of the new store, and is likely to vary significantly in the future. During fiscal 2005, we expect to spend approximately $15.7 million on capital expenditures, a majority of which will relate to leasehold improvements and fixtures for the 35 new stores we plan to open in fiscal 2005, and a smaller amount will relate to equipment, systems and improvements for our distribution center and support infrastructure. However, there can be no assurance that the number of stores that we actually open in fiscal 2005 will not be different from the number of stores we plan to open, or that actual fiscal 2005 capital expenditures will not differ from this expected amount. We expect cash flows from operations, available borrowings under our revolving credit facility and net proceeds from this offering will be sufficient to meet our foreseeable cash requirements for operations and planned capital expenditures for at least the next twelve months. Beyond this time frame, if cash flows from operations, borrowings under our revolving credit facility and net proceeds from this offering are not sufficent to meet our capital requirements, then we will be required to obtain additional equity or debt financing in the future. There can be no assurance that equity or debt financing will be available to us when we need

it or, if available, that the terms will be satisfactory to us and not dilutive to our then-current shareholders.

Net cash provided by operating activities in fiscal 2004 was $16.4 million, primarily related to income from operations and an increase in other accrued liabilities, partially offset by an increase in inventory levels. Net cash provided by operating activities in fiscal 2003 was $7.0 million, primarily related to income from operations, partially offset by an increase in inventory levels and a decrease in accounts payable. Net cash provided by operating activities in fiscal 2002 was $7.9 million, primarily related to income from operations, partially offset by an increase in inventory levels.

Net cash used in investing activities was $11.1 million in fiscal 2004, $5.9 million in fiscal 2003 and $7.3 million in fiscal 2002, in each case primarily related to capital expenditures for new store openings and existing store renovations.

Net cash used in financing activities in fiscal 2004 was $4.9 million, primarily related to the decrease in our book overdraft. Our book overdraft represents checks that we have issued to pay accounts payable but that have not yet been presented for payment. Net cash used in financing activities in fiscal 2003 was $942,000, primarily related to net repayments of borrowing under our revolving credit facility and net repayments of long-term debt. Net cash provided by financing activities in fiscal 2002 was $6.4 million, primarily related to the sale of stock to Zumiez Holdings.

We have a $20.0 million secured revolving credit facility with a lender. The revolving credit facility provides for the issuance of commercial letters of credit in an amount not to exceed $7.5 million outstanding at any time and with a term not to exceed 180 days, although the amount of borrowings available at any time under our revolving credit facility is reduced by the amount of letters of credit outstanding at that time. As of January 29, 2005, we had no borrowings and approximately $671,000 of letters of credit outstanding under the revolving credit facility. The revolving credit facility bears interest at floating rates based on the lower of the prime rate (5.25% at January 29, 2005) minus a prime margin or the LIBOR rate (2.53% at January 29, 2005) plus a LIBOR margin, with the margin in each case depending on the ratio of our adjusted funded debt (as defined in the loan agreement, as amended) to EBITDAR (as defined in the loan agreement, as amended). Average and peak borrowings, respectively, under the revolving credit facility were $6.2 million and $13.8 million for fiscal 2004. The revolving credit facility will expire on July 1, 2006. The borrowing capacity can be increased to $25.0 million if we request and if we are in compliance with certain provisions. Our obligations under the revolving credit facility are secured by almost all of our personal property, including, among other things, our inventory, equipment and fixtures. We must also provide financial information and statements to our lender and we must reduce the amount of any outstanding advances under the revolving credit facility to no more than $5.0 million for a period of at least 30 consecutive days of each year. We pay an annual fee of between 0.1% and 0.2% of any unused amount under our revolving credit facility. Our revolving credit facility also contains financial covenants that require us to meet certain specified financial ratios, including a debt to earnings ratio, an earnings to interest expense ratio and an inventory to debt ratio. We were in compliance with all covenants at January 29, 2005.

Contractual Obligations and Commercial Commitments

The following table summarizes the total amount of future payments due under certain of our contractual obligations at January 29, 2005 and the amount of those payments due in future periods as of January 29, 2005:

		Payments Due In					
		Fiscal Year					
	Total	2005	2006	2007	2008	2009	2010 and Beyond
	(Dollars in thousands)						
Contractual obligations:							
Non-cancelable operating lease obligations	$ 74,399	$ 10,381	$ 10,303	$ 9,695	$ 8,987	$ 8,868	$ 26,165
Total contractual cash obligations	$ 74,399	$ 10,381	$ 10,303	$ 9,695	$ 8,987	8,868	$ 26,165

We occupy our retail stores and combined home office and distribution center under operating leases generally with terms of seven to ten years. Some of our leases have early cancellation clauses, which permit the lease to be terminated by us if certain sales levels are not met in specific periods. Some leases contain renewal options for periods ranging from one to five years under substantially the same terms and conditions as the original leases. In addition to future minimum lease payments, substantially all of our store leases provide for additional rental payments (or "percentage rent") if sales at the respective stores exceed specified levels, as well as the payment of common area maintenance charges and real estate taxes. Amounts in the above table do not include percentage rent, common area maintenance charges or real estate taxes. Most of our lease agreements have defined escalating rent provisions, which we have straight-lined over the term of the lease, including any lease renewals deemed to be probable. For certain locations, we receive cash tenant allowances and we have reported these amounts as a deferred liability which is amortized to rent expense over the term of the lease. Total rental expenses, including percentage rent, common area maintenance costs and real estate taxes, under operating leases were $13.9 million and $17.1 million for fiscal 2003 and fiscal 2004, respectively. We amortize our leasehold improvements over the shorter of the useful life of the asset or the lease term.

Off-Balance Sheet Obligations

Our only off-balance sheet contractual obligations and commercial commitments as of January 29, 2005 related to operating lease obligations and letters of credit. We have excluded these items from our balance sheet in accordance with generally accepted accounting principles. We presently do not have any non-cancelable purchase commitments. At January 29, 2005, we had outstanding purchase orders to acquire merchandise from vendors for approximately $28.1 million. These purchases are expected to be financed by cash flows from operations and borrowings under our revolving credit facility. We have an option to cancel these commitments with no notice prior to shipment. At January 29, 2005, we had $671,000 of letters of credit outstanding under our revolving credit facility.

Impact of Inflation

We do not believe that inflation has had a material impact on our net sales or operating results for the past three fiscal years.

Quantitative and Qualitative Disclosures About Market Risk

During different times of the year, due to the seasonality of our business, we have borrowed under our revolving credit facility. To the extent we borrow under our revolving credit facility, which bears interests at floating rates based either on the prime rate or LIBOR, we are exposed to market risk related to changes in interest rates. At January 29, 2005, we did not have any borrowings outstanding under our credit facility, although any borrowings would have had an interest rate of 4.5% per annum. As we did

not have any outstanding borrowings at January 29, 2005, there would have been no effect on our operating income if interest rates were to increase by 100 basis points. We are not a party to any derivative financial instruments.

Critical Accounting Policies and Estimates

In preparing financial statements in accordance with United States generally accepted accounting principles, or "GAAP," we are required to make estimates and assumptions that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information disclosed by us, including information about contingencies, risk, and financial condition. We believe, given current facts and circumstances, that our estimates and assumptions are reasonable, adhere to GAAP, and are consistently applied. Inherent in the nature of an estimate or assumption is the fact that actual results may differ from estimates and estimates may vary as new facts and circumstances arise. In preparing the financial statements, we make routine estimates and judgments in determining the net realizable value of accounts receivable, inventory, fixed assets, and prepaid allowances. We believe our most critical accounting estimates and assumptions are in the following areas:

Valuation of merchandise inventories. We carry our merchandise inventories at the lower of cost or market. Merchandise inventories may include items that have been written down to our best estimate of their net realizable value. Our decisions to write-down our merchandise inventories are based on our current rate of sale, the age of the inventory and other factors. Actual final sales prices to our customers may be higher or lower than our estimated sales prices and could result in a fluctuation in gross margin. Historically, any additional write-downs have not been significant and we do not adjust the historical carrying value of merchandise inventories upwards based on actual sales experience.

Leasehold improvements and equipment. We review the carrying value of our leasehold improvements and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Measurement of the impairment loss is based on the fair value of the asset or group of assets. Generally, fair value will be determined using valuation techniques, such as the expected present value of future cash flows. The actual economic lives of these assets may be different than our estimated useful lives, thereby resulting in a different carrying value. These evaluations could result in a change in the depreciable lives of those assets and therefore our depreciation expense in future periods.

Revenue recognition and sales returns reserve. We recognize revenue upon purchase by customers at our retail store locations or upon shipment for orders placed through our website as both title and risk of loss have transferred. We offer a return policy of generally 30 days and we accrue for estimated sales returns based on our historical sales returns results. The amounts of these sales returns reserves vary during the year due to the seasonality of our business. Actual sales returns could be higher or lower than our estimated sales returns due to customer buying patterns that could differ from historical trends.

Stock-based compensation. We account for our employee compensation plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. We amortize stock-based compensation using the straight-line method over the vesting period of the related options, which is either five or eight years. We have recorded deferred stock-based compensation representing the difference between the option exercise price and the fair value of our common stock on the grant date for financial reporting purposes. We determined the fair value of our common stock based upon several factors, including the market capitalization of similar retailers, management and third party estimates, and the expected valuation we would obtain in an initial public offering. Had different assumptions or criteria been used to determine the fair value of our common stock, different amounts of stock-based compensation could have been reported.

Pro forma information regarding net income (loss) attributable to common stockholders and net income (loss) per share attributable to common stockholders is required in order to show our net income (loss) as if we had accounted for employee stock options under the fair value method of SFAS No. 123, as amended by SFAS No. 148. This information is contained in note 2 to our financial statements included elsewhere in this prospectus. The fair values of options and shares issued pursuant to our option plans at each grant date were estimated using the minimum-value method, which requires us to make certain assumptions regarding dividend payments, risk-free interest rates and the options' expected terms. Had different assumptions or criteria been used to determine the fair value of our common stock, different amounts of pro-forma stock-based compensation could have been reported.

Recently Issued Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board, or "FASB," issued Statement of Financial Accounting Standards No. 151, "Inventory Costs—an Amendment of ARB No. 43, Chapter 4." This statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage, requiring these items be recognized as current-period charges. In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this statement are effective for inventory costs incurred during fiscal years beginning after June 15, 2005 and will become effective for us beginning with our fiscal year ending in January 2007. The effect of adopting this statement is not expected to be significant to our financial position and results of operations.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R, "Share-Based Payment (Revised 2004)." This statement addresses the accounting for share-based payment transactions in which a company receives employee services in exchange for the company's equity instruments or liabilities that are based on the fair value of the company's equity securities or may be settled by the issuance of these securities. SFAS 123R eliminates the ability to account for share-based payments using APB 25, "Accounting for Stock Issued to Employees" and generally requires that such transactions be accounted for using a fair value method. On April 14, 2005, the Securities and Exchange Commission announced the adoption of a new rule that delays SFAS 123R compliance. Under the SEC rule, the provisions of this statement are effective for annual periods beginning after June 15, 2005 and will become effective for us beginning with the first quarter of fiscal 2006. We have not yet determined which transition method we will use to adopt SFAS 123R. The full impact that the adoption of this statement will have on our financial position and results of operations will be determined by share-based payments granted in future periods but will increase the compensation expense that would otherwise have been recognized in accordance with APB 25. In addition, outstanding unvested options will result in additional compensation expense that otherwise would only have been recognized on a pro-forma basis.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Non-Monetary Assets." This statement refines the measurement of exchanges of non-monetary assets between entities. The provisions of this statement are effective for fiscal periods beginning after June 15, 2005 and will become effective for us beginning with the third quarter of our fiscal year ending in January 2006. Historically, we have not transacted significant exchanges of non-monetary assets, but future such exchanges would be accounted for under the standard, when effective.

BUSINESS

Overview

We are a leading specialty retailer of action sports related apparel, footwear, equipment and accessories operating under the Zumiez brand name. As of January 29, 2005, we operated 140 stores primarily located in shopping malls, giving us a presence in 18 states. Our stores cater to young men and women between the ages of 12 and 24 who seek popular brands representing a lifestyle centered on activities that include skateboarding, surfing, snowboarding, BMX and motocross. We support the action sports lifestyle and promote our brand through a multi-faceted marketing approach that is designed to integrate our brand image with our customers' activities and interests. This approach, combined with our differentiated merchandising strategy, store design, comprehensive training programs and passionate employees, allows us to provide an experience for our customers that we believe is consistent with their attitudes, fashion tastes and identities and is otherwise unavailable in most malls.

Our stores bring the look and feel of an independent specialty shop to the mall by emphasizing the action sports lifestyle through a distinctive store environment and high-energy sales personnel. We seek to staff our stores with store associates who are knowledgeable users of our products, which we believe provides our customers with enhanced customer service and supplements our ability to identify and react quickly to emerging trends and fashions. We design our stores to appeal to teenagers and to serve as a destination for our customers. Most of our stores, which average approximately 2,700 square feet, feature couches and action sports oriented video game stations that are intended to encourage our customers to shop for longer periods of time and to interact with each other and our store associates. To increase customer traffic, we generally locate our stores near busy areas of the mall such as food courts, movie theaters, music or game stores and other popular teen retailers. We believe that our distinctive store concept and compelling store economics will provide continued opportunities for growth in both new and existing markets.

We believe that our customers desire merchandise and fashion that is rooted in the action sports lifestyle and reflects their individuality. We strive to keep our merchandising mix fresh by continuously introducing new brands and styles. Our focus on a diverse collection of brands allows us to quickly adjust to changing fashion trends. The brands we currently offer include Billabong, Burton, DC Shoe, DVS Shoes, Element, Etnies, Hurley, Quiksilver, Roxy and Volcom, among many others. We believe that our strategic mix of both apparel and hardgoods, including skateboards, snowboards, bindings, components and other equipment, allows us to strengthen the potential of the brands we sell and helps to affirm our credibility with our customers. In addition, we supplement our stores with a select offering of private label apparel and products as a value proposition that we believe complements our overall merchandise selection.

Over our 26-year history, we have developed a corporate culture based on a passion for the action sports lifestyle. Our management philosophy emphasizes an integrated combination of results measurement, training and incentive programs, all designed to drive sales productivity at the individual store associate level. We empower our store managers to make store-level business decisions and consistently reward their success. We seek to enhance the productivity of our employees and encourage their advancement by offering comprehensive in-store, regional and national training programs, which we refer to collectively as "Zumiez University." We have:

- increased our store count from 53 as of the end of fiscal 1999 to 140 as of the end of fiscal 2004;
- improved net sales per store from approximately $882,000 in fiscal 1999 to approximately $1.2 million in fiscal 2004, representing a compound annual growth rate of 6.3%;
- maintained net sales per square foot in excess of $440 for our last five fiscal years ending with fiscal 2004;

- increased net sales from approximately $44.5 million in fiscal 1999 to approximately $153.6 million in fiscal 2004, representing a compound annual growth rate of 28.1%;

- increased operating profit from $3.1 million in fiscal 1999 to $12.0 million in fiscal 2004, representing a compound annual growth rate of 31.1%; and

- been profitable in every fiscal year of our 26-year history.

In fiscal 2002, the Brentwood Affiliates acquired an indirect minority interest in us through Zumiez Holdings. Since the investment by the Brentwood Affiliates, we have positioned ourselves for accelerated growth by enhancing our infrastructure and deepening our management team. We believe that these initiatives will improve our ability to continue to expand our business.

Competitive Strengths

We believe that the following competitive strengths differentiate us from our competitors and are critical to our continuing success.

- *Attractive Lifestyle Retailing Concept*. We target a large and growing population of 12 to 24 year olds, many of whom we believe are attracted to the action sports lifestyle and desire to promote their personal independence and style through the apparel they wear and the equipment they use. We believe that action sports are a permanent and growing aspect of youth culture, reaching not only consumers that actually participate in action sports, but also those who seek brands and styles that fit a desired action sports image. We believe we have developed a brand image that our customers view as consistent with their attitudes, fashion tastes and identity that should allow us to benefit from our market's anticipated growth.

- *Differentiated Merchandising Strategy.* We have created a highly differentiated retailing concept by offering an extensive selection of current and relevant action sports brands encompassing apparel, equipment and accessories. The breadth of merchandise offered at our stores exceeds that offered by many other action sports specialty stores and includes some brands and products that are available within the mall only at our stores. The action sports lifestyle includes activities that are popular at different times throughout the year, providing us the opportunity to shift our merchandise selection seasonally. Many of our customers desire to update their wardrobes and equipment as fashion trends evolve or the action sports season dictates. We believe that our ability to quickly recognize changing brand and style preferences and transition our merchandise offerings allows us to continually provide a compelling offering to our customers.

- *Deep-rooted Corporate Culture.* Our culture and brand image enable us to successfully attract and retain high quality employees who are passionate and knowledgeable about the products we sell. We place great emphasis on customer service and satisfaction, and we have made this a defining feature of our corporate culture. To preserve our culture, our store managers are typically promoted from within and are given extensive responsibility for most aspects of store level management. We provide these managers with the knowledge and tools to succeed through our comprehensive training programs and the flexibility to manage their stores to meet localized customer demand.

- *Distinctive Store Experience.* We strive to provide a convenient shopping environment that is appealing and clearly communicates our distinct brand image. Our stores are designed to reflect an "organized chaos" that we believe is consistent with many teenagers' lifestyles. We seek to attract knowledgeable store associates who identify with the action sports lifestyle and are able to offer superior customer service, advice and product expertise. To further enhance our customers' experience, most of our stores feature areas with couches and action sports oriented video game stations that are intended to encourage our customers to shop for longer periods of time, to interact with each other and our store associates in a familiar and comfortable setting and to visit

our stores more frequently. We believe that our distinctive store environment enhances our image as a leading source for apparel and equipment for the action sports lifestyle.

- *Disciplined Operating Philosophy.* We have an experienced senior management team, with an average of approximately 15 years of experience in retail or related industries as of the end of fiscal 2004. Our management team has built a strong operating foundation based on sound retail principles that underlie our unique culture. Our philosophy emphasizes an integrated combination of results measurement, training and incentive programs, all designed to drive sales productivity down to the individual store associate level. Our comprehensive training programs are designed to provide our managers and store associates with enhanced product knowledge, selling skills and operational expertise. We believe that our merchandising team's immersion in the actions sports lifestyle, supplemented with feedback from our customers, store associates and managers, allows us to consistently identify and react to emerging fashion trends. We believe that this, combined with our inventory planning and allocation processes and systems, helps us mitigate markdown risk.

- *High-Impact, Integrated Marketing Approach*. We seek to build relationships with our customers through a multi-faceted marketing approach that is designed to integrate our brand image with the action sports lifestyle. Our marketing efforts focus on reaching our customers in their environment and feature extensive grassroots marketing events, such as the Zumiez Couch Tour, which is a series of interactive sports, music and lifestyle events held at various locations throughout the United States. Our marketing efforts also incorporate local sporting and music event promotions, advertising in magazines popular with our target market, interactive contest sponsorships that actively involve our customers with our brands and products, and distribution of about eight million Zumiez stickers in the past calendar year. Events and activities such as these provide opportunities for our customers to develop a strong identity with our culture and brand. We believe that our immersion in the action sports lifestyle allows us to build credibility with our customers and gather valuable feedback on evolving customer preferences.

Growth Strategy

We intend to expand our presence as a leading action sports lifestyle retailer by:

- *Opening New Store Locations.* We believe that the action sports lifestyle has national appeal that provides store expansion opportunities throughout the country. Since the end of fiscal 2002 through the end of fiscal 2004, we have opened 42 new stores, consisting of 15 new stores in fiscal 2003 and 27 new stores in fiscal 2004. We have successfully opened stores in diverse markets throughout the United States, which we believe demonstrates the portability and growth potential of our concept. We plan to open approximately 35 stores in fiscal 2005, including stores in our existing markets and in new markets, to take advantage of what we believe to be a compelling economic store model. We plan to continue to increase the size of our average store by opening new store locations that average approximately 3,000 square feet. These larger locations will accommodate an expanded merchandise mix, while maintaining our unique in-store experience and culture.

- *Continuing to Generate Sales Growth through Improved Store Level Productivity.* We seek to maximize our comparable store sales and net sales per square foot by maintaining consistent store-level execution and offering our customers a broad and relevant selection of action sports brands and products. We also intend to continue to expand our brand awareness in an effort to maintain high levels of customer traffic.

- *Enhancing our Operating Efficiency.* As we continue to expand our business and open new stores, we plan to improve our operating results by taking advantage of economies of scale in purchasing our inventory, leveraging our existing infrastructure and continually optimizing and improving our operations in areas such as inventory and supply chain management. We seek to better leverage

our expenses, particularly general corporate overhead and fixed costs such as non-variable occupancy costs, through increases in both comparable store sales and total net sales.

- *Enhancing our Brand Awareness through Continued Marketing and Promotion* . We believe that a key component of our success is the brand exposure that we receive from our marketing events, promotions and activities that embody the action sports lifestyle. These are designed to assist us in increasing brand awareness in our existing markets and expanding into new markets by strengthening our connection with our target customer base. We believe that our marketing efforts have also been successful in generating and promoting interest in our product offerings. In addition, we use our Internet presence, designed to convey our passion for the action sports lifestyle, to increase our brand awareness. We plan to continue to expand our integrated marketing efforts by promoting more events and activities in our existing and new markets, including additional Zumiez Couch Tour destinations.

The Action Sports Market

We believe that action sports are a permanent and growing aspect of youth culture, reaching not only consumers that actually participate in action sports, but also those who seek brands and styles that fit a desired action sports image. According to Board-Trac, a market research firm, retail sales of skateboard, snowboard and surf/bodyboard apparel, equipment and accessories in the United States were estimated to be approximately $12.1 billion in 2003. We believe that events such as the ESPN X Games, the inclusion of snowboarding as a medal event in the Winter Olympics and the national recognition of leading board sport athletes have broadened general awareness of the action sports lifestyle. The following table, which is based upon data made available by SGMA International, an industry trade group, indicates the estimated number of U.S. participants in board sports, which we define as skateboarding, snowboarding and surfing, during 2004:

Board Sport	U.S. Participants
Skateboarding	10.6 million
Snowboarding	7.1 million
Surfing	1.9 million

We believe teens and young adults are the primary participants in action sports. This concentrated interest is particularly appealing for us, as teens have significant spending power. According to Teenage Research Unlimited, a market research firm, spending by U.S. teens was projected to be $169 billion in 2004 and has increased at an average of 5% per year over the past seven years. We believe that teens enjoy shopping in malls and purchasing clothing and fashion-related merchandise.

Merchandising and Purchasing

Merchandising. Our goal is to be viewed by our customers, both young men and young women, as the definitive source of merchandise for the action sports lifestyle. We believe that the breadth of merchandise offered at our stores, which includes apparel, footwear, equipment and accessories, exceeds that offered by many other action sports specialty stores at a single location, and makes our stores a single-stop purchase destination for our target customers. Our apparel offerings include tops, bottoms, outerwear and accessories such as caps, belts and sunglasses. Our footwear offerings primarily consist of action sports related athletic shoes and sandals. Our equipment offerings, or hardgoods, include skateboards, snowboards and ancillary gear such as boots and bindings. We also offer a selection of other items, such as miscellaneous novelties and DVDs.

We seek to identify action sports oriented fashion trends as they develop and to respond in a timely manner with a relevant in-store product assortment. We strive to keep our merchandising mix fresh by continuously introducing new brands or styles in response to the evolving desires of our customers. We

also take advantage of the change in action sports seasons during the year to maintain an updated product selection. Our merchandise mix may vary by region, reflecting the specific action sports preferences and seasons in different parts of the country.

We believe that offering an extensive selection of current and relevant brands used and sometimes developed by professional action sports athletes is integral to our overall success. The brands we currently offer include: Billabong, Burton, DC Shoe, DVS Shoes, Element, Etnies, Hurley, Quiksilver, Roxy and Volcom, among many others. No single brand accounted for more than 7.2% and 4.8% of our net sales in fiscal 2004 and 2003, respectively. We believe that our strategic mix of both apparel and hardgoods, including skateboards, snowboards, bindings, components and other equipment, allows us to strengthen the potential of the brands we sell and affirms our credibility with our customers.

We believe that our ability to maintain an image consistent with the action sports lifestyle is important to our key vendors. Given our scale and market position, we believe that many of our key vendors view us as an important retail partner. This position helps ensure our ability to procure a relevant product assortment and quickly respond to the changing fashion interests of our customers. Additionally, we believe we are presented with a greater variety of products and styles by some of our vendors, as well as certain specially designed items that are only distributed to our stores.

We supplement our merchandise assortment with a select offering of private label products across many of our apparel product categories. Our private label products complement the branded products we sell, and allow us to cater to the more value-oriented customer. For fiscal 2004, 2003 and 2002, our private label merchandise represented approximately 12.8%, 12.6% and 12.0%, respectively, of our net sales.

Purchasing. Our merchandising staff consists of a general merchandising manager, planning staff and a staff of buyers and assistant buyers. Our purchasing approach focuses on quality, speed and cost in order to provide timely delivery of merchandise to our stores. We have developed a disciplined approach to buying and a dynamic inventory planning and allocation process to support our merchandise strategy. We utilize a broad vendor base that allows us to shift our merchandise purchases as required to react quickly to changing market conditions. We manage the purchasing and allocation process by reviewing branded merchandise lines from new and existing vendors, identifying emerging fashion trends and selecting branded merchandise styles in quantities, colors and sizes to meet inventory levels established by management. We also coordinate inventory levels in connection with our promotions and seasonality. Our management information systems provide us with current inventory levels at each store and for our company as a whole, as well as current selling history within each store by merchandise classification and by style. We purchase most of our branded merchandise from domestic vendors.

Our merchandising staff remains in tune with the action sports culture by participating in action sports, attending relevant events and concerts, watching action sports related programming and reading action sports publications. In order to identify evolving trends and fashion preferences, our staff spends considerable time analyzing sales data by category and brand down to the stock keeping unit, or "SKU" (an identification used for inventory tracking purposes), level, gathering feedback from our stores and customers, shopping in key markets and soliciting input from our vendors. As part of our feedback collection process, our merchandise team receives merchandise requests from both customers and store associates and meets with our store managers two to three times per year to discuss current customer trends.

We purchase our private label merchandise from independent third parties with the expertise to source through foreign manufacturers in Asia. We have cultivated our private brand sources with a view towards high quality merchandise, production reliability and consistency of fit. We believe that our knowledge of fabric and production costs combined with a flexible sourcing base enables us to buy high-quality private label goods at favorable costs.

Distribution and Fulfillment

Timely and efficient distribution of merchandise to our stores is an important component of our overall business strategy. We process all of our merchandise through our distribution center in Everett, Washington. At this facility, merchandise is inspected, entered into our computer system, allocated to stores, ticketed when necessary, and boxed for distribution to our stores or segregated in our e-commerce fulfillment area for delivery to our Internet customers. A significant percentage of our merchandise is currently pre-ticketed by our vendors, which allows us to ship merchandise more quickly, reduces labor costs and enhances our inventory management. We continue to work with our vendors to increase the percentage of pre-ticketed merchandise. Each store is typically shipped merchandise five times a week, providing our stores with a steady flow of new merchandise. We currently use United Parcel Service to ship merchandise to our stores. We believe our current distribution infrastructure is sufficient to accommodate our expected store growth and expanded product offerings over the next several years.

Stores

As of January 29, 2005, we operated 140 stores with an average of approximately 2,700 square feet per store in 18 states. All of our stores are leased and substantially all are located in shopping malls of different types. All references in this prospectus to square footage of our stores refers to gross square footage, including retail selling, storage and back-office space.

The following store list shows the number of stores we operated in each state as of January 29, 2005:

State	Number of Stores
Alaska	2
Arizona	9
California	23
Colorado	10
Idaho	5
Illinois	9
Minnesota	9
Montana	4
Nevada	3
New Jersey	1
New Mexico	4
New York	16
Oregon	10
Texas	1
Utah	10
Washington	21
Wisconsin	2
Wyoming	1

As of January 29, 2005, approximately 75% of our stores had been opened or remodeled within the previous five years, and all of our stores except one had been opened or remodeled within the previous ten years. The following table shows the number of stores (excluding temporary stores that we operate from time to time for special events) opened and closed in each of our last four fiscal years:

Fiscal Year	Stores Opened	Stores Closed	Total Number of Stores at End of Period
2001	17	1	80
2002	19	—	99
2003	15	1	113
2004	27	—	140

Store design and environment. We design our stores to create a distinctive and engaging shopping environment that we believe resonates with our customers and reflects an "organized chaos" that is consistent with many teenagers' lifestyles. Our stores feature an industrial look with concrete floors and open ceilings, dense merchandise displays, action sports focused posters and signage and popular music, all of which are consistent with the look and feel of an independent action sports specialty shop. Most of our stores have couches and action sports oriented video game stations that are intended to encourage our customers to shop for longer periods of time, to interact with each other and our store associates and to visit our stores more frequently. Our stores are constructed and finished to allow us to efficiently shift merchandise displays throughout the year as the action sports season dictates. To further enhance our customers' experience, we seek to attract enthusiastic store associates who are knowledgeable about our products and are able to offer superior customer service and expertise. We believe that our store atmosphere enhances our image as a leading provider of action sports lifestyle merchandise.

As of January 29, 2005, our stores averaged 2,700 square feet. We have been, and plan to continue, opening new stores that average 3,000 square feet, slightly larger than our historical average size. These larger stores are intended to enable us to offer an expanded merchandise selection while maintaining our distinctive store environment.

Expansion Opportunities and Site Selection. Since the end of fiscal 2002, we have opened 42 stores to enhance our position in existing markets and to enter into new markets, to build our brand awareness and to capitalize on our successful store model. We plan to open 35 new stores in fiscal 2005 and to continue to open a significant number of new stores in future years. Our new store openings are planned in both existing and new markets.

In selecting a location for a new store, we target high-traffic mall space with suitable demographics and favorable lease terms. We seek locations near busy areas of the mall such as food courts, movie theaters, music or game stores and other popular teen retailers. We generally locate our stores in malls in which other teen-oriented retailers have performed well. We also focus on evaluating the market and mall-specific competitive environment for potential new store locations. We seek to diversify our store locations regionally and by caliber of mall. We have currently identified a significant number of potential sites for new stores in malls with appropriate market characteristics.

We have successfully and consistently implemented our store concept across a variety of mall classifications and geographic locations. Our new stores opened during fiscal 2003 generated average net sales of approximately $1.0 million during their first full year of operations. On average, our net investment to open these stores was approximately $360,000, which includes capital expenditures, net of landlord contributions, and initial inventory, net of payables. However, our net investment to open new stores and net sales generated by new stores vary significantly and depend on a number of factors, including the geographic location and size of those stores. Accordingly, net sales and other operating results for stores that we open or have opened subsequent to the end of fiscal 2003, as well as our net investment to open those stores, may differ substantially from net sales and other operating results and our net investment for the stores we opened in fiscal 2003.

Store Management, Operations and Training. We believe that our success is dependent in part on our ability to attract, train, retain and motivate qualified employees at all levels of our organization. We have developed a corporate culture that we believe empowers the individual store managers to make store-level business decisions and consistently rewards their success. We are committed to improving the skills and careers of our workforce and providing advancement opportunities for employees, as evidenced by a significant number of our store managers that began their careers with us as store associates.

Our store operations are currently organized into regions and districts. Each region is managed by a regional manager, responsible for approximately 50 stores. We employ one district sales manager per district, responsible for the sales and operations of approximately 10 stores. Each of our stores is typically staffed with one store manager, one or more assistant managers and two or more store associates, depending on the season. The number of store associates we employ generally increases during peak selling seasons, particularly the back-to-school and the winter holiday seasons, and will increase to the extent that we open new stores.

We provide our managers with the knowledge and tools to succeed through our comprehensive training programs and the flexibility to manage their stores to meet customer demands. While general guidelines for our merchandise assortments, store layouts and in-store visuals are provided by our home office, we give our store managers substantial discretion to tailor their stores to the individual market and empower them to make store-level business decisions. We design group training programs for our managers, such as our "Zumiez Managers Retreat," to improve both operational expertise and supervisory skills. Our comprehensive training programs are offered at the store, regional and national levels. Our programs allow managers from all geographic locations to interact with each other and exchange ideas to

better operate stores. Our regional, district and store managers are compensated in part based on the sales volume of the store or stores they manage.

Our store associates generally have an interest in the action sports lifestyle and are knowledgeable about our products. Through our training, evaluation and incentive programs, we seek to enhance the productivity of our store associates. Our store associates receive extensive training from their managers to improve their product expertise and selling skills. We evaluate our store associates weekly on measures such as sales per hour, items per transaction and dollars per transaction to ensure consistent productivity, to reward top performers, and to identify potential training opportunities. We provide sales incentives for store associates such as sales-based commissions in addition to hourly wages and our annual "Zumiez 100K" event, which recognizes outstanding sales performance in a resort setting that combines recreation and education. These and other incentive programs are designed to promote a competitive, yet fun, corporate culture that is consistent with the action sports lifestyle we seek to promote.

Internet Operations. We use our website primarily as an information source for our customers. Our website provides current information on our upcoming events and promotions, store locations and merchandise selection. We also sell products directly through our website, although Internet sales currently comprise, and are expected to continue to comprise, a small portion of our overall net sales. In fiscal 2004 and fiscal 2003, Internet sales represented less than 1% of our total net sales.

Marketing and Advertising

We seek to reach our target customer audience through a multi-faceted marketing approach that is designed to integrate our brand image with the action sports lifestyle. Our marketing efforts focus on reaching our customers in their environment, and feature extensive grassroots marketing events, such as the Zumiez Couch Tour, which give our customers an opportunity to experience and participate in the action sports lifestyle. Our marketing efforts also incorporate local sporting and music event promotions, advertising in magazines popular with our target market such as Transworld Snowboarding and Transworld Skateboarding, interactive contest sponsorships that actively involve our customers with our brands and products, and the distribution of about eight million Zumiez stickers in the past calendar year. We believe that our immersion in the action sports lifestyle allows us to build credibility with our target audience and gather valuable feedback on evolving customer preferences.

Our grassroots marketing events are built around the demographics of our customer base and offer an opportunity for our customers to develop a strong identity with our brand and culture. For example, the Zumiez Couch Tour is a series of entertainment events that includes skateboarding demonstrations from top professionals, autograph sessions, competitions and live music, and has featured some of today's most popular teenage personalities in action sports and music. The Zumiez Couch Tour provides a high-impact platform where customers can interact with some of their favorite action sports athletes and vendors can showcase new products. Recently, our Zumiez Couch Tour stop at the Mall of America in Bloomington, Minnesota attracted over 20,000 attendees. We also offer promotions and contests such as the "Zumiez and Atticus Battle of the Bands," which provides amateur bands the opportunity to compete against one another for a chance to win Zumiez gift certificates and have their winning track produced on an Atticus CD sampler. Advertising expense was approximately $322,000, $295,000 and $235,000 in fiscal 2002, 2003 and 2004, respectively and $24,000 for the one month period ended February 1, 2003.

Management Information Systems

Our management information systems provide integration of store, merchandising, distribution, financial and human resources functions. We use software licensed from ANT USA for merchandise planning and software licensed from Apropos Retail, which was recently acquired by CRS Retail Systems, Inc., that is used for SKU and classification inventory tracking, purchase order management, merchandise distribution, automated ticket making and sales audit functions. Our financial systems are

licensed from ACC PAC and Best FAS and are used for general ledger, accounts payable, payroll, budgeting, financial reporting and asset management. We believe that our information systems are scalable, flexible and have the capacity to accommodate our current growth plans.

Sales are updated daily in our merchandising reporting systems by polling sales information from each store's point-of-sale, or "POS," terminals. Our POS system consists of registers providing processing of retail transactions, price look-up, time and attendance and e-mail. Sales information, inventory tracking and payroll hours are uploaded to our central host system. The host system downloads price changes, performs system maintenance and provides software updates to the stores through automated nightly two-way electronic communication with each store. We evaluate information obtained through nightly polling to implement merchandising decisions, including product purchasing/reorders, markdowns and allocation of merchandise on a daily basis.

In addition to our home office staff, each of our regional and district managers can access relevant business information, including current and historical sales by store, district and region, transaction information and payroll data.

Competition

The teenage and young adult retail apparel, hardgoods and accessories industry is highly competitive. We compete with other retailers for vendors, teenage and young adult customers, suitable store locations and qualified store associates and management personnel. In the softgoods markets, which includes apparel, accessories and footwear, we currently compete with other teenage-focused retailers such as Abercrombie & Fitch Co., Aeropostale, Inc., American Eagle Outfitters, Inc., Anchor Blue Clothing Company, Charlotte Russe Inc., Claire's Stores, Inc., Forever 21, Inc., Hollister Co., Hot Topic, Inc., Old Navy, Inc., Pacific Sunwear of California, Inc., The Buckle, Inc., The Wet Seal, Inc. and Urban Outfitters, Inc. In addition, in the softgoods markets we compete with independent specialty shops, department stores and direct marketers that sell similar lines of merchandise and target customers through catalogs and e-commerce. In the hardgoods markets, which includes skateboards, snowboards, bindings, components and other equipment, we compete directly or indirectly with the following categories of companies: other specialty retailers that compete with us across a significant portion of our merchandising categories, such as local snowboard and skate shops; large-format sporting goods stores and chains, such as Big 5 Sporting Goods Corporation, Dick's Sporting Goods, Inc., Sport Chalet, Inc. and The Sports Authority Inc., which operates stores under the brand names Sports Authority, Gart Sports, Oshman's and Sportmart; and Internet retailers.

Competition in our sector is based on, among other things, merchandise offerings, store location, price and the ability to identify with the customer. We believe that we compete favorably with many of our competitors based on our differentiated merchandising strategy, compelling store environment and deep-rooted culture. However, some of our competitors are larger than we are and have substantially greater financial, marketing and other resources than we do. See "Risk Factors—We may be unable to compete favorably in the highly competitive retail industry, and if we lose customers to our competitors, our sales could decrease."

Properties

In February 2005, we completed our move from the 49,000 square foot combined home office and distribution center that we occupied since 1994 to a new 87,000 square foot combined home office and distribution center, both in Everett, Washington. We occupy the new facility under a lease expiring in July 2012. We have an option to extend the term of this lease for up to two additional five-year periods. All of our stores, encompassing approximately 372,000 total square feet as of the end of fiscal 2004, are occupied under operating leases. The store leases range for a term of five to ten years and we are

generally responsible for payment of property taxes and utilities, common area maintenance and marketing fees.

Trademarks

"Zumiez," "Free World," "O-Three" and "Limelight" are among our trademarks registered with the United States Patent and Trademark Office. We regard our trademarks as valuable and intend to maintain such marks and any related registrations. We are currently in the process of filing an application to register the "Empyre" and "Empyre Girl" marks. We are not aware of any claims of infringement or other challenges to our right to use our marks in the United States. We vigorously protect our trademarks. We also own numerous domain names which have been registered with Corporation for Assigned Names and Numbers.

Employees

As of January 29, 2005, we employed approximately 426 full-time and approximately 1,076 part-time employees, of which approximately 147 were employed at our home office and approximately 1,355 at our store locations. However, the number of part-time employees fluctuates depending on our seasonal needs and, in fiscal 2004, varied from between approximately 1,076 and 1,927 part-time employees. None of our employees are represented by a labor union and we consider our relationship with our employees to be good.

Legal Proceedings

From time to time, we become involved in litigation relating to claims arising from our ordinary course of business. Management believes, after considering a number of factors and the nature of legal proceedings to which we are subject, that the outcome of current litigation will not have a material adverse effect upon our results of operations or financial condition. However, see "Risk Factors—The outcome of litigation could have a material adverse effect on our business."

MANAGEMENT

Our Directors and Executive Officers

The following table sets forth certain information about our directors and executive officers as of the date of this prospectus.

Name	Age	Position
Thomas D. Campion	56	Chairman of the Board
Richard M. Brooks	45	President, Chief Executive Officer and Director
Brenda I. Morris	40	Chief Financial Officer
Lynn K. Kilbourne	42	General Merchandising Manager
Thomas E. Davin(1)(2)	47	Director
William M. Barnum, Jr(1)(2)	50	Director
Steven W. Moore	29	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

Thomas D. Campion, 56, was one of our co-founders and has served on our board of directors since our inception in 1978. Mr. Campion has held various senior management positions during this time, including serving as our Chairman since June 2000. From November 1970 until August 1978, he held various management positions with JC Penney Company. Mr. Campion holds a B.A. in Political Science from Seattle University. Mr. Campion serves as the Board Chair of the Alaska Wilderness League, a Washington, D.C. based environmental group, and the Treasurer of the Northwest Ecosystem Alliance, a Bellingham, Washington based environmental group.

Richard M. Brooks, 45, has served as our President and Chief Executive Officer since June 2000. From August 1993 through June 2000, he served as a Vice President and our Chief Financial Officer. From November 1989 until February 1992, Mr. Brooks was with Interchecks, Inc., a subsidiary of Bowater PLC, as a finance officer. Mr. Brooks was with Deloitte, Haskins & Sells, currently known as Deloitte & Touche, from July 1982 to March 1989. Mr. Brooks holds a B.A. in Business from the University of Puget Sound. Mr. Brooks has served on the University of Puget Sound Board of Trustees from May 2002 to the present, where he has served on its Finance and Facilities Committee and its Audit Committee.

Brenda I. Morris, 40, has served as our Chief Financial Officer since April 2003. From November 1999 until April 2003, she was with K2 Corporation as the Vice President of Finance. Ms. Morris has also held a senior management position with UnionBay Sportswear. Ms. Morris holds a B.S. in Business from Pacific Lutheran University and an M.B.A. from Seattle University. Ms. Morris is a certified public accountant in Washington and a certified management accountant. Ms. Morris is a member of the Journal of Accountancy Review Board for the American Institute of Certified Public Accountants. Ms. Morris serves on the Board of Washington Business Week, a program of the Foundation for Private Enterprise Education serving high school students, where she has served on its Audit Committee and as its Treasurer.

Lynn K. Kilbourne, 42, has served as our General Merchandising Manager since September 2004. From July 1991 until May 2001, she was with Banana Republic, a subsidiary of Gap, Inc., in various senior management positions. After leaving Banana Republic, Ms. Kilbourne served as an independent consultant in the retail industry until she joined us in September 2004. Ms. Kilbourne holds a B.A. in Economics and Political Science from Yale University and an M.B.A. from the Harvard University Graduate School of Business Administration.

Thomas E. Davin, 47, has served on our board of directors since November 2002 and is President and Chief Operating Officer of Panda Restaurant Group, Inc., a leading Chinese quick service restaurant

chain with more than 700 restaurants, where he has been since 2004. Prior to joining Panda Restaurant Group, Inc., Mr. Davin served, from 2000 to 2004, as the Operating Partner of Brentwood Private Equity III, LLC, a middle-market private equity firm, or "Brentwood Private Equity III." Mr. Davin is a Director of Oakley Inc. (NYSE "OO") and serves as Chairman of Oakley's Nominating and Corporate Governance Committee and Chairman of Oakley's Audit Committee. From 1993 to 2000 Mr. Davin was a senior executive with Taco Bell Corporation, a division of YUM! Brands, Inc. (NYSE "YUM"), and served as its Chief Operating Officer from 1997 to 2000. Mr. Davin earned an M.B.A., with distinction, from the Harvard University Graduate School of Business Administration. Mr. Davin is a graduate of Duke University and served as a U.S. Marine Corps officer from 1979 to 1985.

William M. Barnum, Jr., 50, has served on our board of directors since November 2002. Since 1984, Mr. Barnum has been with Brentwood Private Equity III, where he co-founded the firm's private equity effort, and is currently its General Partner. Prior to joining Brentwood Private Equity III, Mr. Barnum worked at Morgan Stanley & Co. in the investment banking division, where he served as Assistant to the President and also provided investment banking advisory services. He is a graduate of Stanford University, and a graduate of Stanford Law School and Stanford Graduate School of Business. Presently, Mr. Barnum is a director of Bay Travelgear, Inc., Exhale Enterprises Inc., Filson Holdings, Inc., FleetPride Corporation, Oriental Trading Company, Inc., Quiksilver Corporation and ThreeSixty Asia Ltd.

Steven W. Moore, 29, has served on our board of directors since April 2005. Mr. Moore is currently a Principal of Brentwood Private Equity III where he has worked since 2000. Prior to joining Brentwood Private Equity III, Mr. Moore worked, from 1998 to 2000, for Donaldson, Lufkin & Jenrette Securities Corporation in the investment banking division and, from 1997 to 1998, for Deloitte & Touche Consulting Group. Mr. Moore holds a B.S. in Mechanical Engineering from the University of Michigan. Mr. Moore is currently a director of Filson Holdings, Inc. and ThreeSixty Asia Ltd.

Board Structure and Composition

Our board of directors currently consists of five members. Currently, the board of directors has determined that only Mr. Davin qualifies as an independent director under the rules of The Nasdaq Stock Market. Mr. Davin was previously affiliated with the Brentwood Affiliates, who are among our significant shareholders. We intend to appoint a second independent director within 90 days, and such additional independent directors as needed so that a majority of our directors are independent within one year, following this offering to comply with applicable SEC and The Nasdaq Stock Market independence requirements. It is our intention to be in full and timely compliance with all applicable rules of the SEC and The Nasdaq Stock Market with respect to the independence of our directors and we intend to avail ourselves of the transition periods provided under the applicable rules of the SEC and The Nasdaq Stock Market for issuers listing in conjunction with their initial public offering. However, if we fail to comply, when required, with the applicable requirements of the SEC or The Nasdaq Stock Market with respect to the independence of the members of our board of directors and committees of the board of directors, our common stock may be de-listed by The Nasdaq Stock Market and we may otherwise be subject to adverse publicity and sanctions, which could have a material adverse effect on our results of operations and the market price of our common stock.

Effective upon the completion of this offering, our board of directors will be divided into three classes of directors, each serving staggered three-year terms as follows:

- Class I consisting of Mr. Brooks and Mr. Moore, whose initial terms expire at the annual meeting of shareholders to be held in 2006;

- Class II consisting of Mr. Barnum, whose initial term expires at the annual meeting of shareholders to be held in 2007; and

- Class III consisting of Mr. Campion and Mr. Davin, whose initial terms expire at the annual meeting of shareholders to be held in 2008.

Upon expiration of the term of a class of directors, directors for that class will be elected for a new three-year term at the annual meeting of shareholders in the year in which such term expires. Each director's term is subject to the election and qualification of his successor, or his earlier death, resignation or removal. The authorized number of directors may be changed by resolution duly adopted by our board of directors and any vacancies on our board of directors may be filled only by the affirmative vote of a majority of the directors then in office. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors will make it more difficult for a third party to acquire control of our company.

Prior to the completion of this offering, Messrs. Barnum, Brooks, Campion, Moore and Davin had the right, in certain cases, to sit on our board of directors pursuant to the terms of our bylaws and a stockholders' agreement. These board representation rights terminate upon the completion of this offering.

Board Committees

Our board of directors has established an audit committee and a compensation committee and, following the completion of this offering, will establish a governance and nominating committee. It is our intention that the composition of our board committees comply, when required, with the applicable rules of the SEC and The Nasdaq Stock Market. Under these rules, our board committees must initially have one member who meets the applicable SEC and The Nasdaq Stock Market independence requirements, a majority of the members of each committee must meet these independence requirements within 90 days following this offering, and all committee members must meet these independence requirements within one year after this offering.

Audit Committee.

Our audit committee has responsibility for, among other things:

- assisting our board of directors in monitoring the integrity of our financial statements;
- discussing with our management and our independent registered public accounting firm significant financial reporting issues and judgments and any major issues as to the adequacy of our internal controls;
- reviewing our annual and quarterly financial statements prior to their filing with the SEC and prior to the release of our results of operations; and
- reviewing the performance and qualifications of our independent registered public accounting firm and presenting its conclusions to our board of directors and approving, subject to permitted exceptions, any non-audit services proposed to be performed by the independent registered public accounting firm.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate.

Mr. Davin and Mr. Barnum will serve as the initial members of our audit committee and we plan to replace Mr. Barnum with a second independent member to our audit committee within 90 days following the completion of this offering and to nominate a third independent member within one year following the completion of this offering so that all of our audit committee members will be independent under applicable rules of the SEC and The Nasdaq Stock Market. Our board of directors has determined that Mr. Davin is an "audit committee financial expert" under applicable SEC rules and has the required financial sophistication pursuant to the rules of The Nasdaq Stock Market.

Governance and Nominating Committee.

After the completion of this offering, we will establish a governance and nominating committee. The governance and nominating committee will have responsibility for, among other things:

- recommending persons to be selected by the board as nominees for election as directors and as chief executive officer;
- assessing our directors' and our board's performance;
- recommending director compensation and benefits policies; and
- considering and recommending to the board other actions relating to corporate governance.

Compensation Committee.

Our compensation committee has responsibility for, among other things:

- reviewing corporate goals and objectives relevant to compensation of our Chief Executive Officer and other senior executives;
- determining and approving our Chief Executive Officer's compensation and making recommendations to the board of directors with respect to compensation of other executive employees;
- administering our incentive compensation plans and equity based plans and making recommendations to the board of directors with respect to those plans; and
- making recommendations to our board of directors with respect to the compensation of directors.

Mr. Barnum, who is not an independent director, and Mr. Davin, who is an independent director, will serve as initial members of our compensation committee. We expect to replace Mr. Barnum with an independent director within 90 days after this offering and to add a third independent director to our compensation committee within one year after this offering.

Compensation Committee Interlocks and Insider Participation

Prior to our establishment of a compensation committee, Messrs. Barnum and Davin participated in deliberations of our board of directors concerning executive officer compensation. Neither Mr. Barnum nor Mr. Davin, who will serve as the initial members of our compensation committee, serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics applicable to our directors, executive officers, including our chief financial officer and other of our senior financial officers, and employees, in accordance with applicable rules and regulations of the SEC and The Nasdaq Stock Market.

Board Compensation

For the fiscal year ended January 29, 2005, the individuals serving on our board of directors who were not our employees did not receive any compensation. After the completion of this offering, we intend to pay our non-employee directors an annual fee for their services as members of our board of directors and an additional annual fee for each committee on which they serve as a member, although the amount of such fees has not been established. We intend to reimburse all directors for reasonable expenses incurred to attend meetings of our board of directors or committees. In addition, non-employee directors are eligible to receive equity awards under our 2005 Incentive Plan.

Executive Compensation

The following table sets forth the total compensation awarded, paid or earned for services rendered to us in all capacities during fiscal 2004 by our chief executive officer and our three other most highly compensated executive officers. These executives are referred to as the "named executive officers" elsewhere in this prospectus.

	Annual Compensation		
Name and Principal Position	Salary	Bonus	Other Annual Compensation
Thomas D. Campion, Co-Founder and Chairman	$ 210,000	$ 70,900	—
Richard M. Brooks, President and Chief Executive Officer	210,000	70,900	—
Brenda I. Morris, Chief Financial Officer	200,000	62,038	—
Lynn K. Kilbourne, General Merchandising Manager	54,619(1)	23,633	$ 40,678(2)

(1) Ms. Kilbourne became our General Merchandising Manager in September of 2004. Her annual base salary is $200,000.

(2) Consists of moving expense reimbursements.

Stock Option Grants in Fiscal 2004

The following table sets forth information with respect to stock options granted to each of our named executive officers during fiscal 2004 and includes the potential realizable value, which is the hypothetical gain that could be achieved if options were exercised at the end of their terms. This determination assumes options are exercised at the end of their terms, based on assumed annually compounded rates of stock appreciation of 5% and 10% and based on an assumed initial public offering price of $16.00 per share, which is the mid-point of the price range shown on the cover of this preliminary prospectus, net of the exercise price but before taxes associated with exercise. These assumed rates of appreciation comply with the rules of the SEC and do not represent our estimate of future common stock prices. Actual gains, if any, on stock option exercises will depend on the future performance of our common stock. We granted options to purchase a total of 400,119 shares of common stock during fiscal 2004.

Options granted in fiscal 2004 to the named executive officers were granted under our 2004 Option Plan, the material terms of which are described below. The board of directors utilized valuations prepared by management and one of the Brentwood Affiliates to establish the exercise price of options. All options granted to the named executive officers are options to purchase our common stock. All options were granted at or above fair market value as determined in good faith by our board of directors on the date of grant. There were no option exercises during fiscal 2004 and the named executive officers did not exercise any options in fiscal 2004. Subsequent to the date of the 2004 awards, we updated our valuation based on, in part, our financial performance, the performance of comparable companies and our plans to effect an initial public offering. In connection with this new valuation, we took compensation charges related to some options granted with exercise prices below this updated valuation, which charges have been recorded as unearned compensation in the equity section of the balance sheet. These charges will be amortized to

compensation expense in the statement of operations, over the five to eight year vesting period applicable to the awards.

	Individual Grants				Potential Realizable Value at Assumed Annual Stock Price Appreciation Rate for Option Term	
	Number of Securities Underlying Options	Percentage of Total Options Granted in Fiscal 2004	Exercise Price Per Share	Expiration Date	5%	10%
Thomas D. Campion	—	—	—	—	—	—
Richard M. Brooks	—	—	—	—	—	—
Brenda I. Morris	—	—	—	—	—	—
Lynn K. Kilbourne(1)	153,886	41.0%	$ 7.73	7/31/2014	$ 2,676,971	$ 4,756,125

(1) Twenty percent of the options vest at the one-year anniversary of the option grant and then 1/48 th of the remaining options vest each month thereafter.

Employment Agreements and Change of Control Provisions

On November 4, 2002, we entered into an Executive Agreement with Richard M. Brooks, pursuant to which he serves as our President and Chief Executive Officer. The agreement has no fixed term and terminates upon the death or disability of Mr. Brooks or upon written notice from either party. Under the agreement, Mr. Brooks receives an annual base salary of $210,000 and he is eligible to be considered for an annual discretionary bonus of up to $100,000 and future stock option grants. The agreement further provides that if we terminate Mr. Brooks' employment without cause or if he terminates his employment for good reason, he will continue to receive his base salary until he accepts employment with another employer, but in no event longer than 18 months after the termination of his employment. In addition, the agreement prohibits Mr. Brooks, during his employment with us and for the longest time period permitted by law thereafter, from disclosing confidential information; requires Mr. Brooks to transfer to us any inventions he develops during his employment; and prohibits Mr. Brooks from competing with us in geographic regions in the United States in which we conduct business or from hiring our employees for 18 months after the termination of his employment.

Stock Based Plans

1993 Stock Option Plan

Our board of directors adopted the 1993 Stock Option Plan (the "1993 Option Plan") on December 1, 1997 and our shareholders approved it on December 1, 1997. The 1993 Option Plan will remain in effect until all options granted under the plan have been exercised or terminated, but no additional option grants could be made under the 1993 Option Plan after July 30, 2004. The 1993 Option Plan provided for the grant of nonqualified stock options to executive officers and key employees. As of January 29, 2005, options to purchase 1,479,901 shares of common stock were outstanding under the 1993 Option Plan.

Administration. A committee of the board of directors administers the 1993 Option Plan. Subject to the terms of the 1993 Option Plan, the committee determined grant recipients, grant dates, the numbers of stock options to be granted and the terms and conditions of the stock options, including the period of their exercisability, vesting and the exercise price.

Stock Options. Nonqualified stock options were granted pursuant to stock option agreements. The committee determined the exercise prices for stock options, which were at least 100% of the fair market value of the shares of common stock underlying the stock options on the date such stock options were granted, and such stock options are not exercisable after the expiration of ten years from the date of grant. The committee determined the vesting period and term of stock options granted under the 1993 Option Plan. Upon the death of an optionee, any options exercisable on the date of death may be exercised by the optionee's estate or the optionee's beneficiary for a period of one year after the date of the optionee's death. Upon the termination of an optionee's employment relationship with us by reason of retirement or permanent disability, an optionee may, within 12 months from the date of termination, exercise his or her stock options to the extent they are exercisable during such 12-month period. Other than in the case of termination by death, disability or retirement, all options held by an optionee shall terminate upon the termination of the optionee's employment relationship with us. An optionee may not transfer a nonqualified stock option other than by will or the laws of descent and distribution.

Adjustments to Capital Structure. In the event of a dividend or other distribution, recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like, the committee may adjust the number of shares that may be delivered under the 1993 Option Plan and the number and price of the shares covered by each outstanding stock option grant.

Amendment and Termination. The committee may amend the 1993 Option Plan or modify stock option awards in response to changes in securities or other laws or to comply with stock exchange rules at any time. The committee may also terminate or modify the plan at any time.

2004 Stock Option Plan

Our board of directors adopted the 2004 Option Plan on June 7, 2004 and our shareholders have approved it. Unless sooner terminated by the board of directors, the 2004 Option Plan will terminate on June 7, 2014, the tenth anniversary of the date that the plan was adopted by our board of directors. The 2004 Option Plan provides for the grant of incentive stock options and nonqualified stock options, which may be granted to our executive officers and key employees. Upon the completion of this offering, we do not intend to make any new stock option grants under the 2004 Option Plan and all shares then available for future awards under the 2004 Option Plan will thereupon be added to the shares available for award under the 2005 Incentive Plan.

Share Reserve. An aggregate of 3,682,793 shares of common stock may be issued pursuant to stock options granted under the 2004 Option Plan. Shares subject to stock option grants under the 2004 Option Plan that are forfeited or expire prior to the termination of the 2004 Option Plan will remain available for issuance under the 2004 Option Plan. As of January 29, 2005, options to purchase 375,496 shares of common stock were outstanding under the 2004 Option Plan and 3,307,297 additional shares of common stock were available for future grants under the 2004 Option Plan. As of January 29, 2005, no shares of common stock had been issued under the 2004 Option Plan.

Administration. A committee of the board of directors administers the 2004 Option Plan. Subject to the terms of the 2004 Option Plan, the committee determines recipients, grant dates, the numbers and types of stock options to be granted and the terms and conditions of the stock options, including the period of their exercisability and vesting. Subject to the limitations set forth below, the committee also determines the exercise price of stock options granted.

Stock Options. Nonqualified stock options, or "nonqualified options," and incentive stock options, or "incentive options," are granted pursuant to stock option agreements. The committee determines the exercise price for stock options. Subject to the limitations set forth below regarding persons owning more than ten percent of our stock ("ten percent shareholders"), the exercise price for incentive options generally will be at least 100% of the fair market value of the shares of common stock underlying the

incentive stock option on the date such incentive option is granted and such incentive options will not be exercisable after the expiration of ten years from the date of grant. For ten percent shareholders, the exercise price for incentive options will be at least 110% of the fair market value of the shares of common stock underlying an incentive option on the date such incentive option is granted and such incentive option will not be exercisable after the expiration of five years from the date of grant. The committee determines the vesting period and term of stock options granted under the 2004 Option Plan.

Unless the terms of an optionee's stock option agreement provide otherwise, stock options granted under the 2004 Option Plan expire: 90 days after voluntary or involuntary termination of an optionee's employment (other than in the case of death, disability or discharge for misconduct that is willfully or wantonly harmful to us); upon discharge for misconduct that is willfully or wantonly harmful to us; or 12 months after an optionee's death or disability. In no event may a stock option be exercised after the expiration of its term, as set forth in the stock option agreement. Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will either be cash or, with our approval, common stock owned by the optionee.

Generally, an optionee may not transfer a nonqualified option other than by will or the laws of descent and distribution unless the nonqualified option agreement provides otherwise. Optionees may not transfer incentive options except by will or by the laws of descent and distribution and incentive options are exercisable during the lifetime of the optionee only by the optionee.

Recapitalization. The number of shares for which stock options may be granted under the 2004 Option Plan and the exercise price and the number of shares covered by an outstanding stock option will be adjusted for increases and decreases in the number of our outstanding shares resulting from stock splits and other capital adjustments or the payment of stock dividends.

Changes in Control. In the event of a change in control of us, all outstanding stock options under the 2004 Option Plan may be assumed or substituted by any surviving or acquiring entity, and the optionee may exercise his or her vested stock options. If the surviving or acquiring entity elects not to assume or substitute for such outstanding stock options, all outstanding stock options that have not been exercised shall terminate upon the consummation of the change in control.

Amendment and Termination. Our board of directors may amend (subject to shareholder approval as required by applicable law), suspend or terminate the 2004 Option Plan at any time.

2005 Equity Incentive Plan

Our board of directors adopted the 2005 Incentive Plan on January 24, 2005 and our shareholders will approve it prior to the completion of this offering. The 2005 Incentive Plan will become effective upon the completion of this offering. Unless sooner terminated by the board of directors, the 2005 Incentive Plan will terminate on the day before the tenth anniversary of the date that the plan was approved by our shareholders. The 2005 Incentive Plan provides for the grant of incentive stock options, nonqualified stock options, stock bonuses, restricted stock awards, restricted stock units and stock appreciation rights, which may be granted to our employees (including officers), directors and consultants.

Share Reserve. The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 2005 Incentive Plan will not exceed 2,925,000 plus (1) the number of shares that are subject to awards under the 2005 Incentive Plan, the 1993 Option Plan or the 2004 Option Plan that have been forfeited or repurchased by us or that have otherwise expired or terminated, (2) the number of shares reserved under the 2004 Option Plan that are not subject to a grant under such plan upon the completion of this offering, and (3) an annual increase on the first business day of each fiscal year, such that the total number of shares available for issuance under the 2005 Incentive Plan shall equal 15% of the total number of shares of common stock outstanding on such business day; provided, that with respect to such annual increase, our board of directors may designate a lesser number of additional

shares or no additional shares during such fiscal year. In no event, however, will the aggregate number of shares available for award under our 2005 Incentive Plan exceed 4,387,500 shares.

The following types of shares issued under the 2005 Incentive Plan may again become available for the grant of new awards under the 2005 Incentive Plan: restricted stock issued under the 2005 Incentive Plan that is forfeited or repurchased by us prior to it becoming fully vested; shares withheld for taxes; shares tendered to us to pay the exercise price of an option; and shares subject to awards issued under the 2005 Incentive Plan that have expired or otherwise terminated without having been exercised in full.

Administration. The board of directors will administer the 2005 Incentive Plan and may delegate this authority to administer the plan to a committee. Subject to the terms of the 2005 Incentive Plan, the plan administrator, which is our board of directors or its authorized committee, determines recipients, grant dates, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the plan administrator will also determine the exercise price of options granted, the purchase price for restricted stock and restricted stock units, and, if applicable, the strike price for stock appreciation rights.

Stock Options. Nonqualified options and incentive options are granted pursuant to stock option agreements. The plan administrator determines the exercise price for stock options. Subject to the limitations set forth below regarding persons owning more than ten percent of our stock or of any of our affiliates ("ten percent shareholders"), the exercise price for nonqualified options and incentive options will be at least 100% of the fair market value of the shares of common stock underlying the option on the date such option is granted. Incentive options will not be exercisable after the expiration of ten years from the date of grant. For ten percent shareholders, the exercise price for incentive options will be at least 110% of the fair market value of the shares of common stock underlying an incentive option on the date such incentive option is granted and such incentive option will not be exercisable after the expiration of five years from the date of grant. The plan administrator determines the vesting period and term of stock options granted under the 2005 Incentive Plan.

Unless the terms of an optionee's stock option agreement provide otherwise, if an optionee's service relationship with us, or any of our affiliates, ceases due to disability or death or the optionee dies within a specified period after termination of service, the optionee, or his or her beneficiary, may exercise any vested options for a period of 12 months in the event of disability or 18 months in the event of death, after the date such service relationship ends or after death, as applicable. If an optionee's relationship with us, or any of our affiliates, ceases for any reason other than disability or death, the optionee may exercise any vested options for a period of three months from cessation of service, unless the terms of the stock option agreement provide for earlier or later termination. In no event, however, may an option be exercised after the expiration of its term, as set forth in the stock option agreement.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will either be cash, common stock owned by the optionee that has been held by the optionee for at least six months, a deferred payment arrangement, a cashless exercise or other legal consideration approved by the plan administrator. The plan administrator may grant stock options with provisions entitling the optionee to a further option, referred to as a re-load option, in the event the optionee exercises the option evidenced by the option agreement, in whole or in part, by surrendering other shares of our common stock.

Generally, an optionee may not transfer a nonqualified option other than by will or the laws of descent and distribution unless the nonqualified option agreement provides otherwise. Optionees may not transfer incentive options except by will or by the laws of descent and distribution and incentive options are exercisable during the lifetime of the optionee only by the optionee. Optionees may designate a beneficiary who may exercise the option following the optionee's death.

Stock Bonus Awards. Stock bonus awards are granted pursuant to stock award agreements. The consideration for stock bonus awards may be a recipient's performance of services for us or our affiliates. Stock bonus awards may be subject to a repurchase right in accordance with a vesting schedule determined by the plan administrator. Upon termination of a recipient's service with us, stock bonus awards that are unvested as of the date of such termination may be reacquired by us after such time as would not result in negative accounting consequences. Stock bonus awards may be transferable only to the extent provided in a stock award agreement.

Restricted Stock and Restricted Stock Units. A restricted stock award or restricted stock unit award is the grant of shares of our common stock either currently (in the case of restricted stock) or at a future date (in the case of restricted stock units) at a price determined by the plan administrator. Restricted stock and restricted stock units are granted pursuant to stock award agreements. Upon termination of a recipient's service with us, shares of restricted stock that are unvested as of the date of such termination may be reacquired by us subject to the terms of the restricted stock award agreement. Restricted stock awards may be subject to a repurchase right in accordance with a vesting schedule determined by the board of directors. Restricted stock and restricted stock units may be transferable only to the extent provided in a stock award agreement.

Stock Appreciation Rights. Stock appreciation rights entitle a participant to receive a payment equal in value to the difference between the fair market value of a share of stock on the date of exercise of the stock appreciation right over the grant price of the stock appreciation right. Stock appreciation rights are granted pursuant to stock award agreements. The plan administrator may grant stock appreciation rights in connection with stock options or in a stand-alone grant. The plan administrator determines the term and grant price for a stock appreciation right. A stock appreciation right granted under the 2005 Incentive Plan vests at the rate specified in the stock award agreement. With respect to stock appreciation rights that are granted in connection with stock options, such stock appreciation rights shall be exercisable only to the extent that the related stock option is exercisable and such stock appreciation rights shall expire no later than the date on which the related stock options expire. If a recipient's relationship with us, or any of our affiliates, ceases for any reason, any unvested stock appreciation rights will be forfeited and any vested stock appreciation rights will be automatically redeemed.

Capitalization Adjustments. In the event of a dividend or other distribution (whether in the form of cash, shares of common stock, other securities, or other property), recapitalization, stock split, reorganization, merger, consolidation, exchange of our common stock or our other securities, or other change in our corporate structure, the plan administrator may adjust the number of shares that may be delivered under the 2005 Incentive Plan and the number and price of the shares covered by each outstanding stock award.

Changes in Control. In the event of a change in control of us (as defined in the 2005 Incentive Plan), all outstanding options and other awards under the 2005 Incentive Plan may be assumed, continued or substituted for by any surviving or acquiring entity. If the surviving or acquiring entity elects not to assume, continue or substitute for such awards, the vesting of such awards held by award holders whose service with us or any of our affiliates has not terminated will be accelerated and such awards will be fully vested and exercisable immediately prior to the consummation of such transaction, and the stock awards shall automatically terminate upon consummation of such transaction if not exercised prior to such event.

Amendment and Termination. The plan administrator may amend (subject to shareholder approval as required by applicable law), suspend or terminate the 2005 Incentive Plan at any time.

2005 Employee Stock Purchase Plan

Our board of directors adopted our Stock Purchase Plan on January 24, 2005 and our shareholders will approve it prior to the completion of this offering. The Stock Purchase Plan will become effective upon the completion of this offering.

Share Reserve. The Stock Purchase Plan authorizes the issuance of 500,000 shares of common stock pursuant to purchase rights granted to certain of our employees or to employees of any of our subsidiaries that we designate as being eligible to participate.

Administration. The compensation committee of the board of directors will administer the Stock Purchase Plan. The Stock Purchase Plan provides a means by which employees may purchase our common stock. We will implement the Stock Purchase Plan by offering to our eligible employees the right to purchase shares of common stock. Under the Stock Purchase Plan, we will conduct consecutive six-month offerings with a new offering commencing January 1 and July 1 of each year. The offerings will continue until the Stock Purchase Plan is terminated or until the shares reserved for issuance under the plan have been issued.

Common stock may be purchased by the employees participating in the Stock Purchase Plan at a price per share equal to the lesser of (1) 85% of the fair market value of a share of our common stock on the date of commencement of the offering (or the first trading day after the offering if the offering does not commence on a trading day) or (2) 85% of the fair market value of a share of our common stock on the last trading day of the offering. Generally, all regular employees, including officers, who are customarily employed by us or by any of our designated affiliates for more than 20 hours per week and more than five months per calendar year may participate in the Stock Purchase Plan and may contribute (through payroll deductions) up to 15% of their earnings for the purchase of common stock under the Stock Purchase Plan, as determined by the compensation committee. If an employee's employment relationship with us, or any of our affiliates, ceases for any reason, the balance in the account of such participating employee will be paid to the employee or his or her estate. Employees may not transfer or encumber either the payroll deductions credited to their account or any rights to purchase shares other than by will or the laws of descent and distribution.

Limitations. Eligible employees may be granted rights to participate under the Stock Purchase Plan only if, together with any other rights granted under other employee stock purchase plans, they do not permit such employee to purchase our common stock at an accrued rate exceeding $25,000 of the fair market value of such stock for each calendar year in which such rights are outstanding. No employee shall be eligible for the grant of any rights under the Stock Purchase Plan if immediately after such rights are granted, such employee owns five percent or more of the total combined voting power or value of all of our classes of capital stock or of the capital stock of any subsidiary of ours.

Capitalization Adjustments. In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, offerings of rights, or any other change in the structure of our common stock, the compensation committee may make such adjustments, if any, as it may deem appropriate in the number, kind and the price of shares available for purchase under the Stock Purchase Plan, and in the number of shares which an employee is entitled to purchase.

Changes in Control. In the event of a change in control of us (as defined in the Stock Purchase Plan), the outstanding rights to purchase our common stock granted under the Stock Purchase Plan may be assumed or an equivalent purchase right may be substituted by the successor entity. In the event that the successor entity refuses to assume or substitute for the purchase rights, or continue the purchase right, any offering then in progress shall be shortened by setting a new ending date for such offering, which date will be prior to the date of the proposed transaction. The compensation committee will notify each participant in the offering in writing prior to the new ending date for such offering that the end of the

offering has been changed and that the participant's purchase rights will be exercised automatically on such new ending date for the offering.

Amendment and Termination. The compensation committee may at any time amend or terminate the Stock Purchase Plan.

Limitation on Liability and Indemnification

Sections 23B.08.500 through 23B.08.600 of the Washington Business Corporation Act, or the "WBCA," authorize Washington corporations to indemnify and advance expenses to directors, officers, employees or agents of the corporation under certain circumstances against liabilities and expenses incurred in legal proceedings involving such individuals because of their being or having been a director, officer, employee or agent of the corporation. Section 23B.08.560 of the WBCA authorizes a corporation to agree to so indemnify and obligate itself to advance or reimburse expenses without regard to the limitations of Section 23B.08.510 through 23B.08.550 of the WBCA; provided, however, that no such indemnity shall be made for or on account of any:

- acts or omissions of the director, officer, employee or agent finally adjudged to be intentional misconduct or a knowing violation of law;
- conduct of the director, officer, employee or agent finally adjudged to be in violation of Section 23B.08.310 of the WBCA (which section relates to unlawful distributions); or
- transaction with respect to which it was finally adjudged that such director, officer, employee or agent personally received a benefit in money, property, or services to which the director, officer, employee or agent was not legally entitled.

Furthermore, Section 23B.08.320 of the WBCA authorizes a corporation to limit a director's liability to the corporation or its shareholders for monetary damages for acts or omissions as a director, except in certain circumstances involving (1) acts or omissions of a director that involve intentional misconduct or a knowing violation of law, (2) conduct violating Section 23B.08.310 of the WBCA (which section relates to unlawful distributions) or (3) any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

Our articles of incorporation provide that we shall indemnify our directors to the fullest extent permitted by the WBCA, subject to exceptions, and require that we advance expenses for those persons pursuant to our bylaws or a separate directors resolution or contract. Our bylaws provide that we shall indemnify our directors, officers and employees to the fullest extent permitted by applicable law, and also provide that we may indemnify our agents. Our bylaws also provide that we may, or in certain cases must, provide advances for expenses to such indemnified individuals who are parties to such a proceeding. Our articles of incorporation provide that a director shall not be personally liable to us or to any of our shareholders for monetary damages for conduct as a director, subject to the limitations set forth in our articles of incorporation. Our bylaws also provide that we may maintain, at our expense, insurance to protect us and an indemnified director, officer, employee or agent against any liability, whether or not we would have the power to indemnify such director, officer, employee or agent against the same liability under Sections 23B.08.510 or 23B.08.520 of the WBCA.

Prior to the completion of this offering, we will enter into separate indemnification agreements with each of our directors and officers to effectuate the provisions discussed above and to purchase director and officer liability insurance. The effect of such provisions is to indemnify our directors and officers against all costs, expenses and liabilities incurred by them in connection with any action, suit or proceeding in which they are involved by reason of their affiliation with us, to the fullest extent permitted by law.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Equity Sales and Related Transactions

Zumiez Holdings LLC

In October and November 2002, we entered into a series of transactions with the Brentwood Affiliates and certain of our shareholders (these transactions are referred to as the "2002 Recapitalization"). As part of the 2002 Recapitalization, we entered into a contribution agreement, or the "Contribution Agreement," and certain other agreements, pursuant to which Zumiez Holdings LLC, a Delaware limited liability company, or "Zumiez Holdings," was formed and substantially all of our then-outstanding shares of capital stock were contributed to Zumiez Holdings. In connection with the 2002 Recapitalization, we paid $143,000 in fees on behalf of Zumiez Holdings. See note 8 to our financial statements included elsewhere in this prospectus. The initial members of Zumiez Holdings were Brentwood-Zumiez Investors, LLC, an entity controlled by the Brentwood Affiliates, Thomas D. Campion, our Co-Founder and Chairman, Richard M. Brooks, our President and Chief Executive Officer, and John G. Haakenson, our Co-Founder. In addition, Thomas E. Davin and William M. Barnum, Jr., each of whom is currently a member of our Board of Directors, were associated with the Brentwood Affiliates at the time of the 2002 Recapitalization and Mr. Barnum and Steven W. Moore, who is also a member of our Board of Directors, are currently associated with the Brentwood Affiliates. Pursuant to the terms of the Zumiez Holdings limited liability company agreement, or the "Holdings LLC Agreement," the assets of Zumiez Holdings, which consist solely of shares of our common stock, will be distributed to the persons entitled thereto prior to the consummation of this offering and thereafter Zumiez Holdings will be dissolved. Prior to this distribution and based on shares outstanding as of January 29, 2005, Zumiez Holdings held approximately 95% of our outstanding shares of common stock. Information in this prospectus concerning ownership of our common stock by the Brentwood Affiliates and Messrs. Campion, Barnum, Brooks and Haakenson, including the information appearing under "Principal and Selling Shareholders," assumes that all of the shares of our common stock held by Zumiez Holdings have been distributed to the persons entitled to those shares in accordance with the Holdings LLC Agreement, unless otherwise expressly stated or the context otherwise requires. The exact number of shares that will be distributed to those persons will depend upon the public offering price of our common stock in this offering. The information in this preliminary prospectus regarding the number of shares of common stock owned by those persons has been calculated based on an assumed public offering price of $16.00 per share, which is equal to the mid-point of the price range set forth on the cover of this preliminary prospectus, and will change unless the actual public offering price is $16.00 per share.

Services Agreement

In connection with the 2002 Recapitalization, we entered into a Corporate Development and Administrative Services Agreement, dated November 4, 2002, or the "Services Agreement," with Brentwood Private Equity III, pursuant to which we are obligated to pay Brentwood Private Equity III an annual consulting fee, the amount of which fee depends on our adjusted EBITDA, and to reimburse Brentwood Private Equity III for certain expenses. In fiscal 2002, 2003 and 2004 we paid Brentwood Private Equity III consulting fees of $31,000, $200,000 and $200,000, respectively, under the Services Agreement. We also anticipate paying Brentwood Private Equity III a pro-rated consulting fee in fiscal 2005 through the date of completion of this offering. We are also obligated under the Services Agreement to pay Brentwood Private Equity III an advisory fee based upon: (1) the aggregate consideration paid by us (A) in connection with an acquisition of all or substantially all of the capital stock, business or assets of another individual or business entity and (B) in connection with any joint venture or minority investment and (2) the amount of any equity interest or similar securities issued by us with the assistance of Brentwood Private Equity III. We are not obligated to pay Brentwood Private Equity III any fees pursuant to clause (2) of the preceding sentence, or any additional advisory or other fees, under the Services Agreement in connection with this offering and the Services Agreement will terminate upon the

consummation of this offering. The terms of the Services Agreement were negotiated in connection with the 2002 Recapitalization and such negotiations were conducted on an arms-length basis.

Expense Agreement

In connection with the 2002 Recapitalization, we entered into an Expense Agreement, dated November 4, 2002, or the "Expense Agreement," with Zumiez Holdings pursuant to which we are obligated to reimburse Zumiez Holdings, or such other parties as Zumiez Holdings may designate, for reasonable expenses incurred in connection with facilitating investments in us. The Expense Agreement will terminate upon the consummation of this offering. The terms of the Expense Agreement were negotiated in connection with the 2002 Recapitalization and such negotiations were conducted on an arms-length basis.

Redemption Agreements

In October 2002, in connection with the 2002 Recapitalization, we entered into common stock redemption agreements with Thomas D. Campion, our Co-Founder and Chairman, and Richard M. Brooks, our President and Chief Executive Officer. Pursuant to the terms of our redemption agreement with Mr. Campion, we redeemed 1,485,651 shares of our common stock held by Mr. Campion for an aggregate purchase price of approximately $7.7 million, which amount was paid by us through our delivery of a promissory note in the sum of approximately $6.2 million and the cancellation of a promissory note in the amount of $1.5 million executed by Mr. Campion in favor of us. Pursuant to the terms of our redemption agreement with Mr. Brooks, we redeemed 159,095 shares of our common stock held by Mr. Brooks for an aggregate purchase price of approximately $829,000, which amount was paid by us through our delivery of a promissory note in the sum of approximately $829,000. Each of the promissory notes issued in connection with the redemption agreements has been paid in full.

Loans to Executives

In August 2001, we loaned Thomas D. Campion, our Co-Founder and Chairman, $1.5 million for which he executed a promissory note that was due and payable in full by September 1, 2002 and which promissory note bore interest at a rate of 6.0% per annum. As described above under "Redemption Agreements," Mr. Campion paid the principal of this promissory note in full.

Issuance of Stock to Zumiez Holdings

In November 2002, in connection with the 2002 Recapitalization, we issued 1,356,371 shares of our common stock to Zumiez Holdings for an aggregate purchase price of approximately $7.1 million, which was paid in cash at the closing of the Contribution Agreement. The members of Zumiez Holdings at the time of such issuance were Brentwood-Zumiez Investors, LLC, an entity controlled by the Brentwood Affiliates, Thomas D. Campion, our Co-Founder and Chairman, Richard M. Brooks, our President and Chief Executive Officer, and John G. Haakenson, our Co-Founder. Thomas E. Davin and William M. Barnum, Jr., each of whom is currently a member of our board of directors, were associated with the Brentwood Affiliates at the time of the issuance and sale of our common stock to Zumiez Holdings, and Mr. Barnum and Steven W. Moore, who is also a member of our Board of Directors, are currently associated with the Brentwood Affiliates.

Contribution Agreement

At the closing under the Contribution Agreement:

- The Brentwood Affiliates contributed approximately $25.3 million to Zumiez Holdings, and Messrs. Campion, Brooks and Haakenson contributed 6,340,768, 2,319,793 and 708,180 shares of our common stock, respectively, to Zumiez Holdings;

- Zumiez Holdings purchased approximately 1,356,371 shares of our common stock from us for approximately $7.1 million and distributed approximately $13.4 million and $3.7 million in cash to Messrs. Campion and Haakenson, respectively; and

- after giving effect to the transactions described above, the Brentwood Affiliates received an approximately 43% membership interest in Zumiez Holdings and Messrs. Campion and Brooks received approximately 35% and 22% membership interests, respectively, in Zumiez Holdings.

Under the Contribution Agreement, we agreed to indemnify and hold harmless Zumiez Holdings, its officers, employees, agents, consultants, advisors and other representatives and its controlling persons and affiliates, which include Brentwood-Zumiez Investors, LLC, an entity controlled by the Brentwood Affiliates, Thomas D. Campion, our Co-Founder and Chairman, and Richard M. Brooks, our President and Chief Executive Officer, for certain losses and expenses. Thomas E. Davin and William M. Barnum, Jr., each of whom is currently a member of our board of directors, were associated with the Brentwood Affiliates at the time of the execution of the Contribution Agreement, and Mr. Barnum is currently associated with the Brentwood Affiliates. Except with respect to certain representations and warranties, including representations and warranties related to taxation, our indemnification obligations under the Contribution Agreement will have expired upon consummation of this offering.

Director and Officer Indemnification

Our articles of incorporation and our bylaws contain provisions limiting the liability of our directors and require that we indemnify our directors to the fullest extent permitted by law. In addition, prior to the completion of this offering, we will enter into agreements to indemnify our directors and executive officers to the fullest extent permitted under Washington law. See "Management—Limitation on Liability and Indemnification."

Registration Rights

Some of our shareholders are entitled to registration rights. See "Description of Capital Stock—Registration Rights."

Stock Option Grants

We have granted options to purchase shares of our common stock to our executive officers and directors. See "Management."

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock held as of January 29, 2005, and as adjusted to reflect the sale of common stock in this offering for:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group;
- each person who we know beneficially owns 5% or more of our common stock; and
- each selling shareholder.

Information in the following table concerning ownership of our common stock by Brentwood-Zumiez Investors, LLC and Messrs. Campion, Brooks and Barnum assumes that all of the shares of our common stock held by Zumiez Holdings have been distributed to the persons and entities entitled to those shares under the terms of the Holdings LLC Agreement. This distribution will occur prior to the closing of this offering. The exact number of shares that will be distributed to these persons and entities will depend upon the public offering price of our common stock in this offering. The information appearing below regarding the number of shares of common stock owned by these persons and entities has been calculated based upon an assumed public offering price of $16.00 per share, which is equal to the mid-point of the price range shown on the cover of this preliminary prospectus, and will change unless the actual public offering price is equal to this assumed public offering price. See "Certain Relationships and Related Transactions—Equity Sales and Related Transactions" for information regarding material relationships between some of the selling shareholders and us.

Except as otherwise indicated by footnote, and subject to applicable community property laws, we believe that the beneficial owners of the common stock listed below have sole voting power and investment power with respect to their shares. Beneficial ownership is determined in accordance with the rules of the SEC. Based on information provided to us by the selling shareholders, none of the selling shareholders is a broker-dealer or affiliate of a broker-dealer.

The number of shares of common stock outstanding used in calculating the percentage for each listed person and entity includes common stock underlying options held by the person or entity that are exercisable within 60 days of January 29, 2005, but excludes common stock underlying options held by any other person or entity. Percentage of beneficial ownership is based on 11,305,261 shares of common stock outstanding as of January 29, 2005. Except as noted below, the address for each person that holds 5% or more of our common stock is c/o Zumiez Inc., 6300 Merrill Creek Parkway, Suite B, Everett, Washington 98203.

Executive Officers and Directors	Shares Beneficially Owned Prior to this Offering		Shares Being Offered	Shares Beneficially Owned After this Offering	
	Number	Percentage		Number	Percentage
Thomas D. Campion	4,079,625	36.1	250,000	3,829,625	29.1
Richard M. Brooks(1)	2,332,977	20.6	—	2,332,977	17.7
Brenda I. Morris(2)	46,969	*	—	46,969	*
Lynn K. Kilbourne	—	—	—	—	—
Thomas E. Davin	—	—	—	—	—
William M. Barnum, Jr.(1)(3)(4)	4,253,822	37.6	891,985	3,361,837	25.5
Steven W. Moore	—	—	—	—	—
All Executive Officers and Directors as a group (7 persons)(1)	10,713,393	94.4	1,141,985	9,571,408	72.4
5% Shareholders:					
Brentwood-Zumiez Investors, LLC(1)(4)	4,253,822	37.6	891,985	3,361,837	25.5
Other Selling Shareholders:					
John G. Haakenson	58,687	*	50,000	8,687	*
Akhil R. Shah	290,075	2.6	29,007	261,068	2.0
Rajnikant R. Shah	290,075	2.6	29,008	261,067	2.0

* Represents beneficial ownership of less than 1%.

(1) Assumes that the underwriters' over-allotment option is not exercised. In the event that the underwriters' over-allotment option is exercised in full, then the number of shares being offered by Richard M. Brooks and Brentwood-Zumiez Investors LLC will increase by 75,000 shares and 393,750 shares, respectively, and the number of shares beneficially owned by Mr. Brooks and Brentwood-Zumiez Investors LLC after this offering will decrease to 2,257,977 shares and 2,968,087 shares, respectively, or 17.1% and 22.5%, respectively, of the shares to be outstanding immediately after this offering.

(2) Consists of shares issuable upon exercise of outstanding options exercisable within 60 days of January 29, 2005.

(3) Consists of shares held by Brentwood-Zumiez Investors, LLC, an entity controlled by the Brentwood Affiliates. William M. Barnum, Jr., one of our directors, is a managing member of Brentwood Private Equity III, LLC.

(4) The membership interests of Brentwood-Zumiez Investors, LLC are held by Brentwood Associates Private Equity III, L.P., Brentwood Associates Private Equity III-A, L.P., and BAPE III Executive Fund, L.P. (collectively, "Brentwood Funds"). Brentwood Private Equity III, LLC is the general partner of each of the Brentwood Funds. Mr. Barnum, one of our directors, is a managing member of Brentwood Private Equity III, LLC, and thus has voting power, investment power and dispositive power over shares held by Brentwood-Zumiez Investors, LLC. Mr. Barnum disclaims beneficial ownership of the shares held or controlled by Brentwood-Zumiez Investors, LLC except to the extent of his pecuniary interest therein. The address for Brentwood-Zumiez Investors, LLC is 11150 Santa Monica Blvd., Suite 1200, Los Angeles, CA 90025.

DESCRIPTION OF CAPITAL STOCK

General

We are authorized to issue 50,000,000 shares of common stock, no par value per share, and 20,000,000 shares of preferred stock, no par value per share. Immediately after this offering, there will be 13,180,261 shares of common stock outstanding, 1,855,397 shares of common stock will be issuable upon exercise of outstanding options and no shares of preferred stock will be issued and outstanding, based on shares and options outstanding as of January 29, 2005. As of January 29, 2005, there were three holders of record of our common stock.

Common Stock

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote at a meeting of shareholders, except as otherwise required by law and subject to the rights of any preferred stock we may issue in the future. The holders of our common stock are generally entitled to vote on amendments to our articles of incorporation, except for the designation of a series of preferred stock out of our authorized preferred stock. There are no cumulative voting rights for the election of our directors, which means that the holders of a majority of the outstanding shares of our common stock will be entitled to elect all of our directors. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of our common stock are entitled to receive such dividends, if any, as may be declared by our board of directors out of funds legally available for dividends. In the event of liquidation, dissolution or winding up of us, the holders of our common stock are entitled to share ratably in all assets remaining after payment of or provision for our liabilities, subject to prior rights of preferred stock, if any, then outstanding. Our common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock are, and the shares to be sold by us in this offering will be, fully paid and nonassessable.

Preferred Stock

Pursuant to our articles of incorporation, our board of directors has the authority, without action by our shareholders, to issue up to 20,000,000 shares of preferred stock. The board of directors may issue this stock from time to time in one or more series and may fix the rights, preferences, privileges and restrictions of each series of preferred stock. Some of the rights and preferences that our board of directors may designate include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms. The board of directors may determine the number of shares constituting any series and the designation of such series. Any or all of the rights and preferences selected by our board of directors for any series of preferred stock may be greater than the rights of the common stock. The issuance of preferred stock could adversely affect, among other things, the voting power of holders of common stock and the likelihood that shareholders will receive dividend payments and payments upon our liquidation, dissolution or winding up. The issuance of preferred stock could also have the effect of delaying, deferring or preventing a change in control of us if, for example, our board of directors designated and issued a series of preferred stock in an amount that sufficiently increased the number of outstanding shares to overcome a vote by the holders of our common stock or with rights and preferences that included special voting rights to veto a change in control, merger or similar transaction.

Registration Rights

On November 4, 2002, we entered into an Amended and Restated Stockholders' Agreement, or the "Stockholders' Agreement," which grants certain holders of our common stock rights with respect to registration of their shares under the Securities Act of 1933. Such registration will permit the resale of those shares in the public market. Under the Stockholders' Agreement, we granted Zumiez Holdings the

right to demand that we register its shares for sale in an initial public offering. Zumiez Holdings exercised that right in connection with this offering. We also granted all of these shareholders certain "piggyback" registration rights to register the shares of common stock owned by them under the Securities Act. The Stockholders' Agreement provides that whenever we propose to register shares of our common stock under the Securities Act (other than on a Form S-4 or Form S-8), then these shareholders, with certain exceptions, will have the right to register their shares of common stock as part of that registration. The registration rights under the Stockholders' Agreement are subject to the rights of the lead underwriters, if any, to reduce or exclude certain shares owned by these shareholders from the registration. The Stockholders' Agreement requires us to pay for all costs and expenses, other than underwriting discounts and commissions and fees and disbursements of counsel for these shareholders, incurred in connection with the registration of shares under the agreement. No shareholder will have any rights under the Stockholders' Agreement to include shares in a registration statement if those shares have (1) already been sold pursuant to a registration statement or pursuant to Rule 144 under the Securities Act, or (2) may be sold pursuant to Rule 144 under the Securities Act, if we have advised that shareholder that we are willing to instruct the transfer agent for our common stock to remove any restrictive legends necessary in connection with that sale.

Immediately after completion of this offering and based on shares outstanding as of January 29, 2005, the holders of approximately 10,055,261 shares of our outstanding common stock will be entitled to the registration rights described above. In addition, the Stockholders' Agreement provides that all shares of our capital stock acquired by any of those shareholders in the future will also be entitled to these registration rights.

Antitakeover Effects of Washington Law and Certain Provisions of Our Articles of Incorporation and Our Bylaws

Washington RCW 23B.19. Washington law imposes restrictions on certain transactions between a corporation and certain significant shareholders. Chapter 23B.19 of the WBCA prohibits a "target corporation," with certain exceptions, from engaging in certain "significant business transactions" with a person or group of persons that beneficially owns 10% or more of the voting securities of the target corporation (an "acquiring person") for a period of five years after the acquisition of such securities, unless the transaction is approved by a majority of the members of the target corporation's board of directors prior to the time of acquisition of such securities. Such prohibited transactions include, among other things, a merger or consolidation with, disposition of assets to, or issuance or redemption of stock to or from, the acquiring person; termination of 5% or more of the employees of the target corporation as a result of the acquiring person's acquisition of 10% or more of the shares; or allowing the acquiring person to receive any disproportionate benefit as a shareholder.

After the five-year period, a "significant business transaction" may occur, as long as it complies with certain "fair price" provisions of the statute. A corporation may not "opt out" of this statute. This provision may have the effect of delaying, deterring or preventing a change in control of us.

Issuance of preferred stock. As noted above, our board of directors, without shareholder approval, has the authority under our articles of incorporation to issue preferred stock with rights superior to the rights of the holders of common stock. As a result, preferred stock could be issued quickly and easily, could adversely affect the rights of holders of common stock and could be issued with terms calculated to delay or prevent a change in control or to make removal of management more difficult.

Election and removal of directors. Our articles of incorporation provide for the division of our board of directors into three classes, as nearly as equal in number as possible, with the directors in each class serving for three-year terms, and one class being elected each year by our shareholders. In addition, our directors are removable only for cause and only by vote of the holders of at least a majority of the voting power of our outstanding capital stock entitled to vote in the election of directors and any vacancies on

the board of directors or newly created directorships resulting from an increase in the number of directors shall be filled only by the affirmative vote of a majority of the directors then in office. Because this system of electing, appointing, removing and replacing directors generally makes it more difficult for shareholders to replace a majority of the board of directors, it may discourage a third party from making a tender offer or otherwise attempting to gain control of us and may maintain the incumbency of the board of directors.

Approval for certain business combinations. Our articles of incorporation require that certain business combinations, including a merger, share exchange and the sale, lease, exchange, mortgage, transfer or other disposition of all or substantially all of our assets other than in the usual and regular course of business, be approved by the holders of not less than 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock entitled to vote in the election of directors, voting together as a single class.

Shareholder meetings. Our articles of incorporation provide that only the board of directors or the chairman of the board of directors may call a special meeting of shareholders. The effect of this provision is that a shareholder will have to wait until an annual meeting or a special meeting called by the board of directors or the chairman of the board of directors to bring a proposal for shareholder approval.

No shareholder action by written consent. Our bylaws and the WBCA provide that as long as we are a public company (as defined by RCW 23B.01.400), shareholders may not take action by written consent, unless such consent is unanimous.

Requirements for advance notification of shareholder nominations and proposals. Our bylaws contain advance notice procedures with respect to shareholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee thereof.

Amendment of our bylaws. Our articles of incorporation and our bylaws provide that shareholders can amend our bylaws only upon the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock entitled to vote in the election of directors, voting together as a single class. Our board of directors can amend our bylaws without shareholder approval. However, our directors may not amend the bylaws fixing their qualifications, classifications, or term of office.

Transfer Agent And Registrar

The Transfer Agent and Registrar for our common stock is Wachovia Bank, N.A.

Nasdaq National Market Quotation

We have applied to have our shares of common stock quoted on the Nasdaq Stock Market's National Market under the trading symbol "ZUMZ."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could adversely affect prevailing market prices of our common stock. Furthermore, because only a limited number of our shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of common stock in the public market after these restrictions lapse, or the perception that such sales may occur, could adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering and based on shares outstanding as of January 29, 2005, we will have 13,180,261 outstanding shares of common stock. All of the shares of common stock sold in this offering will be freely tradable on the date of this prospectus unless purchased by our "affiliates," as that term is defined in Rule 144 promulgated under the Securities Act.

In addition, the 10,055,261 remaining shares of our common stock that will be outstanding immediately after completion of this offering, based on shares outstanding as of January 29, 2005, will be available for sale in the public markets 180 days after the date of this prospectus (subject to the discussion in the following paragraph) following the termination of lock-up agreements discussed below at which time these shares will be saleable under Rule 144 (subject, in some cases, to volume limitations) or Rule 701 under the Securities Act.

The 180 day lock-up period described above may be extended by up to 34 days under certain circumstances and may also be waived as described below. No prediction can be made as to the effect, if any, that sales of shares or the availability of shares for sale in the public markets will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock in the public market after the lapse or waiver of the restrictions described in this section, or the perception that sales may occur, could adversely affect the prevailing market price and our ability to raise equity capital in the future at a time and price that we deem appropriate.

Lock-Up Agreements

We, all of our directors and officers and all of our shareholders prior to this offering, including the selling shareholders, have agreed that, without the prior written consent of Wachovia Capital Markets, LLC and Piper Jaffray & Co., we and they will not, among other things, offer or sell any shares of our common stock during the period beginning on and including the date of this prospectus through and including the date that is the 180th day after the date of this prospectus, except for sales of shares to the underwriters and subject to certain other exceptions. The 180-day lock-up period may be extended by an additional 34 days under certain circumstances described under "Underwriting—Lock-up Agreements." Wachovia Capital Markets, LLC and Piper Jaffray & Co. may, in their sole discretion and at any time or from time to time, without notice, release all or any portion of the shares subject to the lock-up agreements. See "Underwriting—Lock-up Agreements."

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after we become subject to the reporting requirements of the Securities Exchange Act, but subject to the lock-up agreements described above, if applicable, a person (or persons whose shares are aggregated) who has purchased our common stock from us or any "affiliate" of ours at least one year previously would be entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the number of shares of common stock then outstanding or the average weekly trading volume of the common stock as reported through the Nasdaq National Market during the four calendar weeks preceding the filing of a Form 144 with respect to such sale. Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, a person who is

not deemed to have been our "affiliate" at any time during the 90 days preceding a sale and who has beneficially owned for at least two years the shares proposed to be sold would be entitled to sell such shares under Rule 144(k) without regard to the volume limitations and other requirements described above.

Rule 701

Our employees, directors and officers who acquired our common stock prior to the date we become subject to the reporting requirements of the Securities Exchange Act under written compensatory benefit plans or written contracts relating to the compensation of those persons may rely on Rule 701 with respect to the resale of that stock. In general, Rule 701 permits resales of shares issued under compensatory benefit plans and contracts commencing 90 days after we became subject to the reporting requirements of the Securities Exchange Act in reliance upon Rule 144, but without compliance with certain restrictions, including the holding period requirements contained in Rule 144. Accordingly, subject to the lock-up agreements described above, if applicable, beginning 90 days after we become subject to the reporting requirements of the Securities Exchange Act, under Rule 701 persons who are not our "affiliates" may resell those shares subject only to the manner of sale provisions of Rule 144 and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements.

Registration Rights

Immediately after completion of this offering and based on shares outstanding as of January 29, 2005, the holders of approximately 10,055,261 shares of our outstanding common stock will have the right, under the Stockholders' Agreement, to require that we include those shares in any registration statement we file under the Securities Act, subject to exceptions. Such registration will permit the resale of those shares in the public markets. In addition, all shares of capital stock which those stockholders may acquire in the future will also be entitled to similar registration rights. See "Description of Capital Stock—Registration Rights" for a description of such rights.

Stock Plans

As of January 29, 2005, options to purchase 1,855,397 shares of common stock were issued and outstanding and 3,307,297 additional shares of our common stock were available for future awards under our stock option plans. In addition, upon completion of this offering, an aggregate of 3,425,000 additional shares of our common stock initially will be available for future awards under our 2005 Incentive Plan and Stock Purchase Plan, plus scheduled annual increases and other potential increases in the number of shares reserved for issuance under our 2005 Incentive Plan. See "Management—Stock Based Plans." We intend to file a registration statement under the Securities Act covering all of the shares of common stock reserved for issuance under our outstanding stock option and stock purchase plans. We expect this registration statement to be filed and to become effective as soon as practicable after this offering. Such registration will permit the resale of shares issued upon the exercise of those stock options or pursuant to those stock purchase plans in the public market without restriction under the Securities Act.

UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, we and the selling shareholders have agreed to sell to the underwriters named below, and the underwriters, for whom Wachovia Capital Markets, LLC and Piper Jaffray & Co. are acting as joint book-running managers and representatives, have severally agreed to purchase, the respective number of shares of common stock appearing opposite their names below:

Underwriter	Number of Shares
Wachovia Capital Markets, LLC	
Piper Jaffray & Co.	
William Blair & Company, L.L.C.	
Total	3,125,000

The underwriters have agreed to purchase all of the shares shown in the above table if any of those shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The shares of common stock are offered by the underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by counsel for the underwriters and other conditions. The underwriters reserve the right to withdraw, cancel or modify the offer and to reject orders in whole or in part.

The underwriters have informed us that they will not confirm sales to accounts over which they exercise discretionary authority in excess of 5% of the total number of shares offered by them.

As joint book-running managers on behalf of the underwriting syndicate, Wachovia Capital Markets, LLC and Piper Jaffray & Co. will be responsible for recording a list of potential investors that have expressed an interest in purchasing common stock as part of this offering.

Certain of the selling stockholders, specifically, Brentwood-Zumiez Investors, LLC and Messrs. Campion and Brooks, are affiliates of us and may be deemed to be "underwriters" within the meaning of the Securities Act of 1933 and therefore may be subject to certain statutory liabilities of the Securities Act.

Commissions and Discounts. The underwriters have advised us that they propose to offer the shares of common stock to the public at the public offering price appearing on the cover page of this prospectus and to certain dealers at that price less a concession of not more than $ per share, of which up to $ may be reallowed to other dealers. After the initial offering, the public offering price, concession and reallowance to dealers may be changed.

The following table shows the public offering price, underwriting discounts and commissions and proceeds, before expenses, to us and to the selling shareholders, both on a per share basis and in total, assuming either no exercise or full exercise by the underwriters of their over-allotment option.

		Total	
	Per Share	Without Option	With Option
Public offering price			
Underwriting discounts and commissions payable by us			
Proceeds, before expenses, to us			
Underwriting discounts and commissions payable by the selling shareholders			
Proceeds, before expenses, to the selling shareholders			

We estimate that the expenses of this offering payable by us, not including underwriting discounts and commissions, will be approximately $1.7 million. We have agreed to pay the expenses of the selling shareholders incurred in connection with this offering, other than underwriting discounts and commissions payable in respect of the shares sold by the selling shareholders and fees and disbursements of counsel for the selling shareholders.

Over-allotment Option. The selling shareholders have granted to the underwriters an option, exercisable during the 30-day period after the date of this prospectus, to purchase up to 468,750 additional shares of common stock at the public offering price per share less the underwriting discounts and commissions per share shown on the cover page of this prospectus. To the extent that the underwriters exercise this option, each underwriter will have a firm commitment, subject to conditions, to purchase approximately the same percentage of those additional shares that the number of shares of common stock to be purchased by that underwriter as shown in the above table represents as a percentage of the total number of shares shown in that table.

Indemnity. We and the selling shareholders have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

Lock-up Agreements. We, all of our directors and officers and all of our shareholders prior to this offering, including the selling shareholders, which directors, officers and shareholders will own a total of approximately 76.3% of our outstanding common stock (or 72.7% if the underwriters' over-allotment option is exercised in full) immediately upon completion of this offering, based on shares outstanding as of January 29, 2005, have agreed that, without the prior written consent of Wachovia Capital Markets, LLC and Piper Jaffray & Co., we and they will not, during the period beginning on and including the date of this prospectus through and including the date that is the 180th day after the date of this prospectus, directly or indirectly:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock;

- in the case of us, file or cause the filing of any registration statement under the Securities Act of 1933 with respect to any shares of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock (other than registration statements on Form S-8 relating to benefit plans described in clause (2), or

securities issued in a transaction described in clause (6), of the immediately following paragraph); or

- enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of our common stock or other capital stock or any securities convertible into or exercisable or exchangeable for our common stock or other capital stock,

whether any transaction described in any of the foregoing bullet points is to be settled by delivery of our common stock or other capital stock, other securities, in cash or otherwise. Moreover, if:

- during the last 17 days of the 180-day restricted period referred to above we issue an earnings release or material news or a material event relating to us occurs, or

- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

the restrictions described in the immediately preceding sentence will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless Wachovia Capital Markets, LLC and Piper Jaffray & Co. waive, in writing, that extension.

The restrictions described in the immediately preceding paragraph do not apply to:

(1) the sale of shares to the underwriters;

(2) the issuance by us of shares, or options to purchase shares, of our common stock pursuant to stock based plans described above under "Management—Stock Based Plans," as those plans are in effect on the date of this prospectus;

(3) the issuance by us of shares of common stock upon the exercise of stock options outstanding on the date of this prospectus or issued after the date of this prospectus under stock based plans referred to in clause (2) above, as those stock options and plans are in effect on the date of this prospectus;

(4) in the case of any director or officer or any shareholder that is a natural person, bona fide gifts for charitable or estate planning purposes;

(5) in the case of any shareholder that is a partnership or limited liability company, transfers to any partner or member, as the case may be, of such partnership or limited liability company if, in any such case, such transfer is not for value; and

(6) the issuance by us of shares of common stock or other capital stock or any securities convertible into or exchangeable or exercisable for common stock or other capital stock (A) in order to acquire assets or equity of one or more businesses by merger, asset purchase, stock purchase or otherwise or (B) in connection with a strategic transaction involving another company, so long as, in each case described in clause (A) above, the shares of common stock, other capital stock or other securities are issued to the stockholders or other equity owners of the applicable business and, in each case described in clause (B) above, the shares of common stock, other capital stock or other securities are issued directly to such company or to the stockholders or other equity owners of such company.

provided that, in the case of any transfer, gift or issuance described in clause (4), (5) or (6) above, the transferee, donee or recipient, as the case may be, executes and delivers to the representatives, not later than one business day prior to such transfer, gift or issuance, a written agreement wherein it agrees to be subject to the restrictions described in the immediately preceding paragraph, subject to the applicable exceptions described above in this paragraph.

Wachovia Capital Markets, LLC and Piper Jaffray & Co. may, in their sole discretion and at any time or from time to time, without notice, release all or any portion of the shares or other securities subject to the lock-up agreements. Any determination to release any shares or other securities subject to the lock-up agreements would be based on a number of factors at the time of determination, which may include the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares or other securities proposed to be sold or otherwise transferred and the timing, purpose and terms of the proposed sale or other transfer.

Quotation on the Nasdaq National Market. We have filed an application for our common stock to be quoted on the Nasdaq National Market under the symbol "ZUMZ."

Stabilization. In order to facilitate this offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of our common stock. Specifically, the underwriters may sell more shares of common stock than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares of common stock available for purchase by the underwriters under the over-allotment option. The underwriters may close out a covered short sale by exercising the over-allotment option or purchasing common stock in the open market. In determining the source of common stock to close out a covered short sale, the underwriters may consider, among other things, the market price of common stock compared to the price payable under the over-allotment option. The underwriters may also sell shares of common stock in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after the date of pricing of this offering that could adversely affect investors who purchase in this offering.

As an additional means of facilitating this offering, the underwriters may bid for, and purchase, common stock in the open market to stabilize the price of our common stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing common stock in this offering if the syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock.

The foregoing transactions may raise or maintain the market price of our common stock above independent market levels or prevent or retard a decline in the market price of the common stock.

The representatives have advised us that these transactions may be effected on the Nasdaq National Market or otherwise. Neither we nor any of the underwriters makes any representation that the underwriters will engage in any of the transactions described above and these transactions, if commenced, may be discontinued without notice. Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of the effect that the transactions described above, if commenced, may have on the market price of our common stock.

Directed Share Program. At our request, the underwriters have reserved up to 5% of the shares of common stock being sold in this offering for sale to our directors, officers, friends, business associates and other related persons at the initial public offering price through a directed share program. The number of shares of our common stock available for sale to the general public in this offering will be reduced to the extent that these reserved shares are purchased by these persons. Any reserved shares not purchased by these persons will be offered by the underwriters to the general public on the same basis as the other shares in this offering.

Investors purchasing shares pursuant to the directed share program will not be required to enter into lock-up agreements with the underwriters. However, our directors and officers and all of our shareholders prior to this offering, including the selling shareholders, have entered into lock-up agreements with the underwriters that are unrelated to the directed share program and, to the extent that

any of these persons purchases shares in the directed share program, those shares will also be subject to the terms of the lock-up agreements. See "—Lock-Up Agreements" above.

Pricing of this Offering. Prior to this offering, there has been no public market for our common stock. Consequently, the initial public offering price for our common stock was determined by negotiations among us, the selling shareholders and the representatives of the underwriters. The factors considered in determining the initial public offering price included:

- prevailing market conditions;
- our results of operations and financial condition;
- financial and operating information and market valuations with respect to other companies that we and the representatives of the underwriters believe to be comparable or similar to us;
- the present state of our development; and
- our future prospects.

An active trading market for our common stock may not develop. It is possible that the market price of our common stock after this offering will be less than the initial public offering price. In addition, the estimated initial public offering price range appearing on the cover of this preliminary prospectus is subject to change as a result of market conditions or other factors.

Other. Wachovia Bank, N.A., an affiliate of one of the underwriters, will serve as the transfer agent and registrar for our common stock. In addition, we intend to appoint Wachovia Capital Markets, LLC, one of the underwriters, to hold restricted common stock issued to our directors and officers and other designated employees under our equity incentive plans and to execute transactions in our common stock on behalf of those persons.

LEGAL MATTERS

Preston Gates & Ellis LLP, Seattle, Washington, will pass upon the validity of the common stock offered hereby. Sidley Austin Brown & Wood LLP, San Francisco, California, will act as counsel to the underwriters. Sidley Austin Brown & Wood LLP will rely, as to all matters of Washington law, on Preston Gates & Ellis LLP.

EXPERTS

The financial statements as of January 31, 2004 and January 29, 2005, for the fiscal years ended December 31, 2002, January 31, 2004 and January 29, 2005 and for the one month ended February 1, 2003 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form S-1 under the Securities Act with respect to the common stock offered in this offering. This prospectus does not contain all of the information set forth in the registration statement. For further information with respect to Zumiez Inc. and the common stock offered in this offering, we refer you to the registration statement and to the attached exhibits. With respect to each such document filed as an exhibit to the registration statement, we refer you to the exhibit for a more complete description of the matters involved.

You may inspect our registration statement and the attached exhibits and schedules without charge at the public reference facilities maintained by the SEC at 450 Fifth Street, NW, Washington, D.C. 20549.

You may obtain copies of all or any part of our registration statement from the SEC upon payment of prescribed fees. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

Our SEC filings, including the registration statement and the exhibits filed with the registration statement, are also available from the SEC's website at www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

You can obtain a copy of any of our filings, at no cost, by writing to or telephoning us at:

Zumiez Inc.
6300 Merrill Creek Parkway, Suite B
Everett, WA 98203
Attention: Investor Relations
(425) 551-1500

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Zumiez Inc.

In our opinion, the accompanying balance sheets and the related statements of operations, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Zumiez Inc. at January 29, 2005 and January 31, 2004, and the results of its operations and its cash flows for each of the three fiscal years in the period ended January 29, 2005, and for the one month ended February 1, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PRICEWATERHOUSECOOPERS LLP

Seattle, Washington
March 29, 2005, except for Note 12, as to which the date is April 20, 2005

ZUMIEZ INC.
BALANCE SHEETS
(In thousands, except share amounts)

	January 31, 2004	January 29, 2005
Assets		
Current assets		
Cash and cash equivalents	$ 578	$ 1,026
Receivables	1,039	1,911
Inventory	20,802	23,230
Prepaid expenses and other	395	1,166
Deferred tax assets	668	859
Total current assets	23,482	28,192
Leasehold improvements and equipment, net	18,076	26,619
Total assets	$ 41,558	$ 54,811
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 544	$ —
Revolving credit facility	300	—
Book overdraft	4,464	429
Trade accounts payable	9,273	11,240
Accrued payroll and payroll taxes	1,609	2,561
Income taxes payable	1,846	2,611
Current portion of deferred rent and tenant allowances	319	1,045
Other accrued liabilities	2,152	5,550
Total current liabilities	20,507	23,436
Long-term debt, less current portion	—	—
Long-term deferred rent and tenant allowances, less current portion	1,277	4,065
Deferred tax liabilities	1,336	1,511
Total liabilities	$ 23,120	$ 29,012
Commitments and contingencies (Note 9)		
Shareholders' equity		
Preferred stock, $0.01 par value, 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value, 15,000,000 shares authorized; 11,305,261 shares issued and outstanding	44	44
Employee stock options	—	95
Retained earnings	18,541	25,808
Receivable from parent	(147)	(148)
Total shareholders' equity	18,438	25,799
Total liabilities and shareholders' equity	$ 41,558	$ 54,811

The accompanying notes are an integral part of these financial statements

ZUMIEZ INC.
STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Net sales	$ 101,391	$ 6,392	$ 117,857	$ 153,583
Cost of goods sold	71,017	4,575	81,320	103,152
Gross margin	30,374	1,817	36,537	50,431
Selling, general and administrative expenses	23,404	2,013	29,076	38,422
Operating profit (loss)	6,970	(196)	7,461	12,009
Other income (expense)	148	—	8	8
Interest expense	(317)	(12)	(293)	(250)
Earnings (loss) before income taxes	6,801	(208)	7,176	11,767
Provision (benefit) for income taxes	1,096	(39)	2,701	4,500
Net income (loss)	$ 5,705	$ (169)	$ 4,475	$ 7,267
Basic net income (loss) per share	$ 0.49	$ (0.01)	$ 0.40	$ 0.64
Diluted net income (loss) per share	$ 0.42	$ (0.01)	$ 0.35	$ 0.56
Weighted average shares outstanding				
Basic	11,547,012	11,305,261	11,305,261	11,305,261
Diluted	13,581,579	11,305,261	12,811,855	12,938,858

The accompanying notes are an integral part of these financial statements

ZUMIEZ INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional Paid-In Capital	Employee Stock Options	Retained Earnings	Receivable from Parent	Total
	Shares	Amount					
Balance at December 31, 2001	11,014	$ 43	$ 407	—	$ 11,467	—	$ 11,917
Dividends declared	—	—	—	—	(922)	—	(922)
Stock issued upon exercise of options	580	2	98	—	—	—	100
Stock redemption	(1,645)	(6)	(6,549)	—	(2,015)	—	(8,570)
Stock purchased by parent	1,356	5	6,044	—	—	(143)	5,906
Net income	—	—	—	—	5,705	—	5,705
Balance at December 31, 2002	11,305	$ 44	$ —	—	$ 14,235	$ (143)	$ 14,136
Net loss	—	—	—	—	(169)	—	(169)
Balance at February 1, 2003	11,305	$ 44	$ —	—	$ 14,066	$ (143)	$ 13,967
Cost incurred on behalf of parent	—	—	—	—	—	(4)	(4)
Net income	—	—	—	—	4,475	—	4,475
Balance at January 31, 2004	11,305	$ 44	$ —	—	$ 18,541	$ (147)	$ 18,438
Stock based compensation	—	—	—	$ 95	—	—	$ 95
Cost incurred on behalf of parent	—	—	—	—	—	(1)	(1)
Net income	—	—	—	—	7,267	—	7,267
Balance at January 29, 2005	11,305	$ 44	$ —	$ 95	$ 25,808	$ (148)	$ 25,799

The accompanying notes are an integral part of these financial statements

ZUMIEZ INC.
STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Cash flows from operating activities				
Net income (loss)	$ 5,705	$ (169)	$ 4,475	$ 7,267
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation	3,571	332	4,185	5,857
Deferred tax expense	(136)	83	804	(16)
Stock compensation expense	—	—	—	95
Loss on disposal of assets	13	—	33	126
Changes in operating assets and liabilities				
Receivables	(317)	133	(272)	(872)
Inventory	(4,194)	(94)	(1,957)	(1,456)
Prepaid expenses	(179)	(24)	(79)	(771)
Trade accounts payable	1,599	(2,937)	(2,423)	995
Accrued payroll and payroll taxes	270	(1,007)	449	952
Income taxes payable	1,056	(120)	826	765
Other accrued liabilities	118	(682)	564	3,397
Deferred rent	433	34	370	48
Net cash provided by (used in) operating activities	$ 7,939	$ (4,451)	$ 6,975	$ 16,387
Cash flows from investing activities				
Additions to leasehold improvements and equipment	$ (7,186)	$ (42)	$ (5,937)	$ (11,060)
Advances (to) from shareholders	(109)	—	—	—
Net cash used in investing activities	$ (7,295)	$ (42)	$ (5,937)	$ (11,060)
Cash flows from financing activities				
Change in book overdraft	$ 2,293	$ 2,774	$ 1,690	$ (4,035)
Borrowings on revolving credit facility	20,440	1,845	25,620	37,852
Payments on revolving credit facility	(20,440)	—	(27,165)	(38,152)
Proceeds from issuance of long-term debt	—	—	—	—
Principal payments on long-term debt	(1,087)	(272)	(1,087)	(544)
Proceeds from exercise of stock options	100	—	—	—
Stock purchased by parent	6,049	—	—	—
Redemption of common stock	—	(7,094)	—	—
Dividends paid	(922)	—	—	—
Net cash provided by (used in) financing activities	$ 6,433	$ (2,747)	$ (942)	$ (4,879)
Net (decrease) increase in cash and cash equivalents	$ 7,077	$ (7,240)	$ 96	$ 448
Cash and cash equivalents				
Beginning of period	645	7,722	482	578
End of period	$ 7,722	$ 482	$ 578	$ 1,026
Supplemental disclosure of cash flow information				
Cash paid during the period for interest	$ 302	$ 12	$ 265	$ 250
Cash paid during the period for income taxes	176	—	1,172	3,812

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

1. Nature and Ownership of Business and Basis of Presentation

Nature of Business—Zumiez Inc. (the "Company") is a leading specialty retailer of action sports related apparel, footwear, equipment and accessories operating under the Zumiez brand name. As of January 29, 2005, the Company operated 140 stores primarily located in shopping malls, giving the Company a presence in 18 states. The Company's stores cater to young men and women between the ages of 12 and 24 who seek popular brands representing a lifestyle centered on activities that include skateboarding, surfing, snowboarding, bicycle motocross (or "BMX") and motocross. The Company supports the action sports lifestyle and promotes its brand through a multi-faceted marketing approach that is designed to integrate its brand image with its customers' activities and interests. In addition, the Company operates a website which sells merchandise online and provides content and a community for its target customers. The Company, based in Everett, WA, was formed in August 1978 and operates within one reportable segment.

The Company is a majority owned subsidiary of Zumiez Holdings LLC (the "Parent"), a holding company with no operating activities. The financial position and operating results of the Parent are not included in the Company's financial statements. The Parent has three members.

Change in Ownership—Effective November 4, 2002, 95% of the shares of the Company were transferred to the Parent in exchange for cash, the redemption of a note receivable and the creation of two notes payable to two of the shareholders (the "Transaction"). In connection with the Transaction, the Company entered into common stock redemption agreements with two shareholders. Pursuant to the terms of the redemption agreements with these shareholders, the Company redeemed 1,485,651 shares of its common stock held by one shareholder for an aggregate purchase price of approximately $7.7 million, which amount was paid by the Company through delivery of a note payable for approximately $6.2 million and the cancellation of a $1.5 million note receivable and the Company redeemed 159,095 shares of common stock held by the other shareholder for an aggregate purchase price of approximately $829,000, which amount was paid by the Company through delivery of a note payable for approximately $829,000. Each of these notes payable have been paid in full.

Also on November 4, 2002, approximately 43% of the Parent was sold to certain affiliates (the "Brentwood Affiliates") of Brentwood Private Equity III, LLC, a private equity firm, for approximately $25.3 million, of which approximately $17.1 million was distributed to two of the original shareholders of the Company. The Transaction did not result in a change in the operating control of the Company. While the Brentwood Affiliates have certain protective rights regarding their investment in the Parent, and therefore the Company, two of the Company's shareholders continue to serve in the function of the primary operating roles of the Company Chairman and Chief Executive Officer. In fiscal 2002, 2003 and 2004 the Company paid Brentwood Private Equity III, LLC consulting fees of $31,000, $200,000 and $200,000, respectively, under a Corporate Development and Administrative Services Agreement.

As part of the Transaction, the Company also authorized 20,000,000 shares of preferred stock, with a no par value. Subsequent to January 1, 2003 and prior to March 1, 2004, the Company had the right to require the Brentwood Affiliates to purchase at least $5.0 million, but no more than $10.0 million in the aggregate, of preferred stock. The Company did not exercise this right and no preferred stock was issued.

Also effective November 4, 2002, the Company terminated its Subchapter S tax election and elected to be taxed as a Subchapter C corporation under the Internal Revenue Code. As a result, the Company has been subject to federal and state income taxes beginning as of November 4, 2004. Prior to this date, the shareholders were taxed on the earnings of the Company on their personal income tax returns, in accordance with Subchapter S of the Internal Revenue Code. Therefore, no provision for income taxes or deferred taxes is recorded in these financial statements for operating results through November 3, 2002. Upon the conversion to a Subchapter C corporation, the Company recorded a net deferred tax asset of $373,000.

Fiscal Year—Subsequent to December 31, 2002, the Company changed its fiscal year end from December 31 to a 52- or 53- week period ending on the Saturday closest to January 31. This fiscal calendar is widely used by the retail industry. As a result of the change in its fiscal year end, there was a one month conversion period ended February 1, 2003. Each fiscal year now consists of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. "Fiscal 2004" was the 52-week period ended January 29, 2005. "Fiscal 2003" was the 52-week period ended January 31, 2004. "Fiscal 2002" was the calendar year ended December 31, 2002.

Basis of Presentation—The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

2. Summary of Significant Accounting Policies

Comprehensive Income—Comprehensive income represents all changes in equity during a period except those resulting from investments by and distributions to shareholders. There was no difference between net income and comprehensive income for fiscal 2002, 2003 and 2004 and the one month period ended February 1, 2003.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. These estimates can also affect supplemental information disclosed by the Company, including information about contingencies, risk, and financial condition. In preparing the financial statements, the Company makes routine estimates and judgments in determining the net realizable value of accounts receivable, inventory, fixed assets, and prepaid allowances. Some of the more significant estimates include the allowance for sales returns, the reserve for inventory valuation estimates and the expected useful lives of fixed assets. Actual results could differ from those estimates.

Concentration of Risk—The Company maintains its cash and cash equivalents in accounts with one major financial institution in the United States of America, in the form of demand deposits, certificates of deposits and money market accounts. Deposits in this bank may exceed the amounts of federal deposit insurance provided on such deposits. The Company has not experienced any losses on its deposits of cash and cash equivalents. The Company's accounts receivable are primarily derived from credit card purchases from customers and are typically settled within one to two days.

Cash and Cash Equivalents—The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Restricted Cash—For all the periods presented herein, restricted cash consisted of a certificate of deposit held for the lessor of the Company's former combined home office and distribution center of $32,000 and is included in prepaid expenses and other.

Receivables—Consist primarily of tenant allowances and credit card transactions that remain outstanding at the end of the period. The Company does not extend credit to its customers, except through third-party credit cards.

Merchandise Inventories—Merchandise inventories are valued at the lower of cost or market. The cost of merchandise inventories are based upon an average cost methodology and inventory costs are removed on a first-in, first-out. Merchandise inventories may include items that have been written down to the Company's best estimate of their net realizable value. The Company's decisions to write-down its merchandise inventories are based on its current rate of sale, the age of the inventory and other factors. Actual final sales prices to customers may be higher or lower than the Company's estimated sales prices and could result in a fluctuation in gross profit. Historically, any additional write-downs have not been

significant and the Company does not adjust the historical carrying value of merchandise inventories upwards based on actual sales experience.

Leasehold Improvements and Equipment— Leasehold improvements and equipment are stated at cost less accumulated depreciation. Amortization of leasehold improvements is computed on the straight-line method over the lesser of an asset's estimated useful life or the lease term (generally 7-10 years), whichever is shorter. Depreciation on furniture, fixtures and equipment is computed on the straight-line method over five years. Maintenance and repairs are expensed as incurred. The cost and related accumulated depreciation or amortization of assets sold or otherwise disposed of is removed from the accounts and the related gain or loss is reported in the statement of operations.

Valuation of Long-Lived Assets—The Company has adopted SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," and reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Measurement of the impairment loss is based on the fair value of the asset, or group of assets. Generally, fair value will be determined using accepted valuation techniques, such as the present value of expected future cash flows.

Fair Value of Financial Instruments—Statement of Financial Accounting Standards No. 107 ("SFAS 107"), "Disclosures about Fair Value of Financial Instruments," requires management to disclose the estimated fair value of certain assets and liabilities defined by SFAS 107 as financial instruments. Financial instruments are generally defined by SFAS 107 as cash, evidence of ownership interest in an entity, or a contractual obligation that both conveys to one entity a right to receive cash or other financial instruments from another entity and imposes on the other entity the obligation to deliver cash or other financial instruments to the first entity. At January 29, 2005 and all other previous periods presented herein, the carrying amounts of cash and cash equivalents, receivables, payables and other accrued liabilities approximated fair value because of the short maturity of these financial instruments. The carrying value of the long-term debt and the revolving credit facility approximate the fair value because these financial instruments have floating interest rates which reflect current market conditions.

Deferred Rent, Rent Expense and Tenant Allowances— The Company occupies its retail stores and combined home office and distribution center under operating leases generally with terms of seven to ten years. Some of these leases have early cancellation clauses, which permit the lease to be terminated if certain sales levels are not met in specific periods. Some leases contain renewal options for periods ranging from one to five years under substantially the same terms and conditions as the original leases. Most of the store leases require payment of a specified minimum rent, plus a contingent rent based on a percentage of the store's net sales in excess of a specified threshold. Most of the lease agreements have defined escalating rent provisions, which are straight-lined over the term of the related lease, including any lease renewals deemed to be probable. The Company straight-lines and recognizes its rent expense over the term of the lease, plus the construction period prior to occupancy of the retail location. For certain locations, the Company receives cash tenant allowances and has reported these amounts as a deferred liability which is amortized to rent expense over the term of the lease. Also included in rent expense are payments of real estate taxes, insurance and certain common area and maintenance costs in addition to the future minimum operating lease payments.

Income Taxes—The provision for income taxes includes both current and deferred tax expenses. Current tax expense is the amount associated with current operating results. The Company follows the liability method of accounting for income taxes, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary difference between the carrying amounts and the tax bases of the assets and liabilities. Valuation allowances are established when necessary to reduce deferred tax asserts to the amount expected to be realized.

Revenue Recognition—Sales are recognized upon purchase by customers at the Company's retail store locations or upon shipment for orders placed through the Company's website as both title and risk of loss have transferred. The Company records the sale of gift cards as a current liability and recognizes revenue when a customer redeems a gift card. The Company reports shipping revenues and costs within sales and cost of goods sold, respectively. The Company accrues for estimated sales returns by customers based on historical sales return results. Sales return reserves were insignificant for all periods presented. The Company offers a return policy of generally 30 days.

The Company does not extend credit to customers, except through third-party credit cards. The majority of sales are through credit cards, and accounts receivable are composed primarily of amounts due from financial institutions related to credit card sales.

The Company records a liability when gift cards are issued and recognizes revenue when gift cards are redeemed. The Company has the right to assess gift card dormancy fees, but has historically not done so.

The Company presents its merchandise assortment as a percentage of net sales for the following categories: "Men's", which includes men's apparel; "Women's", which includes women's apparel; and "Accessories and Other", which includes all other merchandise (e.g., hardgoods, accessories, footwear, etc.). The percentage of net sales for each of the aforementioned categories for fiscal 2002, the one month period ended February 1, 2003, fiscal 2003 and fiscal 2004 was as follows:

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Men's	31.0%	26.7%	29.6%	32.1%
Women's	13.7	14.2	16.4	16.0
Accessories and Other	55.3	59.1	54.0	51.9
Total	100.0%	100.0%	100.0%	100.0%

Cost of Goods Sold—Cost of goods sold consists of the cost of merchandise sold to customers, inbound shipping costs, distribution costs, depreciation on leasehold improvements at the distribution center, buying and merchandising costs and store occupancy costs. This may not be comparable to the way in which the Company's competitors or other retailers compute their cost of goods sold.

Selling, General and Administrative Expense—Selling, general and administrative expenses consist primarily of store personnel wages and benefits, administrative staff and infrastructure expenses, store supplies, depreciation on leasehold improvements at the home office and stores, facility expenses, and training, advertising and marketing costs. Credit card fees, insurance and other miscellaneous operating costs are also included in selling, general and administrative expenses. This may not be comparable to the way in which the Company's competitors or other retailers compute their selling, general and administrative expenses. The Company does receive insignificant amounts of cash consideration from vendors which have been reported as a reduction of expenses as the amounts are reimbursements of specific, incremental and identifiable costs of selling the vendors' products.

Advertising—The Company expenses advertising costs as incurred. Advertising expense was approximately $322,000, $295,000 and $235,000 in fiscal 2002, 2003 and 2004, respectively, and $24,000 for the one month period ended February 1, 2003.

Net Income per Share—Basic net income per common share is computed using the weighted average number of shares outstanding. Diluted net income per common share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to

outstanding options to purchase common stock. Incremental shares of 2,034,567, 1,506,595 and 1,633,597 in fiscal 2002, 2003 and 2004, respectively, and 1,452,829 for the one month period ended February 1, 2003 were used in the calculation of diluted net income per common share.

Stock Compensation—The Company has stock-based employee compensation plans, which are described further in note 7 below. The Company accounts for stock-based employee compensation arrangements on the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" and related amendments and interpretations. The Company complies with the disclosure provisions of Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," which requires fair value recognition for employee stock-based compensation.

If the computed fair values of the awards had been amortized to expense over the vesting period of the awards, pro forma net income (loss) and net income (loss) per share would have been reduced to the pro forma amounts indicated in the following table (in thousands, except per share data):

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Net income (loss), as reported	$ 5,705	$ (169)	$ 4,475	$ 7,267
Add: Stock-based compensation expense, as reported, net of tax	—	—	—	59
Deduct: Stock-based employee compensation expense determined under fair-value-based method, net of tax	(207)	(17)	(118)	(313)
Pro forma net income (loss)	5,498	(186)	4,357	7,013
Net income (loss) per share:				
Basic—as reported	$ 0.49	$ (0.01)	$ 0.40	$ 0.64
Basic—pro forma	$ 0.48	$ (0.02)	$ 0.39	$ 0.62
Diluted—as reported	$ 0.42	$ (0.01)	$ 0.35	$ 0.56
Diluted—pro forma	$ 0.40	$ (0.02)	$ 0.34	$ 0.54

Merchandise Risk—The Company's success is largely dependent upon its ability to gauge the fashion tastes of its customers and provide merchandise that satisfies customer demand. Any inability to provide appropriate merchandise in sufficient quantities in a timely manner could have a material adverse effect on the Company's business, operating results and financial condition.

Reclassifications—Certain amounts in the prior year financial statements have been reclassified to conform to the current year's financial statement presentation. The reclassifications had no effect on shareholders' equity or net income.

Recent accounting pronouncements

In November 2004, the FASB issued Statement of Financial Accounting Standards No. 151, "Inventory Costs—an Amendment of ARB No. 43, Chapter 4." This statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage, requiring these items be recognized as current-period charges. In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this statement are effective for inventory costs incurred during fiscal years beginning after June 15, 2005 and will become effective for the Company beginning in fiscal 2006. The effect of adopting this statement is not expected to be significant to the Company's financial position and results of operations.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R, "Share-Based Payment (Revised 2004)" ("FAS 123R"). This statement addresses the accounting for share-based payment transactions in which a company receives employee services in exchange for the company's equity instruments or liabilities that are based on the fair value of the company's equity securities or may be settled by the issuance of these securities. SFAS 123R eliminates the ability to account for share-based payments using APB 25, "Accounting for Stock Issued to Employees" and generally requires that such transactions be accounted for using a fair value method. On April 14, 2005, the Securities and Exchange Commission announced the adoption of a new rule that delays SFAS 123R compliance. Under the SEC rule, the provisions of this statement are effective for annual periods beginning after June 15, 2005 and will become effective for the Company beginning with the first quarter of fiscal 2006. The Company has not yet determined which transaction method it will use to adopt SFAS 123R. The full impact that the adoption of this statement will have on the Company's financial position and results of operations will be determined by share-based payments granted in future periods but will increase the compensation expense that would otherwise have been recognized in accordance with APB 25. In addition, outstanding unvested options will result in additional compensation expense that otherwise would only have been recognized on a pro-forma basis.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Non-Monetary Assets." This statement refines the measurement of exchanges of non-monetary assets between entities. The provisions of this statement are effective for fiscal periods beginning after June 15, 2005 and will become effective for the Company beginning with the third quarter of fiscal 2005. Historically, the Company has not transacted significant exchanges of non-monetary assets, but future such exchanges would be accounted for under the standard, when effective.

3. Transition Period Comparative Data

As a result of the change in the Company's fiscal year end there was a one month transition period. The following table presents certain condensed financial information for the one month ended February 2, 2002 (unaudited) and the one month ended February 1, 2003, respectively.

	One Month Ended	
	February 2, 2002 (unaudited)	**February 1, 2003**
	(In thousands)	
Summarized Statements of Operations		
Net sales	$ 5,831	$ 6,392
Cost of goods sold	3,961	4,575
Gross margin	$ 1,870	$ 1,817
Operating profit (loss)	$ 170	$ (196)
Net income (loss)	$ 161	$ (169)
Summarized Balance Sheets		
Assets		
Total current assets	$ 17,083	$ 19,646
Total assets	$ 30,318	$ 36,003
Liabilities and shareholders' equity		
Total current liabilities	$ 15,972	$ 20,101
Total liabilities	$ 18,241	$ 22,036
Total shareholders' equity	12,077	13,967
Total liabilities and shareholders' equity	$ 30,318	$ 36,003

4. Leasehold Improvements and Equipment

Leasehold improvements and equipment consist of the following:

	January 31, 2004	January 29, 2005
	(In thousands)	
Leasehold improvements and other equipment	$ 20,102	$ 29,706
Store computer equipment	3,225	4,179
Store displays	9,923	13,822
Vehicles	53	53
	33,303	47,760
Less accumulated depreciation	(15,227)	21,141
	$ 18,076	$ 26,619

5. Long-Term Debt

Long-term debt consists of the following:

	January 31, 2004	January 29, 2005
	(In thousands)	
Note payable to bank, payable in quarterly installments of $272,000 plus interest at LIBOR (1.155% per annum at January 31, 2004) plus 2%, maturing July 1, 2004	$ 544	$ —
Less current portion	(544)	—
	$ —	$ —

The note payable to bank at January 31, 2004 was collateralized by substantially all the assets of the Company. Additionally, this note payable contained covenants that required the Company to maintain certain working capital ratios and placed certain restrictions on the declaration and payment of dividends. The note was paid in full per the terms of the agreement in fiscal 2004.

In May 2003 the Company entered into an agreement for a new revolving credit facility of $20,000,000. The revolving credit facility has a $7,500,000 sub-limit for the issuance of letters of credit with 180 day maximum maturity. The outstanding borrowings under the revolving credit facility were $300,000 at January 31, 2004. The Company also had open letters of credit of $447,000 at January 31, 2004.

In September 2004 the Company entered into a loan modification agreement to the existing revolving credit facility. The loan modification agreement reduced certain applicable interest rates and extended the maturity date of the revolving credit facility to July 1, 2006. The borrowing capacity can be increased to $25.0 million if the Company requests and if the Company is in compliance with certain provisions. There were no outstanding borrowings under the revolving credit facility at January 29, 2005. The Company had open letters of credit of $671,000 at January 29, 2005. The revolving credit facility bears interest at floating rates based on the lower of the prime rate (5.25% at January 29, 2005) minus a prime margin ranging from 0.75% to 0.10% or the LIBOR rate (2.53% at January 29, 2005) plus a LIBOR margin ranging from 1.40% to 2.15%, in each case depending on the ratio of the Company's adjusted funded debt (as defined in the loan agreement, as amended) to EBITDAR (as defined in the loan

agreement, as amended). The Company's obligations under the revolving credit facility are secured by almost all of its personal property, including, among other things, inventory, equipment and fixtures. The Company must reduce the amount of any outstanding advances under the revolving credit facility to no more than $5.0 million for a period of at least 30 consecutive days each year. The Company pays an annual fee of between 0.1% and 0.2% of any unused amount under the revolving credit facility. The revolving credit facility also contains financial covenants that require the Company to meet specified financial ratios, including a debt to earnings ratio, an earnings to interest expense ratio and an inventory to debt ratio. The Company was in compliance with all covenants at January 29, 2005 and for the year then ended.

6. Income Taxes

The components of the current deferred tax assets and net long-term deferred tax assets (liabilities) are:

	January 31, 2004	January 29, 2005
	(In thousands)	
Current deferred tax assets (liabilities)		
Inventory	$ 621	$ 784
Employee benefits	124	167
Prepaid expenses	(77)	(92)
Total current deferred tax assets	668	859
Long-term deferred tax assets (liabilities)		
Property and equipment	(1,927)	(3,437)
Employee benefits	—	35
Deferred rent	591	1,891
Total long-term deferred tax liabilities	(1,336)	(1,511)
Net deferred tax liability	$ (668)	$ (652)

The components of the provision (benefit) for income taxes are:

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
	(In thousands)			
Current				
Federal	$ 837	$ (122)	$ 1,526	$ 3,831
State	395	—	371	685
Total current	1,232	(122)	1,897	4,516
Deferred				
Federal	(129)	77	740	(21)
State	(7)	6	64	5
Total deferred	(136)	83	804	(16)
Provision (benefit) for income taxes	$ 1,096	$ (39)	$ 2,701	$ 4,500

The reconciliation of the income tax provision at the U.S. federal statutory rate to the Company's effective income tax rate is as follows for the fiscal year ended:

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Expected U.S. federal income taxes at statutory rates	34.0%	34.0%	34.0%	34.0%
State and local income taxes, net of federal effect	4.3	—	3.4	3.9
Benefit of Subchapter S election and termination	(22.3)	(0.9)	—	—
Permanent differences	—	—	0.2	0.5
Other	0.1	(14.3)	—	(0.1)
	16.1%	18.8%	37.6%	38.3%

7. Stock Options

During fiscal 1997, the Company adopted the 1993 Stock Option Plan (the "Plan") to provide for the granting of nonqualified stock options to executive officers and key employees of the Company as determined by a committee of the Company's board of directors, the 1993 Plan Committee (the "Committee").

The date of grant, option price, vesting period and other terms specific to options granted under the Plan are determined by the Committee. All stock options granted under the Plan vest over a fixed period and expire ten years from the date of grant and no additional awards may be made under the Plan. Prior to fiscal 2004, the option price for all options granted was equal to the fair market value of the Company's common stock at the date of grant and no stock-based compensation expense was recognized during fiscal 2002, 2003 or the one month ended February 1, 2003.

During fiscal 2004, the Company adopted the 2004 Stock Option Plan (the "2004 Plan") to provide for the granting of incentive stock options and nonqualified stock options to executive officers and key employees of the Company as determined by a committee of the Company's board of directors, the 2004 Plan Committee. The Company has authorized 3,682,793 shares of common stock for issuance under the 2004 Plan. The terms of the 2004 Plan are generally the same as the Plan. During fiscal 2004, the Company issued stock options to certain employees with exercise prices below the fair market value of the Company's common stock at the date of grant. In accordance with the requirements of APB 25, the Company has recorded stock-based compensation for the difference between the exercise price of the stock options and the fair market value of the Company's stock at the grant date. During the fiscal 2004, the Company recorded stock-based compensation of $95,000 related to these options. Stock-based compensation expense is currently recognized over the vesting period of the awards, generally five to eight years. Excluding the impact of the adoption of FAS 123R, future compensation expense to be recognized through fiscal 2012 associated with these grants will be $961,000.

All grants of stock options have been to employees of the Company. There were no stock option grants, exercises, forfeitures or cancellations during fiscal 2002 or the one month period ended February 1,

2003. The fair values of the options granted under the Plan and the 2004 Plan were estimated using the minimum-value method with the assumptions from the table below:

	Fiscal Year Ended	
	January 31, 2004	January 29, 2005
Dividend yield	—%	—%
Average risk-free interest rate:		
Expected lives—Ten years	—%	—%
Expected lives—Eight years	—%	3.97%
Expected lives—Five years	3.30%	3.41%

The following table summarizes stock option activity:

	Fiscal Year Ended December 31, 2002		Fiscal Year Ended January 31, 2004		Fiscal Year Ended January 29, 2005	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
Options outstanding at beginning of fiscal year	2,032,977	$ 1.66	1,452,828	$ 2.25	1,533,700	$ 2.47
Options granted during the fiscal year	—	—	134,670	5.21	400,119	7.73
Options exercised during the fiscal year	(580,149)	(0.17)	—	—	—	—
Options forfeited during the fiscal year	—	—	(53,798)	(3.55)	(78,422)	(3.92)
Options outstanding at end of fiscal year	1,452,828	$ 2.25	1,533,700	$ 2.47	1,855,397	$ 3.54
Weighted-average fair value of options granted				$ 0.71		$ 2.27

The following table summarizes information concerning outstanding and exercisable options at January 29, 2005:

	Options Outstanding		Options Exercisable
Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life	Number of Options
$ 0.46	323,052	2.9	282,670
2.17	591,788	4.3	369,867
3.55	430,391	6.6	161,397
5.21	134,670	8.3	46,123
7.73	375,496	9.4	—
Total	1,855,397		860,057

8. Related Party Transactions

During fiscal 2004, the Company paid $1,000 in fees related to the Transaction that are receivable from the Parent. At January 29, 2005, due to additional such payments by the Company, the balance was $148,000. This amount is reported in shareholders' equity.

During fiscal 2001, the Company advanced $1,500,000 to a shareholder under a note receivable. At December 31, 2001, the outstanding balance of the note and accrued interest receivable was $1,533,750, and while the interest was paid in cash in fiscal 2002, the note was redeemed as part of the Transaction.

In fiscal 2002, 2003 and 2004 the Company paid Brentwood Private Equity III, LLC a consulting fee of $31,000, $200,000 and $200,000, respectively, under a Corporate Development and Administrative Services Agreement.

9. Commitments and Contingencies

Leases—The Company is committed under operating leases for all of its retail store locations. In addition to minimum future lease payments, all store leases provide for additional rental payments based on sales, as well as common area maintenance charges. During fiscal 2004, the Company entered into a lease for a new combined home office and distribution center under a noncancelable operating lease agreement that expires in July 2012, with two renewal optons. For leases that have fixed escalation clauses, minimum rents are recognized on a straight-line basis over the term of the lease.

Rent expense, including common area maintenance and other occupancy costs, was $11,754,000, $13,871,000, $17,136,000 and $919,000 for fiscal 2002, 2003, 2004 and the one month period ended February 1, 2003, respectively.

Future minimum annual commitments (in thousands) on all leases at January 29, 2005 are as follows:

	Retail Stores	Home Office	Total
Fiscal 2005	$ 9,977	$ 404	$ 10,381
Fiscal 2006	9,871	432	10,303
Fiscal 2007	9,228	467	9,695
Fiscal 2008	8,508	479	8,987
Fiscal 2009	8,376	492	8,868
Thereafter	25,183	982	26,165
	$ 71,143	$ 3,256	$ 74,399

Purchase Commitments—The Company had outstanding purchase orders to acquire merchandise from vendors for approximately $28.1 million at January 29, 2005. These purchases are expected to be financed by cash flows from operations and the Company's revolving credit facility. The Company has an option to cancel such commitments with no notice prior to shipment.

Litigation—The Company is involved from time to time in litigation incidental to its business and, from time to time, the Company may make provisions for potential litigation losses. The Company follows SFAS 5, "Accounting for Contingencies" when assessing pending or potential litigation. Management believes, after considering a number of factors and the nature of the contingencies to which the Company is subject, that the outcome of these contingencies will not have a material adverse effect upon the results of operations or financial condition of the Company.

Insurance Reserves—The Company is responsible for medical insurance claims up to a specified aggregate amount. The Company maintains a reserve for estimated medical insurance claims based on historical claims experience and other estimated assumptions. The Company follows SFAS 5, "Accounting for Contingencies" when assessing pending or potential claims.

Employment Agreement—The Company has an employment agreement in place with a key employee. The agreement provides that if the Company terminates the employee's employment without cause or if he terminates his employment for good reason, the employee could be entitled to continue to receive his base salary up to a maximum commitment of $315,000.

10. Retirement Savings Plan

The Zumiez Investment Plan is a qualified plan under Section 401(k) of the Internal Revenue Code. The Company's 401(k) matching and profit-sharing contributions are discretionary and are determined annually by the Company. The Company contributed $50,000, $55,000 and $125,000 to the plan during fiscal 2002, 2003 and 2004, respectively.

11. Income (Loss) Per Share

Basic net income (loss) per share is based on the weighted average number of common shares outstanding. Diluted net income (loss) per share is based on the weighted average number of common shares and common share equivalents outstanding. Common share equivalents included in the computation represent shares issuable upon assumed exercise of outstanding stock options.

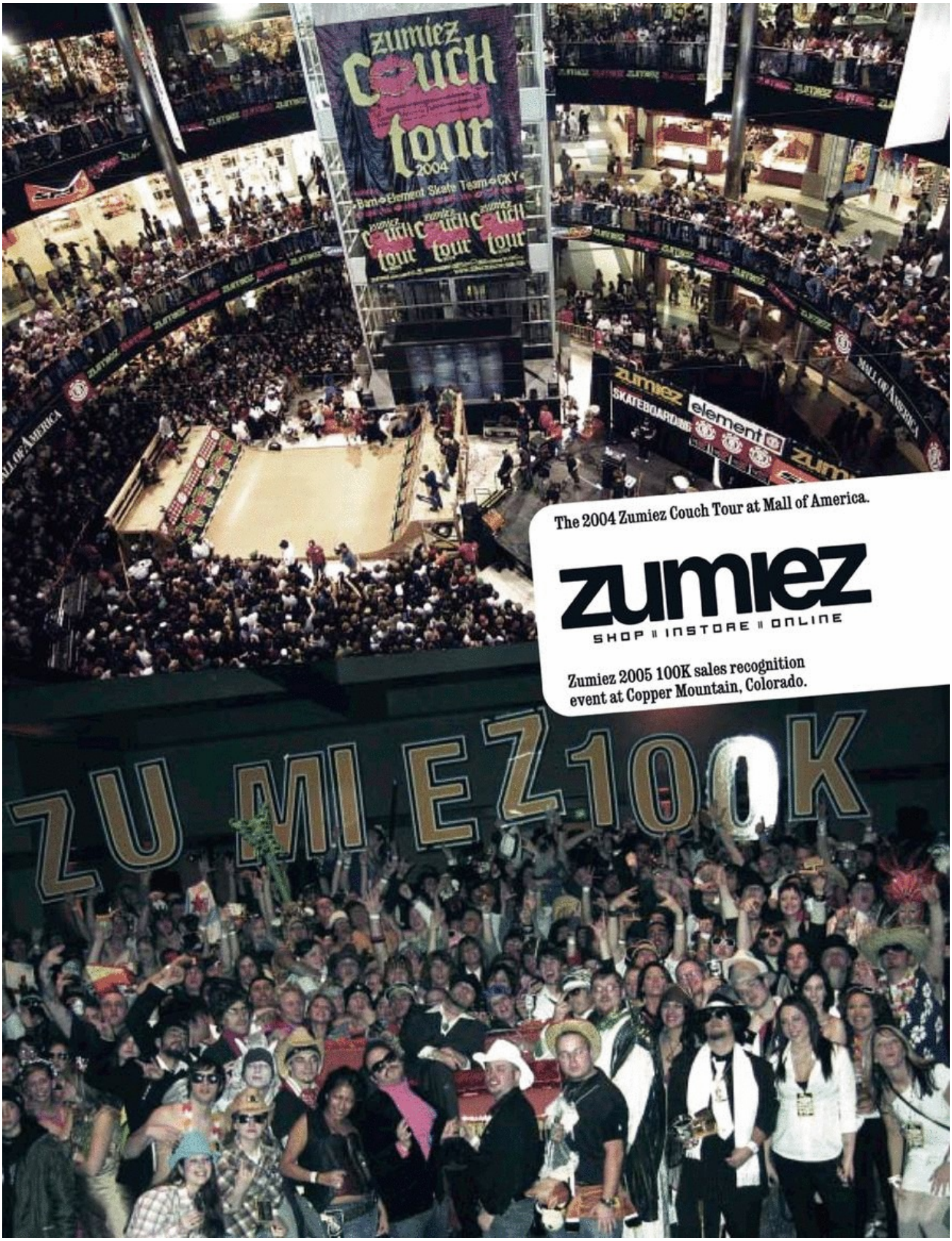
The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except share and per share data):

	Fiscal Year Ended December 31, 2002	One Month Ended February 1, 2003	Fiscal Year Ended January 31, 2004	Fiscal Year Ended January 29, 2005
Net income (loss)	$ 5,705	$ (169)	$ 4,475	$ 7,267
Weighted average common shares for basic net income (loss) per share	11,547,011	11,305,261	11,305,261	11,305,261
Dilutive effect of stock options	2,034,567	—	1,506,594	1,633,597
Weighted average common shares for diluted net income (loss) per share	13,581,578	11,305,261	12,811,855	12,938,858
Basic net income (loss) per share	$ 0.49	$ (0.01)	$ 0.40	$ 0.64
Diluted net income (loss) per share	$ 0.42	$ (0.01)	$ 0.35	$ 0.56

For the one month ended February 1, 2003, the dilutive effect of 1,452,829 options were excluded from weighted average diluted shares outstanding because the effect was antidilutive.

12. Subsequent Events

Stock Split—On April 14, 2005, the Company's Board of Directors and shareholders approved an amendment to the Company's Certificate of Incorporation to effect a 1 for 258.6485 split of the Company's common stock (the "Stock Split"). The Stock Split became effective on April 20, 2005. All reference to shares in the financial statements and the accompanying notes, including but not limited to the number of shares and per share amounts, unless otherwise noted, have been adjusted to reflect the Stock Split on a retroactive basis. Previously awarded stock options in the Company's common stock have been retroactively adjusted to reflect the Stock Split.



The 2004 Zumiez Couch Tour at Mall of America.

zumiez

SHOP || INSTORE || ONLINE

Zumiez 2005 100K sales recognition event at Copper Mountain, Colorado.

3,125,000 Shares
Common Stock

PROSPECTUS
, 2005

Wachovia Securities **Piper Jaffray**

William Blair & Company

Until , 2005 (the 25th day after the date of this prospectus), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligations to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution***

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts, other than the SEC registration fee and the NASD fee, are estimates. We will pay all these expenses.

	Amount to be Paid
SEC Registration Fee	$ 7,200
NASD Filing Fee	6,700
Nasdaq National Market Listing Fee	100,000
Printing Fees and Expenses	100,000
Legal Fees and Expenses	400,000
Accounting Fees and Expenses	1,000,000
Blue Sky Fees and Expenses	20,000
Transfer Agent and Registrar Fees	25,000
Miscellaneous	41,100
Total	$ 1,700,000

Item 14. ***Indemnification of Directors and Officers***

Sections 23B.08.500 through 23B.08.600 of the Washington Business Corporation Act (the "WBCA") authorize Washington corporations to indemnify and advance expenses to directors, officers, employees or agents of the corporation under certain circumstances against liabilities and expenses incurred in legal proceedings involving such individuals because of their being or having been a director, officer, employee or agent of the corporation. Section 23B.08.560 of the WBCA authorizes a corporation to agree to so indemnify and obligate itself to advance or reimburse expenses without regard to the limitations of Section 23B.08.510 through 23B.08.550 of the WBCA; provided, however, that no such indemnity shall be made for or on account of any:

- acts or omissions of the director, officer, employee or agent finally adjudged to be intentional misconduct or a knowing violation of law;
- conduct of the director, officer, employee or agent finally adjudged to be in violation of Section 23B.08.310 of the WBCA (which section relates to unlawful distributions); or
- transaction with respect to which it was finally adjudged that such director, officer, employee or agent personally received a benefit in money, property, or services to which the director, officer, employee or agent was not legally entitled.

Furthermore, Section 23B.08.320 of the WBCA authorizes a corporation to limit a director's liability to the corporation or its shareholders for monetary damages for acts or omissions as a director, except in certain circumstances involving (1) acts or omissions of a director that involve intentional misconduct or a knowing violation of law, (2) conduct violating Section 23B.08.310 of the WBCA (which section relates to unlawful distributions) or (3) any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

Zumiez Inc.'s (the "Company") articles of incorporation will provide that the Company shall indemnify its directors to the fullest extent permitted by the WBCA, subject to exceptions, and require that the Company advance expenses for such persons pursuant to the Company's bylaws or a separate directors resolution or contract. The bylaws will provide that the Company shall indemnify its directors,

officers and employees to the fullest extent permitted by applicable law, and also will provide that the Company may indemnify its agents. The Company's bylaws also will provide that the Company may, or in certain cases must, provide advances for expenses to such indemnified individuals who are parties to such a proceeding. The Company's articles of incorporation will provide that a director shall not be personally liable to the Company or to any of its shareholders for monetary damages for conduct as a director, subject to the limitations set forth in the Company's articles of incorporation. The bylaws also will provide that the Company may maintain, at its expense, insurance to protect itself and an indemnified director, officer, employee or agent against any liability, whether or not the Company would have the power to indemnify such director, officer, employee or agent against the same liability under Sections 23B.08.510 or 23B.08.520 of the WBCA.

The Company also intends to enter into separate indemnification agreements with each of its directors and officers to effectuate the provisions discussed above and to purchase director and officer liability insurance. The effect of such provisions is to indemnify the Company's directors and officers against all costs, expenses and liabilities incurred by them in connection with any action, suit or proceeding to which they are involved by reason of their affiliation with the Company to the fullest extent permitted by law.

Item 15. *Recent Sales of Unregistered Securities*

Issuance of Securities to Zumiez Holdings

In October and November 2002, we entered into a series of transactions with certain affiliates of Brentwood Private Equity III, LLC (the "Brentwood Affiliates") and certain of our shareholders (the "2002 Recapitalization"). In November 2002, in connection with the 2002 Recapitalization, we issued 1,356,371 shares of our common stock to Zumiez Holdings LLC, a Delaware limited liability company that was formed in connection with the 2002 Recapitalization ("Zumiez Holdings"), for an aggregate purchase price of approximately $7.1 million. The issuance of our common stock to Zumiez Holdings in connection with the 2002 Recapitalization was exempt from registration under Section 4(2) of the Securities Act or Regulation D promulgated thereunder as a transaction by an issuer not involving a public offering. Zumiez Holdings was an accredited investor, as such term is defined in the Securities Act and the regulations promulgated thereunder, and represented its intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Appropriate legends were affixed to the share certificates issued in such transaction.

Exercise of Stock Options

In July 1993, as partial consideration for a loan from Rajnikant R. Shah and Akhil R. Shah (collectively, the "Optionees") to us, we granted the Optionees an option to purchase 580,150 shares of our common stock at an exercise price of $0.1724 per share. In July 2002, the Optionees exercised their option to purchase shares of our common stock and we issued an aggregate of 580,150 shares of our common stock to the Optionees for an aggregate purchase price of $99,993. The issuance of our common stock to the Optionees was exempt from registration under Section 4(2) of the Securities Act as a transaction by an issuer not involving a public offering. The optionees represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Appropriate legends were affixed to the share certificates issued in such transaction.

Stock Option Grants

Since February 2002, we have granted options to employees (including officers) to purchase an aggregate of 534,789 shares of our common stock at exercise prices of between $5.21 and $7.73 per share, as further described below:

Date(s)	Number of Options	Exercise Price	Vesting Schedule
4/28/2003	122,527	$ 5.21	20% in year 1, 1/48 monthly thereafter for 4 years
9/4/2003	12,144	$ 5.21	20% in year 1, 1/48 monthly thereafter for 4 years
6/1/2004	153,885	$ 7.73	12.5% per year for 8 years
7/31/2004	246,233	$ 7.73	20% in year 1, 1/48 monthly thereafter for 4 years

All option grants during this period have been made in consideration for services rendered or to be rendered by the respective employees. The amount of options included in each grant to employees has been determined by our board of directors in consultation with management taking into consideration the employee's job description, tenure and level of service. During this same period, we have not issued any shares of our common stock upon exercise of such stock options. The stock option grants were exempt under Rule 701 under the Securities Act as exempt offers and sales of securities under a written compensatory benefit plan.

Item 16. *Exhibits and Financial Statement Schedules*

(a) The following exhibits are filed herewith:

Exhibit Number	Exhibit Description
1.1	— Form of Underwriting Agreement.
3.1*	— Form of Articles of Incorporation, to be effective upon completion of the offering.
3.2*	— Form of Bylaws, to be effective upon completion of the offering.
4.1**	— Form of Common Stock Certificate of Zumiez Inc.
5.1*	— Form of Opinion of Preston Gates & Ellis LLP.
10.1*	— Business Loan Agreement dated May 29, 2003 between Bank of America, N.A. and Zumiez Inc., as modified by Loan Modification Agreement dated September 30, 2004.
10.2*	— Lease Agreement between Merrill Creek Holdings, LLC and Zumiez Inc. dated August 2, 2004.
10.3*	— Executive Agreement, dated as of November 4, 2002 between Zumiez Inc. and Richard M. Brooks.
10.4†*	— Carrier Agreement between United Parcel Service Inc. and Zumiez Inc. dated June 28, 2004.
10.5*	— Zumiez Inc. 1993 Stock Option Plan.
10.6*	— Zumiez Inc. 2004 Stock Option Plan.
10.7	— Zumiez Inc. 2005 Equity Incentive Plan.
10.8	— Zumiez Inc. 2005 Employee Stock Purchase Plan.
10.9	— Form of Indemnity Agreement.
10.10	— Limited Liability Company Agreement of Zumiez Holdings LLC
23.1	— Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2*	— Consent of Preston Gates & Ellis LLP (included in Exhibit 5.1).
24.1*	— Power of Attorney (included on signature page of this Registration Statement).
24.2	— Steven W. Moore Power of Attorney

* Previously filed.
** To be filed by amendment
† Certain information in this exhibit has been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under 17 C.F.R. Sections 200.80(b)(4) and 230.406.

Item 17. *Undertakings*

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14

or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be a part of this registration statement as of the time it was declared effective, and

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has duly caused this Amendment to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Everett, State of Washington, on the 21st day of April, 2005.

ZUMIEZ INC.

By: /s/ RICHARD M. BROOKS

Richard M. Brooks
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment to Registration Statement on Form S-1 has been signed by the following persons in the capacities indicated on April 21, 2005.

Signature	Title
/s/ RICHARD M. BROOKS Richard M. Brooks	President and Chief Executive Officer, Director (Principal Executive Officer)
/s/ BRENDA I. MORRIS Brenda I. Morris	Chief Financial Officer (Principal Financial and Accounting Officer)
* William M. Barnum, Jr.	Director
* Thomas E. Davin	Director
* Thomas D. Campion	Chairman
* Steven W. Moore	Director
* /s/ BRENDA I. MORRIS Brenda I. Morris	Attorney-in-fact

EXHIBIT INDEX

Exhibit Number	Exhibit Description
1.1	— Form of Underwriting Agreement.
3.1*	— Form of Articles of Incorporation, to be effective upon completion of the offering.
3.2*	— Form of Bylaws, to be effective upon completion of the offering.
4.1**	— Form of Common Stock Certificate of Zumiez Inc.
5.1*	— Form of Opinion of Preston Gates & Ellis LLP.
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QuickLinks

Exhibit 1.1

ZUMIEZ INC.

• ,000 Shares of Common Stock

UNDERWRITING AGREEMENT

Dated: • , 2005

Table of Contents

EXHIBITS

ZUMIEZ INC.

• ,000 Shares of Common Stock

UNDERWRITING AGREEMENT

• , 2005

Wachovia Capital Markets, LLC
7 St. Paul Street
Baltimore, Maryland 21202

Piper Jaffray & Co.
800 Nicollet Mall
Minneapolis, MN 55402

As Representatives of the several Underwriters

Ladies and Gentlemen:

Zumiez Inc., a Washington corporation (the "*Company*," which term, as used herein, includes its predecessors including, without limitation, Zumiez Inc., a Delaware corporation ("*Zumiez Delaware*"), and Zumiez Inc., a Washington corporation), and each of the shareholders of the Company named on Exhibits B and C hereto (collectively, the "*Selling Shareholders*" and each, a "*Selling Shareholder*") confirm their respective agreements with Wachovia Capital Markets, LLC ("*Wachovia*") and each of the other Underwriters named in Exhibit A hereto (collectively, the "*Underwriters*," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Wachovia and Piper Jaffray & Co. ("*Piper*") are acting as representatives (in such capacity, the "*Representatives*"), with respect to the issue and sale by the Company and the sale by the Selling Shareholders named in Exhibit B hereto of a total of • shares (the "*Initial Securities*") of the Company's common stock, no par value (the "*Common Stock*"), and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of Initial Securities set forth in said Exhibit A hereto, and with respect to the grant by the Selling Shareholders named in Exhibit C hereto to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of • additional shares of Common Stock to cover over-allotments, if any. The Initial Securities to be purchased by the Underwriters and all or any part of the • shares of Common Stock subject to the option described in Section 2(b) hereof (the "*Option Securities*") are hereinafter called, collectively, the "*Securities*." Certain terms used in this Agreement are defined in Section 15 hereof.

The Company and the Selling Shareholders understand that the Underwriters propose to make a public offering of the Securities as soon as the Representatives deem advisable after this Agreement has been executed and delivered.

The Company, the Selling Shareholders and the Underwriters agree that up to 5% of the Initial Securities to be purchased by the Underwriters (the "*Reserved Securities*") shall be reserved for sale by the Underwriters to the Company's directors, officers, friends, business associates and other related persons (the "*Reserved Security Offerees*") as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the NASD and all other applicable laws, rules and regulations. To the extent that any such Reserved Securities are not orally confirmed for purchase by any such Reserved Security Offeree before 9:00 A.M. (Central Daylight Time) on the first day of trading of the Common Stock, such Reserved Securities may, at the sole and absolute discretion of Wachovia or Piper, be offered to the public as part of the public offering contemplated hereby or offered or sold to any other Reserved Security Offerees.

The Company has filed with the Commission the Initial Registration Statement covering the registration of the Securities under the 1933 Act. Promptly after the execution of this Agreement, the Company will prepare and file with the Commission a prospectus in accordance with the provisions of Rule 430A and Rule 424(b) and the Company has previously advised you of all information (financial and other) that will be set forth therein. Such prospectus in the form first furnished to the Underwriters for use in connection with the offering of the Securities is herein called the "*Prospectus*."

Prior to the date of this Agreement:

(a) the Company has been reincorporated in the State of Washington pursuant to a merger with and into a newly organized Washington corporation (the "*Reincorporation*"),

(b) the Company has effected a 258.6485-for-one stock split (the "*Stock Split*"),

(c) all shares of Common Stock held by Zumiez Holdings LLC, a Delaware limited liability company ("*Zumiez Holdings*"), have been distributed to its members and any other persons entitled thereto (the "*Distribution*") in accordance with the terms of its limited liability company agreement (the "*LLC Agreement*"),

(d) the Stockholders Agreement (as defined below) has been duly amended to delete the last sentence of Section XVIII(A) thereof and to provide that Section XVIII(B) thereof shall not be applicable to any shares of Common Stock that have been sold, transferred or otherwise disposed of pursuant to a registration statement under the 1933 Act (including, without limitation, any sale, transfer or other disposition to the underwriters in connection with any underwritten public offering) and that, from and after the time of such sale, transfer or other disposition, no direct or indirect holder or owner of any such shares shall be entitled to any rights or subject to any obligations under the Stockholders Agreement (the "*Stockholders Agreement Amendment*"), and

(e) all consents, approvals, waivers and amendments necessary under any of the Shareholder Documents (as defined below), the LLC Agreement, the Existing Credit Agreement or any of the Leases in connection with the Reincorporation, the Stock Split, the Distribution, the issuance, sale and offering of the Securities or for the Company and/or the Selling Shareholders to enter into this Agreement and perform their respective obligations under this Agreement shall have been obtained and shall be in full force and effect (collectively, the "*Amendments and Waivers*"),

all on the terms contemplated by the Prospectus. The Reincorporation, the Stock Split, the Distribution, the Stockholders Agreement Amendment and the Amendments and Waivers are hereinafter called, collectively, the "*Pre-Closing Transactions*".

The following terms, as used herein, have the respective meanings set forth below:

(a) "*Agreement and Waiver*" means the Agreement of Waiver and Undertaking dated October 11, 2002 among Thomas D. Campion, Richard M. Brooks, John G. Haakenson, Rajnikant R. Shah, Ahkil R. Shah and the Company,

(b) "*Brentwood*" means Brentwood-Zumiez Investors, LLC, a Delaware limited liability company and one of the Selling Shareholders,

(c) "*Contribution Agreement*" means the Contribution Agreement dated as of October 18, 2002 among Brentwood, the Company, Zumiez Holdings, and the other parties thereto,

(d) "*Corporate Development Agreement*" means the Corporate Development and Administrative Services Agreement dated as of November 4, 2002 among the Company and Brentwood Private Equity III, LLC, a Delaware limited liability company,

(e) "*Co-Sale Agreement*" means the Information Rights and Co-Sale Agreement dated as of November 4, 2002, among the Company, Rajnikant R. Shah, Ahkil R. Shah, Zumiez Holdings, Thomas D. Campion and Richard M. Brooks,

(f) "*Expense Agreement*" means the Expense Agreement dated as of November 4, 2002 between Zumiez Holdings and the Company,

(g) "*Indemnity Escrow Agreement*" means the Escrow Agreement dated as of November 4, 2002, among Brentwood, John G. Haakenson and J.P. Morgan Trust Company, National Association,

(h) "*Indemnity Pledge Agreement*" means the Indemnity Pledge Agreement dated as of November 4, 2002 among Brentwood, Zumiez Holdings and Thomas D. Campion and Richard M. Brooks,

(i) "*Investment Agreement*" means the Investment Agreement dated as of November 4, 2002 between Brentwood and the Company,

(j) "*Stockholders Agreement*" means the Amended and Restated Stockholders' Agreement dated as of November 4, 2002 among the Company, Zumiez Holdings and the other parties thereto, as amended,

(k) "*Termination Agreement*" means the Termination Agreement dated as of November 4, 2002 among Thomas D. Campion, John G. Haakenson and the Company, and

(l) "*Zumiez Holdings Termination Agreement*" means the Termination Agreement dated as of May • , 2005 by and among Zumiez Holdings and the members of Zumiez Holdings.

The Agreement and Waiver, the Contribution Agreement, the Corporate Development Agreement, the Co-Sale Agreement, the Expense Agreement, the Indemnity Escrow Agreement, the Indemnity Pledge Agreement, the Investment Agreement, the Stockholders Agreement, the Termination Agreement and the Zumiez Holdings Termination Agreement are sometimes hereinafter called, collectively, the "*Shareholder Documents*" and, individually, a "*Shareholder Document*".

SECTION 1. *Representations and Warranties*.

(a) *Representations and Warranties by the Company.* The Company represents and warrants to each Underwriter as of the date hereof, as of the Closing Date referred to in Section 2(c) hereof, and as of each Option Closing Date (if any) referred to in Section 2(b) hereof, and agrees with each Underwriter, as follows:

(1) *Compliance with Registration Requirements*. Each of the Initial Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Initial Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Initial Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became or become effective and at the Closing Date (and, if any Option Securities are purchased, at the applicable Option Closing Date), the Initial Registration Statement, any Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the Prospectus nor any amendments or supplements thereto, at the time the Prospectus or any such amendment or supplement was issued, at the Closing Date (and, if any Option

Securities are purchased, at the applicable Option Closing Date) and at any time when a prospectus is required by applicable law to be delivered in connection with sales of Securities included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or Prospectus.

Each preliminary prospectus delivered to the Underwriters for use in connection with the offering of the Securities and the Prospectus and any amendments or supplements thereto filed pursuant to the 1933 Act complied when so filed in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and each preliminary prospectus and the Prospectus and any amendments or supplements thereto delivered to the Underwriters for use in connection with the offering of the Securities was and will be identical to the electronically transmitted copy thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(2) *Pre-Closing Transactions*. The Pre-Closing Transactions have been consummated prior to the date of this Agreement, all on the terms contemplated by this Agreement and the Prospectus, and the Amendments and Waivers are in full force and effect.

(3) *Independent Accountants*. The accountants whose report with respect to the Company's financial statements and (if applicable) supporting schedules is included in the Registration Statement and the Prospectus are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(4) *Financial Statements*. The financial statements of the Company included in the Registration Statement and the Prospectus, together with the related schedules (if any) and notes, present fairly in all material respects the financial position of the Company at the dates indicated and the results of operations, changes in stockholders' equity and cash flows of the Company for the periods specified; and all such financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved, except as otherwise may be stated therein, and comply with all applicable accounting requirements under the 1933 Act and the 1933 Act Regulations. The supporting schedules, if any, included in the Registration Statement present fairly, in accordance with GAAP, the information required to be stated therein. The information in the Prospectus under the captions "Prospectus Summary—Summary Financial Data," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Seasonality and Quarterly Results" presents fairly in all material respects the information shown therein and has been compiled on a basis consistent with that of the audited financial statements of the Company included in the Registration Statement and the Prospectus.

(5) *No Material Adverse Change in Business*. Since the respective dates as of which information is given in the Registration Statement and the Prospectus (in each case exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business (a "*Material Adverse Effect*"), (B) there have been no transactions entered into by the Company that are material with respect to the Company, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(6) *Good Standing of the Company*. The Company has been duly organized and is validly existing as a corporation under the laws of the State of Washington (there being no concept of

"good standing" for corporations under the laws of the State of Washington) and has power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(7) *Subsidiaries*. The Company does not have and, since January 1, 1999, the Company has not had any subsidiaries.

(8) *Capitalization*. The authorized, issued and outstanding capital stock of the Company is as set forth in the column entitled "Actual" and in the corresponding line items under the caption "Capitalization" in the Prospectus (except for subsequent issuances pursuant to this Agreement, pursuant to the stock based plans described under the caption "Management—Stock Based Plans" in the Prospectus or pursuant to the exercise of options referred to in the Prospectus). The shares of issued and outstanding Common Stock of the Company (including the Securities to be sold by the Selling Shareholders to the Underwriters under this Agreement) have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of Common Stock of the Company was issued in violation of any preemptive rights, rights of first refusal or other similar rights. Except for stock options issued pursuant to the stock based plans described under the caption "Management—Stock Based Plans" in the Prospectus, there are no rights, warrants or options to purchase any Common Stock or other capital stock of the Company outstanding and there are no securities convertible into, or exercisable or exchangeable for, Common Stock or other capital stock of the Company outstanding.

(9) *Authorization of Agreement*. This Agreement has been duly authorized, executed and delivered by the Company.

(10) *Authorization of Securities*. The Initial Securities to be sold by the Company pursuant to this Agreement have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued, fully paid and non-assessable; no holder of the Securities is or will be subject to personal liability by reason of being such a holder; and the issuance of the Securities is not subject to any preemptive rights, rights of first refusal or other similar rights.

(11) *Description of Securities*. The Common Stock, the authorized but unissued Preferred Stock, and the Company's articles of incorporation and bylaws conform in all material respects to all of the respective statements relating thereto contained in the Prospectus and such statements conform to the rights set forth in the respective instruments and agreements defining the same.

(12) *Absence of Defaults and Conflicts*. The Company is not in violation of its Organizational Documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Company Document, except (solely in the case of Company Documents other than Subject Instruments) for such defaults that would not result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Registration Statement and the Prospectus (including the Pre-Closing Transactions, the issuance and sale of the Securities to be sold by the Company and the sale of the Securities to be sold by the Selling Shareholders) and compliance by the Company with its obligations under this Agreement do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event under, or result in the creation or imposition of any Lien upon any property or assets of the Company pursuant to, any Company Documents or Shareholder

Documents, except (solely in the case of Company Documents other than Subject Instruments, Shareholder Documents and Leases) for such conflicts, breaches or defaults that would not result in a Material Adverse Effect, nor does or will any such action require the consent or approval of any landlord, lessor, or other owner of any real property, stores, buildings or other improvements occupied or used under lease or sublease by the Company (except for such consents and approvals as have been obtained and as are in full force and effect), nor does or will any such action result in any violation of the provisions of the Organizational Documents of the Company or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its assets, properties or operations.

(13) *Absence of Labor Dispute*. No labor dispute with the employees of the Company exists or, to the knowledge of the Company, is imminent which may reasonably be expected to result in a Material Adverse Effect.

(14) *Absence of Proceedings*. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company which is required to be disclosed in the Registration Statement or the Prospectus (other than as disclosed therein), or which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligations under this Agreement; the aggregate of all pending legal or governmental proceedings to which the Company is a party or of which any of its property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(15) *Accuracy of Descriptions and Exhibits*. All descriptions in the Registration Statement and the Prospectus of any Company Documents or Shareholder Documents are accurate in all material respects; and there are no franchises, contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, leases, subleases or other instruments or agreements required to be described or referred to in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(16) *Possession of Intellectual Property*. The Company does not own or possess or have the right to use any patents, patent rights or patent applications. The Company owns or possesses or has the right to use on reasonable terms all licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, service names, domain names and other intellectual property (collectively, "*Intellectual Property*") necessary to carry on its business as described in the Prospectus; and the Company has not received any notice and is not otherwise aware of any infringement or violation of asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company therein and which infringement or violation (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, individually or in the aggregate, would result in a Material Adverse Effect.

(17) *Absence of Further Requirements*. (A) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, (B) no authorization, approval, vote or other consent of any shareholder or creditor of the Company or any member of Zumiez Holdings, (C) no waiver, consent or other action under any Subject Instrument, Shareholder Document or Lease, and

(D) no authorization, approval, vote or other consent of any other person or entity, is necessary or required for the due authorization, execution and delivery of this Agreement by the Company, for the offering, issuance, sale or delivery of the Securities under this Agreement, for the performance by the Company of its obligations under this Agreement, or for the consummation of the Pre-Closing Transactions or any of the other transactions contemplated by this Agreement, in each case on the terms contemplated by the Prospectus and this Agreement, except such as have been already obtained or such as may be required under state securities laws and except for such filings with the Secretary of State of the State of Washington or with similar officials of any other applicable jurisdictions as are necessary in connection with the Pre-Closing Transactions (which filings will have been duly made prior to the Closing Date).

(18) *Possession of Licenses and Permits*. The Company possesses such permits, licenses, approvals, consents and other authorizations (collectively, "*Governmental Licenses*") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it; the Company is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, individually or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and the Company has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(19) *Title to Property*. The Company does not own and has never owned any real property. The Company has valid leasehold interests to all real property and improvements described in the Prospectus as being leased by the Company and the Company has not received notice of any claim that there has been or may be asserted by anyone adverse to the rights of the Company with respect to any such real property or improvements or questioning the rights of the Company to the continued lease, possession or occupancy of such real property or improvements; all Liens or other restrictions on or affecting any real property or improvements leased by the Company (a) that are required to be disclosed in the Prospectus are accurately described in the Prospectus and (b) do not, individually or in the aggregate, materially adversely affect the value of such real property or improvement and do not interfere with the use made and proposed to be made of any such real property or improvement by the Company; all real property and improvements, and equipment and other property held, used or occupied under lease or sublease by the Company is held, used or occupied, as the case may be, by it under valid, subsisting and enforceable leases or subleases, as the case may be, with, solely in the case of leases or subleases relating to real property or improvements, such exceptions as are not material and do not interfere with the use made or proposed to be made of such real property or improvements by the Company, and all such leases and subleases are in full force and effect and there does not exist any breach by the Company of any of the terms of, or any default by the Company under, any such leases or subleases; and there is no pending or, to the knowledge of the Company, threatened condemnation, zoning change or other proceeding or action that could in any manner affect the size of, use of, improvements on or access to any of the real property or improvements owned or leased by the Company, except such proceedings and actions that, individually or in the aggregate, would not have a Material Adverse Effect.

(20) *Investment Company Act*. The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the receipt of the net proceeds therefrom, will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the 1940 Act.

(21) *Environmental Laws*. Except as described in the Registration Statement and except as would not, individually or in the aggregate, result in a Material Adverse Effect, (A) the Company is not in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "*Hazardous Materials*") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "*Environmental Laws*"), (B) the Company has all permits, authorizations and approvals required under any applicable Environmental Laws and is in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company and (D) to the knowledge of the Company, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company relating to Hazardous Materials or any Environmental Laws.

(22) *Absence of Registration Rights*. Except for persons entitled to registration rights under the Stockholders Agreement (all of whom, other than the Selling Shareholders, have waived in writing their right to have any securities registered pursuant to the Registration Statement or included in the offering contemplated by this Agreement), there are no persons with registration rights or other similar rights to have any securities (debt or equity) (A) registered pursuant to the Registration Statement or included in the offering contemplated by this Agreement or (B) otherwise registered by the Company under the 1933 Act. There are no persons with tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by this Agreement or sold in connection with the sale of Securities to the Underwriters pursuant to this Agreement, other than persons entitled to such rights pursuant to the Shareholder Documents (all of whom have waived in writing their right to have any securities included in the offering contemplated by this Agreement or sold in connection with the sale of Securities to the Underwriters).

(23) *Parties to Lock-Up Agreements*. Each of the Company's directors and officers, each person who has received or will receive any shares of Common Stock distributed or to be distributed by Zumiez Holdings and each holder of any shares of outstanding Common Stock or other capital stock of the Company has executed and delivered to the Representatives a lock-up agreement in the form of Exhibit E hereto, except that no lock-up agreement has been delivered by any such person who is a Selling Shareholder. Exhibit D hereto contains a true, complete and correct list of all of the persons referred to in the immediately preceding sentence (other than any such persons who are Selling Shareholders) and the Company has heretofore provided to the Representatives true, complete and correct lists of all of the holders of outstanding Common Stock and options to purchase Common Stock.

(24) *Nasdaq National Market*. The outstanding shares of Common Stock (including the Securities to be sold by the Selling Shareholders to the Underwriters under this Agreement) and the Securities being sold hereunder by the Company have been approved for listing, subject only to official notice of issuance, on the Nasdaq National Market.

(25) *Tax Returns*. The Company has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof, except where the failure so to file

would not, individually or in the aggregate, have a Material Adverse Effect, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is currently being contested in good faith by appropriate actions and except for such taxes, assessments, fines or penalties the nonpayment of which would not, individually or in the aggregate, have a Material Adverse Effect.

(26) *Insurance*. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary in the businesses in which it is engaged; all policies of insurance and any fidelity or surety bonds insuring the Company or its business, assets, employees, officers and directors are in full force and effect; the Company is in compliance with the terms of such policies and instruments in all material respects; there are no claims by the Company under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Company has not been refused any insurance coverage sought or applied for; and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. Without limitation to the foregoing, the Company carries comprehensive general liability insurance and such other insurance as is customarily carried by lessees of properties similar to those leased by the Company in amounts and on terms that are customarily carried by lessees of properties similar to those leased by the Company (in the markets in which the Company's leased properties are located).

(27) *Accounting Controls*. The Company maintains a system of internal accounting controls and procedures sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(28) *Absence of Manipulation*. The Company has not taken and will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Securities; provided that the foregoing shall not prohibit transactions effected in compliance with Regulation M under the 1933 Act.

(29) *No Right of First Refusal*. The Company does not have any preemptive right, right of first refusal or other similar right to purchase or otherwise acquire any of the Securities to be sold by the Selling Shareholders to the Underwriters pursuant to this Agreement.

(30) *Stockholders Agreement*. The Stockholders Agreement has been duly amended to delete the last sentence of XVIII(A) thereof and to provide that Section XVIII(B) thereof shall not be applicable to any shares of Common Stock that have been sold, transferred or otherwise disposed of pursuant to a registration statement under the 1933 Act (including, without limitation, any sale, transfer or other disposition to the underwriters in connection with any underwritten public offering) and that, from and after the time of such sale, transfer or other disposition, no direct or indirect holder or owner of any such shares shall be entitled to any rights or subject to any obligations under the Stockholders Agreement; and neither any of the Underwriters nor any of the purchasers, transferees or other holders of any Securities sold pursuant to this Agreement is or will be required to become a party to any Shareholder Documents or is or will be subject to or bound by any of the terms or provisions of any of the Shareholder Documents.

(31) *Tax Matters*. The transactions, pursuant to which the Company was reincorporated in the State of Delaware in 2002 and subsequently reincorporated in the State of Washington in 2005 each constituted tax-free reorganizations pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended.

(32) *Sarbanes Oxley*. The Company is in compliance with all of the provisions of the Sarbanes-Oxley Act of 2002 that are currently applicable to it and all of the provisions of the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations promulgated pursuant to such Act that are currently applicable to the Company.

(33) *Shareholder Documents*. Prior to or concurrently with the purchase of the Initial Securities by the Underwriters on the Closing Date, the Corporate Development Agreement, the Expense Agreement and Sections III, IV, V, VI, XII and XIV of the Stockholders Agreement will automatically terminate and the Principal Stockholders (as defined in the Stockholders Agreement) will no longer have any rights under Section XIII(A) of the Stockholders Agreement; the Company has given all notices and complied with all provisions of the Co-Sale Agreement and the Stockholders Agreement required in connection with the transactions contemplated by this Agreement; and all Liens on any shares of Common Stock pursuant to the Indemnity Pledge Agreement have been released and terminated. Neither Brentwood nor any of its affiliates has made any claim for indemnification or reimbursement, or otherwise given notice of any potential claim for indemnification or reimbursement, pursuant to the Contribution Agreement.

(b) *Representations and Warranties by the Selling Shareholders*. Each Selling Shareholder, severally and not jointly, represents and warrants to each Underwriter as of the date hereof, as of the Closing Date and as of each Option Closing Date (if any), and agrees with each Underwriter, as follows:

(1) *Accurate Disclosure*. At the respective times the Initial Registration Statement, any Rule 462(b) Registration Statement or any post-effective amendment thereto became or becomes effective, at the Closing Date (and, if any Option Securities are purchased, at the applicable Option Closing Date), and at any time when a prospectus is required by applicable law to be delivered in connection with sales of Securities, the information relating to such Selling Shareholder (including the information with respect to such Selling Shareholder's Securities and any other shares of Common Stock or other securities of the Company which are owned or held by such Selling Shareholder) that is set forth in the Initial Registration Statement or any Rule 462(b) Registration Statement (or in any amendments thereto) or in any preliminary prospectus or the Prospectus (or in any amendments or supplements thereto) did not and will not contain an untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make such information not misleading, it being understood and agreed that the only information furnished by such Selling Shareholder as aforesaid consists of the information relating to such Selling Shareholder set forth in any such document under the caption "Principal and Selling Shareholders".

(2) *Underwriting Agreement*. This Agreement has been duly authorized (if such Selling Shareholder is not a natural person), executed and delivered by such Selling Shareholder.

(3) *Power of Attorney; Custody Agreement*. Except in the case of the representations and warranties made by Brentwood (which has not entered into a Power of Attorney or Custody Agreement, as those terms are defined below), such Selling Shareholder has duly authorized (if such Selling Shareholder is not a natural person) executed and delivered a Power of Attorney (a "*Power of Attorney*" and, with respect to such Selling Shareholder, "*its Power of Attorney*") appointing each of and as such Selling Shareholder's attorney-in-fact (with respect to such Selling Shareholder, collectively, the "*Attorneys-in-Fact*" and, individually, an "*Attorney-in-Fact*"), and a Letter of Transmittal and Custody Agreement (a "*Custody Agreement*" and, with respect to such Selling Shareholder, "*its Custody Agreement*") with Wachovia Bank, N.A., as custodian (the "*Custodian*"), and each of its Power of Attorney and its Custody Agreement constitutes a valid and binding obligation of such Selling Shareholder, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally or by general equitable principles, and each of such Selling Shareholder's Attorneys-in-Fact, acting alone, is authorized to execute and deliver this Agreement and the certificates referred to in Sections 5(•) and 5(•)(•) hereof on behalf of such Selling Shareholder, to determine the purchase price to be paid by the Underwriters to such Selling Shareholder for the Securities to be sold by such Selling Shareholder under this Agreement and the number of Securities to be sold (including pursuant to the Underwriters' over allotment option) by such Selling Shareholder under this Agreement, to authorize the delivery to the Underwriters of the Securities to be sold by such Selling Shareholder under this Agreement and to accept payment therefor, to duly endorse (in blank or otherwise) the certificate or certificates representing such Securities or a stock power or powers with respect thereto and otherwise to act on behalf of such Selling Shareholder in connection with this Agreement and the transactions contemplated hereby.

(4) *Good Standing*. If such Selling Shareholder is not a natural person, such Selling Shareholder and, in the case of Brentwood, each of Brentwood Associates Private Equity III, L.P. and Brentwood Private Equity III, LLC, has been duly formed and is in good standing and has a legal existence under the laws of the jurisdiction of its organization and is qualified to conduct business as a foreign limited partnership or foreign limited liability company, as the case may be, in the State of California.

(5) *Power and Authority*. Such Selling Shareholder has full right, power and authority to execute, deliver and perform its obligations under this Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement and to sell, transfer and deliver the Securities to be sold by such Selling Shareholder under this Agreement.

(6) *Non-Contravention*. The execution, delivery and performance of this Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement by such Selling Shareholder and the consummation of the transactions contemplated by this Agreement and (except in the case of Brentwood), its Power of Attorney and its Custody Agreement (including the sale and delivery of the Securities to be sold by such Selling Shareholder pursuant to this Agreement), and compliance by such Selling Shareholder with its obligations under this Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any Lien upon any of the Securities to be sold by such Selling Shareholder under this Agreement pursuant to, (A) any Shareholder Documents to which such Selling Shareholder is a party or by which it is bound or (B) any other contract, indenture, mortgage, deed of trust, loan or credit agreement, bond, note, debenture, evidence of indebtedness, lease or other agreement or

instrument to which such Selling Shareholder is a party or by which such Selling Shareholder is bound or to which any of the property or assets of such Selling Shareholder is subject, except, in each of clause (A) and (B) above, for such conflicts, breaches or defaults as would not adversely affect such Selling Shareholder's ability to perform its obligations hereunder, nor does or will such action result in any violation of the provisions of the Organizational Documents of such Selling Shareholder (if such Selling Shareholder is not a natural person) or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over such Selling Shareholder or any of its assets, properties or operations.

(7) *Good and Marketable Title*. Such Selling Shareholder is and, until the time that the Securities to be sold by such Selling Shareholder to the Underwriters at the Closing Time or the applicable Option Closing Date, as the case may be, are delivered to the Underwriters pursuant to this Agreement, such Selling Shareholder will be the sole legal, record and beneficial owner of the Securities to be sold by such Selling Shareholder under this Agreement, free and clear of all Liens, options, warrants, puts, calls, rights of first refusal or other rights to purchase or acquire any such Securities other than pursuant to this Agreement and, without limitation to the foregoing, in the event that financing statements under the Uniform Commercial Code have been filed in respect of any such Securities, appropriate termination statements under the Uniform Commercial Code have been filed in all governmental offices where any such financing statements were filed; and upon payment of the consideration for the Securities to be sold by such Selling Shareholder as provided in this Agreement, delivery of such Securities, as directed by the Underwriters, to Cede & Co. ("*Cede*") or such other nominee as may be designated by The Depository Trust Company ("*DTC*"), registration of such Securities in the name of Cede or such other nominee, and the crediting of such Securities on the records of DTC to "securities accounts" (as defined in Section 8-501(a) of the Uniform Commercial Code of the State of New York (the "*UCC*")) of the Underwriters (assuming that neither DTC nor any such Underwriter has "notice of an adverse claim" (within the meaning of Section 8-105 of the UCC) to such Securities), (i) DTC shall be a "protected purchaser" of such Securities within the meaning of Section 8-303 of the UCC, (ii) under Section 8-501 of the UCC, the Underwriters will acquire valid "security entitlements" (within the meaning of Section 8-102(a)(17) of the UCC) in respect of such Securities and (iii) no action based on any "adverse claim" (as defined in Section 8-102(a)(1) of the UCC) to the "financial asset" (as defined in Section 8-102(a)(9) of the UCC) consisting of such Securities deposited with or held by DTC, whether such action is framed in conversion, replevin, constructive trust, equitable lien, or other theory, may be asserted successfully against the Underwriters.

(8) *Absence of Manipulation*. Such Selling Shareholder has not taken and will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities; provided that the foregoing does not and shall not prohibit transactions effected in compliance with Regulation M under the 1933 Act.

(9) *Absence of Further Requirements*. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, is necessary or required for the execution or delivery by such Selling Shareholder of, or the performance by such Selling Shareholder of its obligations under, this Agreement or (except in the case of Brentwood) its Custody Agreement or its Power of Attorney, for the sale and delivery by such Selling Shareholder of the Securities to be sold by it under this Agreement, or for the consummation by such Selling Shareholder of the other transactions contemplated by this Agreement or (except in the case of Brentwood) its Custody Agreement and its Power of Attorney, except such as (i) have already been obtained, (ii) may be required under the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations or state

securities sky laws, (iii) may be required by the NASD or (iv) may be required under the laws of any foreign jurisdiction in which the Securities may be offered or sold.

(10) *Certificates Suitable for Transfer*. Certificates for all of the Securities to be sold by such Selling Shareholder pursuant to this Agreement, in form suitable for transfer by delivery and accompanied by duly executed stock powers endorsed in blank by such Selling Shareholder with signatures guaranteed and by a duly completed and executed United States Treasury Department Form W-9 or W-8 BEN (or other applicable form) have been placed in custody with the Custodian for the purpose of effecting delivery hereunder and thereunder or, in the case of Brentwood, have been delivered to the transfer agent for the Common Stock.

(11) *Absence of Preemptive Rights*. Such Selling Shareholder hereby waives any and all preemptive rights, rights of first refusal or other similar rights to purchase or otherwise acquire any of the Securities that are sold by the Company or any of the other Selling Shareholders pursuant to this Agreement (such waiver being made for the benefit of the Underwriters, the Company and the other Selling Shareholders).

(12) *No Fees*. Solely in the case of the representation and warranty made by Brentwood, neither Brentwood nor Brentwood Private Equity III, LLC, a Delaware limited liability company, is entitled (i) pursuant to the Corporate Development Agreement or any other Shareholder Document, to any brokerage commission, finder's fee or other like payment in connection with the sale of the Securities pursuant to this Agreement or (ii) pursuant to Section 2.2(b)(ii) of the Corporate Development Agreement, to any compensation in connection with the sale of the Securities pursuant to this Agreement; provided, however, the foregoing does not apply to, and shall have no effect upon, Brentwood Private Equity III, LLC's rights to any payments under Sections 2.1 or 2.2(a) of the Corporate Development Agreement.

(13) If such Selling Shareholder (except in the case of Brentwood) is a party to the Indemnity Escrow Agreement or the Indemnity Pledge Agreement, none of the Securities to be sold by such Selling Shareholder (except in the case of Brentwood) under this Agreement is or will be subject to any Lien created under or pursuant to the Indemnity Escrow Agreement or the Indemnity Pledge Agreements, as the case may be.

(14) During the period beginning on and including the date of this Agreement through and including the date that is the 180th day after the date of this Agreement (the "*Lock-Up Period*"), such Selling Shareholder will not, without the prior written consent of Wachovia and Piper, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock or any shares of the Company's Preferred Stock or other capital stock (collectively, "*Capital Stock*") or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock, whether now owned or hereafter acquired by such Selling Shareholder or with respect to which such Selling Shareholder has or hereafter acquires the power of disposition, or

(ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for any Common Stock or other Capital Stock,

whether any transaction described in (i) or (ii) above is to be settled by delivery of Common Stock, other Capital Stock, other securities, in cash or otherwise. Moreover, if:

(1) during the last 17 days of the Lock-Up Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or

(2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period,

the Lock-Up Period shall be extended and the restrictions imposed by this Section 1(b)(•) shall continue to apply until the expiration of the 18-day period beginning on the date of issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless Wachovia and Piper waive, in writing, such extension.

Notwithstanding the provisions set forth in the immediately preceding paragraph, such Selling Shareholder may, without the prior written consent of Wachovia and Piper, transfer any Common Stock or other Capital Stock or any securities convertible into or exchangeable or exercisable for Common Stock or other Capital Stock:

(1) to the Underwriters pursuant to this Agreement,

(2) if such Selling Shareholder is a natural person, as a bona fide gift or gifts for charitable or estate planning purposes, and

(3) if such Selling Shareholder is a partnership or a limited liability company, to a partner or member, as the case may be, of such partnership or limited liability company if, in any such case, such transfer is not for value,

provided, however, that in the case of any transfer described in clause (2) or (3) above, it shall be a condition to the transfer that (A) the transferee or donee, as the case may be, executes and delivers to Wachovia and Piper, acting on behalf of the Underwriters, not later than one business day prior to such transfer or gift, as the case may be, a written agreement, in form and substance reasonably satisfactory to Wachovia and Piper, in substantially the form of Exhibit E to this Agreement, and (B) if such Selling Shareholder is required to file a report under Section 16(a) of the 1934 Act reporting a reduction in beneficial ownership of shares of Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock by such Selling Shareholder during the Lock-Up Period (as the same may be extended as described above), such Selling Shareholder shall include a statement in such report to the effect that such transfer or distribution is not a disposition for cash and, in the case of any transfer pursuant to clause (2), that such transfer is being made as a gift for charitable or estate planning purposes and, in the case of any distribution pursuant to clause (3), that such distribution is being made to the partners or members, as the case may be, of the applicable partnership or limited liability company, as the case may be.

Such Selling Shareholder, further agrees that (i) such Selling Shareholder will not, during the Lock-Up Period (as the same may be extended as described above), make any demand for or exercise any right with respect to the registration under the 1933 Act of any shares of Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock, and (ii) the Company may, with respect to any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock owned or held (of record or beneficially) by such Selling Shareholder, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period (as the same may be extended as described above).

(c) *Certificates.* Any certificate signed by any officer of the Company and delivered to the Representatives or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of any Selling Shareholder and delivered to the Representatives or counsel for the Underwriters shall be deemed a representation and warranty by such Selling Shareholder to each Underwriter as to the matters covered thereby.

SECTION 2. *Sale and Delivery to Underwriters; Closing*.

(a) *Initial Securities.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and each of the Selling Shareholders set forth in Exhibit B, severally and not jointly, agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company and each Selling Shareholder set forth in Exhibit B, at the price of $ • per share (the "*Purchase Price*"), that proportion of the number of Initial Securities set forth in Exhibit B opposite the name of the Company or such Selling Shareholder, as the case may be, which the number of Initial Securities set forth in Exhibit A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, bears to the total number of Initial Securities, subject in each case to such adjustments among the Underwriters as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional Securities. The price at which the Securities shall initially be offered to the public is $ • per share.

(b) *Option Securities.* In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each of the Selling Shareholders set forth in Exhibit C, severally and not jointly, hereby grants an option to the Underwriters, severally and not jointly, to purchase up to the respective numbers of Option Securities set forth in Exhibit C opposite the names of such Selling Shareholders at a price per share equal to the Purchase Price referred to in Section 2(a) above; provided that the price per share for any Option Securities shall be reduced by an amount per share equal to any dividends or distributions declared, paid or payable by the Company on the Initial Securities but not payable on such Option Securities. The option hereby granted will expire at the close of business on the 30th day after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representatives to the Company and each of the Selling Shareholders set forth in Exhibit C setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (an "*Option Closing Date*") shall be determined by the Representatives, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Date. If the option is exercised as to all or any portion of the Option Securities, and each of the Selling Shareholders set forth in Exhibit C, severally and not jointly, will sell to the Underwriters that proportion of the total number of Option Securities then being purchased which the number of Option Securities set forth in Exhibit C opposite the name of such Selling Shareholder bears to the total number of Option Securities set forth in Exhibit C, and each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Exhibit A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, bears to the total number of Initial Securities, subject in each case to such adjustments as the Representatives in their discretion shall make to eliminate any sales or purchases of fractional shares.

(c) *Payment.* Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Sidley Austin Brown & Wood llp, 555 California Street, San Francisco, CA 94104, or at such other place as shall be agreed upon by the Representatives and the Company, at 9:00 A.M. (Eastern time) on • , 2005 (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called " *Closing Date*").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representatives and the Company, on each Option Closing Date as specified in the notice from the Representatives to the Company and each of the Selling Shareholders set forth in Exhibit C.

Payment shall be made to Brentwood by wire transfer or intra-bank transfer of immediately available funds to a single bank account designated by Brentwood, payment shall be made to all other Selling Shareholders by wire transfer or intra-bank transfer of immediately available funds to a single bank account at the Custodian, which account shall be designated by the Custodian, and payment shall be made to the Company by wire transfer or intra-bank transfer of immediately available funds to a single bank account designated by the Company, in each case against delivery to the Representatives for the respective accounts of the Underwriters of the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Each of Wachovia and Piper, individually and not as a representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Date or the relevant Option Closing Date, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) *Denominations; Registration.* Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Representatives may request in writing at least one full business day before the Closing Date or the relevant Option Closing Date, as the case may be. The certificates for the Initial Securities and the Option Securities, if any, will be made available for examination and packaging by the Representatives not later than noon (Eastern time) on the business day prior to the Closing Date or the relevant Option Closing Date, as the case may be.

SECTION 3. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) *Compliance with Securities Regulations and Commission Requests.* The Company, subject to Section 3(b), will comply with the requirements of Rule 430A and will notify the Representatives immediately, and confirm the notice in writing, (i) when the Initial Registration Statement, any Rule 462(b) Registration Statement or any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectus or any amended Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the document transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such document. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) *Filing of Amendments.* The Company will give the Representatives notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b))

or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectus, whether pursuant to the 1933 Act or otherwise, will furnish the Representatives with copies of any such documents within a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Representatives or counsel for the Underwriters shall reasonably object.

(c) *Delivery of Registration Statements.* The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses.* The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Continued Compliance with Securities Laws.* The Company will comply with the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Prospectus. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to amend the Registration Statement or amend or supplement the Prospectus in order that the Prospectus will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 3(b) hereof, such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(f) *Blue Sky Qualifications.* The Company will use its commercially reasonable best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representatives may reasonably designate and to maintain such qualifications in effect for a period of not less than one year from the date of this Agreement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the date of this Agreement.

(g) *Rule 158.* The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) *Use of Proceeds*. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Prospectus under "Use of Proceeds."

(i) *Listing.* The Company will use its commercially reasonable best efforts to effect the listing of the Securities on the Nasdaq National Market.

(j) *Restriction on Sale of Securities.* During the period beginning on and including the date of this Agreement through and including the date that is the 180th day after the date of this Agreement (the "*Lock-Up Period*"), the Company will not, without the prior written consent of Wachovia and Piper, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock,

(ii) file or cause the filing of any registration statement under the 1933 Act with respect to any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for any Common Stock or other Capital Stock (other than registration statements on Form S-8 to register Common Stock or options to purchase Common Stock pursuant to stock option plans and stock purchase plans described in clause (2) of the next paragraph or on Form S-4 to register shares of Common Stock or other securities issued in a transaction described in clause (4) of the next paragraph, or

(iii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for any Common Stock or other Capital Stock,

whether any transaction described in (i), (ii) or (iii) above is to be settled by delivery of Common Stock, other Capital Stock, other securities, in cash or otherwise. Moreover, if:

(1) during the last 17 days of the Lock-Up Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or

(2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period,

the Lock-Up Period shall be extended and the restrictions imposed by this Section 3(j) shall continue to apply until the expiration of the 18-day period beginning on the date of issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless Wachovia and Piper waive, in writing, such extension.

Notwithstanding the provisions set forth in the immediately preceding paragraph, the Company may, without the prior written consent of Wachovia and Piper:

(1) issue Common Stock to the Underwriters pursuant to this Agreement,

(2) issue shares, and options to purchase shares, of Common Stock pursuant to stock option plans and stock purchase plans described in the Prospectus under the caption "Management—Stock Based Plans," as those plans are in effect on the date of this Agreement,

(3) issue shares of Common Stock upon the exercise of stock options outstanding on the date of this Agreement or issued after the date of this Agreement under stock option plans referred to in clause (2) above, as those stock options and plans are in effect on the date of this Agreement, and

(4) issue shares of Common Stock or other Capital Stock or any securities convertible into or exchangeable or exercisable for Common Stock or other Capital Stock (A) in order to acquire assets or equity of one or more businesses by merger, asset purchase, stock purchase or otherwise or (B) in connection with strategic transactions involving another company, so long as, in each case described in clause (A) above, the shares of Common Stock, other Capital Stock or other securities are issued to the stockholders or other equity owners of the applicable businesses and, in each case described in clause (B) above, the shares of Common Stock, other Capital Stock or other securities are issued directly to such company or to the stockholders or other equity owners of such company,

provided, however, that in the case of any issuance described in clause (4) above, it shall be a condition to the issuance that the recipient executes and delivers to Wachovia and Piper, acting on behalf of the Underwriters, not later than one business day prior to the date of such issuance, a written agreement, in form and substance reasonably satisfactory to Wachovia and Piper, in substantially the form of Exhibit E to this Agreement.

(k) *Reporting Requirements.* The Company, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(l) *Preparation of Prospectus.* Immediately following the execution of this Agreement, the Company will, subject to Section 3(b) hereof, prepare the Prospectus containing the Rule 430A Information and other selling terms of the Securities, the plan of distribution thereof and such other information as may be required by the 1933 Act or the 1933 Act Regulations or as the Representatives and the Company may deem appropriate, and will file or transmit for filing with the Commission, in accordance with Rule 424(b), copies of the Prospectus.

SECTION 4. *Payment of Expenses*.

(a) *Expenses.* The Company will pay all expenses incident to the performance of its obligations and the obligations of the Selling Shareholders under this Agreement (except for expenses payable by the Selling Shareholders pursuant to Section 4(b) hereof), including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the delivery to the Underwriters of this Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the counsel, accountants and other advisors to the Company, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplements thereto, (vi) the printing and delivery to the Underwriters of copies of each preliminary prospectus and of the Prospectus and any amendments or supplements thereto, (vii) the preparation and delivery to the Underwriters of copies of the Blue Sky Survey and any supplements thereto, (viii) the fees and expenses of the Custodian and the transfer agent and registrar for the Securities, (ix) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the NASD of the terms of the sale of the Securities, (x) the fees and expenses incurred in connection with

the listing of the Securities on the Nasdaq National Market, (xi) all costs and expenses of the Underwriters, including the reasonable fees and disbursements of counsel for the Underwriters, in connection with matters related to the Reserved Securities and the establishment and administration of the program for the sale of the Reserved Securities, (xii) the fees and disbursements of Brentwood and its counsel incurred in connection with the negotiation and performance of this Agreement, and (xiii) any stock transfer taxes, stamp duties, capital duties or other similar duties, taxes or charges, if any, payable in connection with the sale or delivery of the Securities (including, without limitation, the Securities to be sold by the Selling Shareholders) to the Underwriters; provided, that, the fees and disbursements of counsel for the Underwriters payable by the Company pursuant to clauses (v), (ix) and (xi) above shall not exceed $ • .

(b) *Expenses of the Selling Shareholders.* Each Selling Shareholder (other than Brentwood, in the case of clause (i) of this Section 4(b)), severally, will pay the following expenses incident to the performance of its obligations under this Agreement: (i) the fees and disbursements of its counsel and accountants, and (ii) underwriting discounts and commissions with respect to the Securities sold by it to the Underwriters.

(c) *Allocation of Expenses.* Anything herein to the contrary notwithstanding, the provisions of this Section 4 shall not affect any agreement that the Company and the Selling Shareholders have made or may make for the allocation or sharing of such expenses and costs.

(d) *Termination of Agreement.* If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. *Conditions of Underwriters' Obligations*. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Shareholders contained in this Agreement and in certificates of any officer of the Company or signed by or on behalf of any Selling Shareholder pursuant to the provisions hereof, to the performance by the Company and the Selling Shareholders of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement.* The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and at Closing Date (or the applicable Option Closing Date, as the case may be) no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the Underwriters. The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the time period prescribed by such Rule, and prior to Closing Date, the Company shall have provided evidence satisfactory to the Representatives of such timely filing.

(b) *Opinion of Counsel for Company.* At Closing Date, the Representative shall have received the opinion, dated as of Closing Date, of Preston Gates & Ellis LLP, counsel for the Company ("*Company Counsel*"), in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, to the effect set forth in Exhibit F hereto and to such further effect as counsel to the Underwriters may reasonably request.

(c) *Opinion of Counsel for Underwriters.* At Closing Date, the Representatives shall have received the opinion, dated as of Closing Date, of Sidley Austin Brown & Wood llp, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, with respect to this Agreement, the Securities, the Registration Statement and the

Prospectus and such other matters as the Representatives may request. In giving such opinion such counsel may rely without investigation as to all matters arising under or governed by the laws of the State of Washington, on the opinion of Company Counsel referred to in Section 5(b) above, and as to all matters governed by the laws of any jurisdictions other than the law of the State of New York and the federal law of the United States, upon the opinions of counsel satisfactory to the Representatives. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and of public officials.

(d) *Officers' Certificate.* At Closing Date or the applicable Option Closing Date, as the case may be, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, and, at the Closing Date, the Representatives shall have received a certificate of the Chairman, the President or the Chief Executive Officer of the Company and of the Chief Financial Officer of the Company, dated as of Closing Date, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of Closing Date, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Date under or pursuant to this Agreement, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or, to their knowledge, are contemplated by the Commission.

(e) *Accountant's Comfort Letter.* At the time of the execution of this Agreement, the Representatives shall (1) have received from PricewaterhouseCoopers LLP a letter, dated the date of this Agreement and in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information of the Company contained in the Registration Statement or the Prospectus and (2) from the Chief Financial Officer of the Company a certificate, dated the date of this Agreement and in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, in substantially the form attached as Exhibit H hereto with respect to financial information and other financial data which were not covered by the letter of PricewaterhouseCoopers LLP referred to in clause (1) of this paragraph.

(f) *Bring-down Comfort Letter.* At Closing Date, the Representatives shall have received a letter from PricewaterhouseCoopers LLP and a certificate from the Chief Financial Officer of the Company, each dated as of Closing Date and in form and substance satisfactory to the Representatives, to the effect that they reaffirm the statements made in the letter and certificate, respectively, furnished pursuant to subsection (e) of this Section, except that the specified date referred to in the letter of PricewaterhouseCoopers LLP shall be a date not more than three business days prior to Closing Date.

(g) *Approval of Listing.* At Closing Date and each Option Closing Date, if any, the Securities to be purchased by the Underwriters at such time shall have been approved for listing on the Nasdaq National Market, subject only to official notice of issuance.

(h) *Lock-up Agreements.* Prior to the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit E hereto signed by each person referred to in the first sentence of Section 1(a)(23).

(i) *No Objection.* Prior to the date of this Agreement, NASD Regulation Inc. shall have confirmed in writing that it has no objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(j) *Opinion of Counsel for the Selling Shareholders.* At the Closing Date, the Representatives shall have received the opinions, dated as of the Closing Date, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for Brentwood, in the form heretofore provided to the Representatives, and of • , counsel for the other Selling Shareholders, to the effect set forth in Exhibit G hereto, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letters for each of the other Underwriters.

(k) *Certificate of Selling Shareholders.* At the Closing Date, the Representatives shall have received a certificate signed by each Selling Shareholder or by an Attorney-in-Fact on behalf of each Selling Shareholder, dated as of the Closing Date, to the effect that (i) the representations and warranties of such Selling Shareholder in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Date, and (ii) such Selling Shareholder has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date under or pursuant to this Agreement.

(l) *Stock Certificates; Tax Forms*. Prior to the date of this Agreement, the Custodian or the transfer agent for the Common Stock, as the case may be, shall have received certificates for all of the Securities to be sold by the Selling Shareholders pursuant to this Agreement (including, without limitation, any Option Securities which may be sold by the Selling Shareholders), in form suitable for transfer by delivery and accompanied by duly executed stock powers endorsed in blank by such Selling Shareholders with signatures guaranteed and properly completed and executed United States Treasury Department Form W-9 or W-8 BEN (or other applicable form) from each of the Selling Shareholders and, at the Closing Date, copies of the foregoing shall have been delivered to the Representatives.

(m) *Custody Agreement and Powers of Attorney.* Prior to the date of this Agreement, each Selling Shareholder (other than Brentwood) shall have executed and delivered a Custody Agreement and a Power of Attorney (with all spousal consents, notorial acknowledgements and other information called for by such documents duly completed and, if applicable, executed) and the Custodian shall have executed and delivered the Custodian's Acknowledgement and Receipt set forth in each such Custody Agreement, and the Representatives shall have received copies of all such executed Custody Agreements and Powers of Attorney.

(n) *Pre-Closing Transactions*. Prior to the purchase of the Initial Securities on the Closing Date, the Pre-Closing Transactions shall have been duly consummated on the terms contemplated by this Agreement and the Prospectus and the Representatives shall have received copies of the Stockholders Agreement Amendment and the Amendments and Waivers, duly executed by the requisite parties, and such other evidence that the Pre-Closing Transactions have been consummated as the Representatives may reasonably request.

(o) *Termination Statements.* Prior to the date of this Agreement, appropriate termination statements under the Uniform Commercial Code shall have been filed with respect to the Securities to be sold by Messrs. Brooks and Campion in all offices and jurisdictions where financing statements under the Uniform Commercial Code were filed in connection with any pledge of, security interest in or other lien created under or pursuant to, the Indemnity Pledge Agreement, and the Representatives shall have received a letter or certificate from an appropriate service bureau to the effect that such filings have been made.

(p) *Conditions to Purchase of Option Securities.* In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities

on any Option Closing Date that is after the Closing Date, the obligations of the several Underwriters to purchase the applicable Option Securities shall be subject to the conditions specified in the introductory paragraph of this Section 5 and to the further condition that, at the applicable Option Closing Date, the Representatives shall have received:

(1) *Officers' Certificate*. A certificate, dated such Option Closing Date, to the effect set forth in, and signed by two of the officers specified in, Section 5(d) hereof, except that the references in such certificate to the Closing Date shall be changed to refer to such Option Closing Date.

(2) *Opinion of Counsel for Company*. The opinion of Company Counsel, in form and substance satisfactory to counsel for the Underwriters, dated such Option Closing Date, relating to the Option Securities to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(3) *Opinion of Counsel for Underwriters*. The opinion of Sidley Austin Brown & Wood llp, counsel for the Underwriters, dated such Option Closing Date, relating to the Option Securities to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(4) *Bring-down Comfort Letter*. A letter from PricewaterhouseCoopers LLP and a certificate from the Chief Financial Officer of the Company, each in form and substance satisfactory to the Representatives and dated such Option Closing Date, substantially in the same form and substance as the letter and certificate, respectively, furnished to the Representatives pursuant to Section 5(f) hereof, except that the "specified date" in the letter of PricewaterhouseCoopers LLP furnished pursuant to this paragraph shall be a date not more than three business days prior to such Option Closing Date.

(5) *Opinion of Counsel for Selling Shareholders*. The opinions of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for Brentwood, in the form heretofore provided to the Representatives, and of • , counsel for the other Selling Shareholders set forth in Exhibit C, dated such Option Closing Date, relating to the Option Securities to be purchased on such Option Closing Date and otherwise to the same effect as the opinions required by Section 5(j) hereof.

(6) *Certificate of Selling Shareholders*. A certificate, dated such Option Closing Date, signed by each Selling Shareholder set forth in Exhibit C or by an Attorney-in-Fact on behalf of each such Selling Shareholder, to the effect set forth in Section 5(k) hereof, except that the references in such certificate to the Closing Date shall be changed to refer to such Option Closing Date.

(q) *Additional Documents.* At Closing Date and at each Option Closing Date, counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, contained in this Agreement; and all proceedings taken by the Company and the Selling Shareholders in connection with the issuance and sale of the Securities as herein contemplated and in connection with the other transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(r) *Termination of Agreement.* If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on an Option Closing Date which is after the Closing Date, the obligations of the several Underwriters to purchase the relevant Option Securities, may be

terminated by the Representatives by notice to the Company and the Selling Shareholders set forth in Exhibit C at any time on or prior to Closing Date or such Option Closing Date, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 hereof and except that Sections 1, 6, 7 and 8 hereof shall survive any such termination and remain in full force and effect.

SECTION 6. *Indemnification*.

(a) *Indemnification by the Company.* The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(d) below, the fees and disbursements of counsel chosen by Wachovia and Piper), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above,

provided, *however*, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto), or in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto); and *provided*, *further*, that this indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, liabilities, claims, damages or expenses purchased Securities, or any person controlling such Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any such amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if such is required by the 1933 Act or the 1933 Act Regulations, at or prior to the written confirmation of the sale of such Securities to such person and if the Prospectus (as so amended or supplemented, if applicable) would have corrected the defect giving rise to such loss, liability, claim, damage or expense.

(b) *Indemnification by Selling Shareholders.* Each Selling Shareholder agrees, severally and not jointly, to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against

any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section 6, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with information relating to such Selling Shareholder furnished in writing to the Company by or on behalf of such Selling Shareholder expressly for use in the Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only information furnished by such Selling Shareholder as aforesaid consists of the information relating to such Selling Shareholder set forth in any such document under the caption "Principal and Selling Shareholders"; and provided, however, that this indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, liabilities, claims, damages or expenses purchased Securities, or any person controlling such Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any such amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if such is required by the 1933 Act or the 1933 Act Regulations, at or prior to the written confirmation of the sale of such Securities to such person and if the Prospectus (as so amended or supplemented, if applicable) would have corrected the defect giving rise to such loss, liability, claim, damage or expense; and provided, further, that the liability under this subsection (b) of any Selling Shareholder shall be limited to an amount equal to the aggregate gross proceeds after underwriting commissions and discounts, but before expenses, to such Selling Shareholder from the sale of Securities sold by such Selling Shareholder hereunder.

(c) *Indemnification by the Underwriters*. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Selling Shareholder and (solely in the case of Brentwood) each person, if any, who controls such Selling Shareholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section 6, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(d) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. Counsel to the indemnified parties shall be selected as follows: counsel to the Underwriters and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall be selected by Wachovia and Piper; counsel to the Selling Shareholders shall be selected by those Selling Shareholders who agreed to sell a majority of the Initial Securities to be sold by all of the Selling Shareholders in this offering; and counsel to the Company, its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified

party. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for the Underwriters and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for the Selling Shareholders, and the fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for the Company, its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, in each case in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) *Settlement Without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(f) *Other Agreements with Respect to Indemnification and Contribution* . The provisions of this Section 6 and in Section 7 hereof shall not affect any agreements among the Company and the Selling Shareholders with respect to indemnification of each other or contribution between themselves.

(g) *Indemnification for Reserved Securities.* In connection with the offer and sale of the Reserved Securities, the Company agrees, promptly upon a request in writing from Wachovia and Piper, to indemnify and hold harmless the Underwriters from and against any and all losses, liabilities, claims, damages and expenses incurred by any of the Underwriters as a result of the failure of any Reserved Share Offeree to pay for and accept delivery of Reserved Securities which such Reserved Security Offeree agreed (orally or in writing) to purchase.

SECTION 7. *Contribution*. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholders on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Selling Shareholders on the one hand and the Underwriters on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Shareholders and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on such cover.

The relative fault of the Company and the Selling Shareholders on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Exhibit A hereto and not joint.

SECTION 8. *Representations, Warranties and Agreements to Survive Delivery*. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or signed by or on behalf of any Selling Shareholder submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company, or by or on behalf of any Selling Shareholder, and shall survive delivery of the Securities to the Underwriters.

SECTION 9. *Termination of Agreement*.

(a) *Termination; General*. Wachovia and Piper may terminate this Agreement, by notice to the Company and the Selling Shareholders, at any time on or prior to Closing Date (and, if any Option Securities are to be purchased on an Option Closing Date which occurs after the Closing Date, the Representatives may terminate the obligations of the several Underwriters to purchase such Option Securities, by notice to the Company and the Selling Shareholders set forth in Exhibit C, at any time on or prior to such Option Closing Date) (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of Wachovia and Piper, impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the Nasdaq National Market, or if trading generally on the American Stock Exchange or the NYSE or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the NASD or any other governmental authority, or a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or in Europe, or (iv) if a banking moratorium has been declared by either Federal, Washington or New York authorities.

(b) *Liabilities.* If this Agreement is terminated pursuant to this Section 9, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 hereof shall survive such termination and remain in full force and effect.

SECTION 10. *Default by One or More of the Underwriters*. If one or more of the Underwriters shall fail at Closing Date or an Option Closing Date to purchase the Securities which it or they are obligated to purchase under this Agreement on such date (the " *Defaulted Securities*"), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth;

if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters; or

(b) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Option Closing Date which occurs after the Closing Date, the obligation of the Underwriters to purchase and of the Selling Shareholders set forth in Exhibit C to sell the Option Securities that were to have been purchased and sold on such Option Closing Date, shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section 10 shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of an Option Closing Date which is after the Closing Date, which does not result in a termination of the obligation of the Underwriters to purchase and the Selling Shareholders set forth in Exhibit C to sell the relevant Option Securities, as the case may be, the Representatives shall have the right to postpone Closing Date or the relevant Option Closing Date, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11. *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Representatives at Wachovia Capital Markets, LLC, 7 St. Paul Street, Baltimore, Maryland 21202, Attention of Michael Cummings, Managing Director-Head of Equity Origination and to Piper Jaffray & Co., 800 Nicollet Mall, Minneapolis, MN 55402, Attention of John Baumgartner, Equity Capital Markets; notices to the Company shall be directed to it at 6300 Merrill Creek Parkway, Suite B, Everett, Washington, 98203, Attention of Chief Financial Officer; and notices to the Selling Shareholders shall, in the case of Brentwood, be directed to it at 11150 Santa Monica Boulevard, Suite 1200, Los Angeles, California, 90025, Attention of William M. Barnum, Jr., and in the case of the other Selling Shareholders, shall be directed to them in care of • , as Attorney-in-Fact, at Zumiez Inc., 6300 Merrill Creek Parkway, Suite B, Everett, Washington 98203.

SECTION 12. *Parties*. This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company and the Selling Shareholders and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and the Selling Shareholders and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and the Selling Shareholders and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. *GOVERNING LAW AND TIME*. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 14. *Effect of Headings*. The Section and Exhibit headings herein are for convenience only and shall not affect the construction hereof.

SECTION 15. *Definitions*. As used in this Agreement, the following terms have the respective meanings set forth below:

"*Commission*" means the Securities and Exchange Commission.

"*Company Documents*" means all contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, leases, subleases or other instruments or agreements to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, including, without limitation, all Leases and Subject Instruments.

"*EDGAR*" means the Commission's Electronic Data Gathering, Analysis and Retrieval System.

"*Existing Credit Agreement*" means the Business Loan Agreement dated May 29, 2003 between Bank of America, N.A. and the Company, as modified by the Loan Modification Agreement dated November 30, 2004 and as further amended or supplemented, if applicable, including any promissory notes, pledge agreements, security agreements, mortgages, guarantees and other instruments or agreements entered into by the Company in connection therewith or pursuant thereto, in each case as amended or supplemented if applicable.

"*GAAP*" means generally accepted accounting principles.

"*Initial Registration Statement*" means the Company's registration statement on Form S-1 (Registration No. 333-122865), as amended at the time it became effective, including the Rule 430A Information.

"*Leases*" means all leases or subleases of real property, stores, buildings or other improvements to which the Company is a party or by which it is bound.

"*Lien*" means any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

"*NASD*" means the National Association of Securities Dealers, Inc.

"*NYSE*" means the New York Stock Exchange.

"*Organizational Documents*" means (a) in the case of a corporation, its articles of incorporation, certificate of incorporation, charter or other similar document and its bylaws; (b) in the case of a limited or general partnership, its partnership certificate, certificate of formation or similar organizational document and its partnership agreement; (c) in the case of a limited liability company, its articles of organization, certificate of formation or similar organizational documents and its operating agreement, limited liability company agreement, membership agreement or other similar agreement; (d) in the case of a trust, its certificate of trust, certificate of formation or similar organizational document and its trust agreement or other similar agreement; and (e) in the case of any other entity, the organizational and governing documents of such entity.

"*Preferred Stock*" means the Company's preferred stock, no par value.

"*preliminary prospectus*" means any prospectus used in connection with the offering of the Securities that was used before the Initial Registration Statement became effective, or that was used

after such effectiveness and prior to the execution and delivery of this Agreement, or that omitted the Rule 430A Information or that was captioned "Subject to Completion".

"*Registration Statement*" means the Initial Registration Statement; provided that, if a Rule 462(b) Registration Statement is filed with the Commission, then the term "Registration Statement" shall also include such Rule 462(b) Registration Statement.

"*Repayment Event*" means any event or condition which gives the holder of any bond, note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company.

"*Rule 424(b)*" "*Rule 430A*" and "*Rule 462(b)*" refer to such rules under the 1933 Act.

"*Rule 430A Information*" means the information included in the Prospectus that was omitted from the Initial Registration Statement at the time it became effective but that is deemed to be a part of the Initial Registration Statement at the time it became effective pursuant to Rule 430A.

"*Rule 462(b) Registration Statement*" means a registration statement filed by the Company pursuant to Rule 462(b) for the purpose of registering any of the Securities under the 1933 Act, including the Rule 430A Information.

"*Subject Instruments*" means the Existing Credit Agreement, all Shareholder Documents to which the Company is a party or by which it is bound, all instruments and agreements filed as exhibits to the Registration Statement pursuant to Rule 601(b)(10) of Regulation S-K of the Commission; provided that if any instrument or agreement filed as an exhibit to the Registration Statement as aforesaid has been redacted or if any portion thereof has been deleted or is otherwise not filed as part of such exhibit to the Registration Statement (whether pursuant to a request for confidential treatment or otherwise), the term "Subject Instruments" shall nonetheless mean such instrument or agreement, as the case may be, in its entirely, including any portions thereof that shall have been so redacted, deleted or otherwise not filed.

"*1933 Act*" means the Securities Act of 1933, as amended.

"*1933 Act Regulations*" means the rules and regulations of the Commission under the 1933 Act.

"*1934 Act*" means the Securities Exchange Act of 1934, as amended.

"*1934 Act Regulations*" means the rules and regulations of the Commission under the 1934 Act.

"*1940 Act*" means the Investment Company Act of 1940, as amended.

All references to the Registration Statement, the Initial Registration Statement, any Rule 462(b) Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to EDGAR.

[Signature Page Follows]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Underwriters, the Company and the Selling Shareholders in accordance with its terms.

Very truly yours,

ZUMIEZ INC.

By: _____
Name:
Title:

BRENTWOOD-ZUMIEZ INVESTORS, LLC

By: Brentwood Associates Private Equity III, L.P., its managing member

By: Brentwood Private Equity III, LLC, its general partner

By: _____
Name:
Title: Managing Member

RICHARD M. BROOK
THOMAS D. CAMPION
JOHN G. HAAKENSON
AHKIL R. SHAH
RAJNIKANT R. SHAH

By: _____
Name:
Attorney-in-Fact:

CONFIRMED AND ACCEPTED as of the date first above written:

WACHOVIA CAPITAL MARKETS, LLC

By: _____
Authorized Signatory

PIPER JAFFRAY & CO.

By: _____
Authorized Signatory

For themselves and as Representatives of the Underwriters named in Exhibit A hereto.

EXHIBIT A

Name of Underwriter	Number of Initial Securities
Wachovia Capital Markets, LLC	
Piper Jaffray & Co.	
William Blair & Company, L.L.C.	
Total	

EXHIBIT B

Initial Securities to be Sold

	Number of Initial Securities to be Sold
Company	
Selling Shareholders:	
Brentwood-Zumiez Investors, LLC	
Thomas D. Campion	
John G. Haakenson	
Ahkil R. Shah	
Rajnikant R. Shah	
Total	

EXHIBIT C

Option Securities to be Sold

	Number of Option Securities Which May Be Sold
Selling Shareholders:	
Brentwood-Zumiez Investors, LLC	
Richard M. Brooks	
Total	

EXHIBIT D

List of Persons required to Execute a Lock-Up Agreement

William M. Barnum, Jr.
Katrina Basic
Thomas E. Davin
Lynn K. Kilbourne
Steven W. Moore
Brenda I. Morris

EXHIBIT E

Form of Lock-Up Agreement

Zumiez, Inc.

Public Offering of Common Stock

Dated as of _____, 2005

Wachovia Capital Markets, LLC
7 St. Paul Street
Baltimore, MD 21202

Piper Jaffray & Co.
800 Nicollet Mall
Minneapolis, MN 55402

As Representatives of the Several Underwriters

Ladies and Gentlemen:

This agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "*Underwriting Agreement*") among Zumiez, Inc. (the "*Company*"), Wachovia Capital Markets, LLC ("*Wachovia*") and Piper Jaffray & Co. ("*Piper*"), as joint book-running managers of the underwriters to be named in the Underwriting Agreement (the "*Underwriters*"), and the other parties thereto (if any), relating to a proposed underwritten public offering of common stock (the "*Common Stock*") of the Company.

In order to induce you and the other Underwriters to enter into the Underwriting Agreement, and in light of the benefits that the offering of the Common Stock will confer upon the undersigned in its capacity as a shareholder, option holder or other securityholder and/or an officer or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each Underwriter that, during the period beginning on and including the date of the Underwriting Agreement through and including the date that is the 180th day after the date of the Underwriting Agreement (the "*Lock-Up Period*"), the undersigned will not, without the prior written consent of Wachovia and Piper, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock, any shares of the Company's preferred stock or other capital stock (collectively, "*Capital Stock*") or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or

(ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for any Common Stock or other Capital Stock,

whether any transaction described in (i) or (ii) above is to be settled by delivery of Common Stock, other Capital Stock, other securities, in cash or otherwise. Moreover, if:

(1) during the last 17 days of the Lock-Up Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or

(2) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period,

the Lock-Up Period shall be extended and the restrictions imposed by this letter shall continue to apply until the expiration of the 18-day period beginning on the date of issuance of the earnings release or the occurrence of the material news or material event, as the case may be, unless Wachovia and Piper waive, in writing, such extension.

Notwithstanding the provisions set forth in the immediately preceding paragraph, the undersigned may, without the prior written consent of Wachovia and Piper, transfer any Common Stock or other Capital Stock or any securities convertible into or exchangeable or exercisable for Common Stock or other Capital Stock:

(1) if the undersigned is a selling shareholder party to the Underwriting Agreement, to the Underwriters pursuant to the Underwriting Agreement,

(2) if the undersigned is a natural person, as a bona fide gift or gifts for charitable or estate planning purposes, and

(3) if the undersigned is a partnership or a limited liability company, to a partner or member, as the case may be, of such partnership or limited liability company if, in any such case, such transfer is not for value,

provided, however, that in the case of any transfer described in clause (2) or (3) above, it shall be a condition to the transfer that (A) the transferee or donee, as the case may be, executes and delivers to Wachovia and Piper, acting on behalf of the Underwriters, not later than one business day prior to such transfer or gift, as the case may be, a written agreement, in form and substance reasonably satisfactory to Wachovia and Piper, in substantially the form of this agreement, and (B) if the undersigned is required to file a report under Section 16(a) of the Securities Exchange Act of 1934, as amended, reporting a reduction in beneficial ownership of shares of Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock by the undersigned during the Lock-Up Period (as the same may be extended as described above), the undersigned shall include a statement in such report to the effect that such transfer or distribution is not a disposition for cash and, in the case of any transfer pursuant to clause (2), that such transfer is being made as a gift for charitable or estate planning purposes and, in the case of any distribution pursuant to clause (3), that such distribution is being made to the partners or members, as the case may be, of the applicable partnership or limited liability company, as the case may be.

The undersigned further agrees that (i) it will not, during the Lock-Up Period (as the same may be extended as described above), make any demand for or exercise any right with respect to the registration under the Securities Act of 1933, as amended (the "*1933 Act*") of any shares of Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock, and (ii) the Company may, with respect to any Common Stock or other Capital Stock or any securities convertible into or exercisable or exchangeable for Common Stock or other Capital Stock owned or held (of record or beneficially) by the undersigned, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period (as the same may be extended as described above).

In addition, the undersigned hereby waives any and all notice requirements and other rights with respect to the registration of any securities, and also waives any and all co-sale, tag along or other rights to sell any securities, in each case pursuant to any agreement, instrument, understanding or otherwise, including any registration rights agreement, shareholder agreement, co-sale agreement or similar agreement, to which the undersigned is a party or under which the undersigned is entitled to any right or benefit, provided that such waiver shall apply only to the public offering of Common Stock

pursuant to the Underwriting Agreement and each registration statement filed under the 1933 Act in connection therewith.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement and that this agreement has been duly authorized (if applicable), executed and delivered by the undersigned and is a valid and binding agreement of the undersigned. This agreement and all authority herein conferred are irrevocable and shall survive the death or incapacity of the undersigned (if a natural person) and shall be binding upon the heirs and personal representatives (if applicable) and successors and assigns of the undersigned.

If the Underwriting Agreement is not executed by the parties thereto prior to • , 2005, or if the Underwriting Agreement is executed but the issuance and sale to the Underwriters of the shares of Common Stock (other than shares of Common Stock subject to the Underwriters' over-allotment option) contemplated thereby does not occur on or prior to • , 2005, this agreement shall automatically terminate and become null and void.

The undersigned acknowledges and agrees that whether or not any public offering of Common Stock actually occurs depends on a number of factors, including market conditions.

This agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature Page Immediately Follows]

In witness whereof, the undersigned has executed and delivered this agreement as of the date first set forth above.

Yours very truly,

Print Name:

EXHIBIT F

Form of Opinion of Company Counsel

(1) The Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Washington (and we hereby advise you that the State of Washington does not provide "good standing" certificates for Washington corporations).

(2) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under the Underwriting Agreement.

(3) The Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction listed on Schedule A.

(4) To our knowledge, the Company does not have any subsidiaries.

(5) The authorized, issued and outstanding capital stock of the Company is as set forth in the column entitled "Actual" and in the corresponding line items under the caption "Capitalization" in the Prospectus (except for subsequent issuances, if any, pursuant to the Underwriting Agreement, pursuant to stock based plans described under the caption "Management—Stock Based Plans" in the Prospectus or pursuant to the exercise of options referred to in the Prospectus); the shares of issued and outstanding Common Stock of the Company (including the Securities to be sold by the Selling Shareholders to the Underwriters under the Underwriting Agreement) have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of Common Stock of the Company was issued in violation of any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person arising under the charter or bylaws of the Company or Zumiez Delaware, the laws of the State of Washington, the Delaware General Corporation Law or any Shareholder Document.

(6) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

(7) (A) The Securities to be sold by the Company pursuant to the Underwriting Agreement have been duly authorized for issuance and sale to the Underwriters pursuant to the Underwriting Agreement and, when issued and delivered by the Company pursuant to the Underwriting Agreement against payment of the consideration set forth in the Underwriting Agreement, will be validly issued, fully paid and non-assessable; and (B) no holder of the Securities is or will be subject to personal liability by reason of being such a holder under the articles of incorporation or bylaws of the Company or the laws of the State of Washington.

(8) The issuance of the Securities to be sold by the Company pursuant to the Underwriting Agreement is not subject to any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person arising under the articles of incorporation or bylaws of the Company, the laws of the State of Washington or any Shareholder Document.

(9) The Initial Registration Statement and any Rule 462(b) Registration Statement have been declared effective under the 1933 Act; the Prospectus has been filed pursuant to Rule 424(b) in the manner and within the time period required by Rule 424(b); and, to our knowledge, no stop order suspending the effectiveness of the Initial Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and, to our knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

(10) The Initial Registration Statement and any post-effective amendments thereto and any Rule 462(b) Registration Statement, as of their respective effective dates, and the Prospectus and any amendments or supplements thereto, as of their respective issue dates (in each case other than the financial statements and schedules and other financial and statistical data included therein or omitted

therefrom, as to which we have not been called upon to express an opinion), complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations (except that we express no opinion with respect to compliance as to form with Regulation S-T under the 1933 Act).

(11) The form of certificate used to evidence the Common Stock complies in all material respects with all applicable requirements of the laws of the State of Washington, with any applicable requirements of the articles of incorporation and bylaws of the Company and with any applicable requirements of the Nasdaq National Market.

(12) To our knowledge, there is not pending or threatened any action, suit, proceeding, inquiry or investigation to which the Company is a party or to which the property of the Company is subject before or brought by any court or governmental agency or body that is required to be disclosed in the Registration Statement or the Prospectus or that might reasonably be expected to materially and adversely affect the consummation of the transactions contemplated by the Underwriting Agreement or the performance by the Company of its obligations thereunder.

(13) The information in the Prospectus under the captions "Risk Factors—Risks Related to Our Business—The terms of our revolving credit facility impose operating and financial restrictions on us that may impair our ability to respond to changing business and economic conditions. This impairment could have a significant adverse impact on our business," "Risk Factors—Risks Related to this Offering —Future sales of our common stock in the public market could cause our stock price to fall," "Risk Factors—Risks Related to this Offering —Washington law and our articles of incorporation and bylaws contain antitakeover provisions that could delay, discourage or prevent takeover attempts that shareholders may consider favorable or attempts to replace or remove our management that could be beneficial to our shareholders," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Business—Legal Proceedings," "Management—Employment Agreements and Change of Control Provisions," "Management—Stock Based Plans," "Management—Limitation on Liability and Indemnification," "Certain Relationships and Related Transactions," "Description of Capital Stock" and "Shares Eligible for Future Sale," and the information in the Registration Statement under Item 14, in each case to the extent that it constitutes matters of law, summaries of legal matters, summaries of provisions of the Company's articles of incorporation or bylaws or Subject Instruments, summaries of legal proceedings, or legal conclusions, constitute accurate summaries of the matters referred to therein in all material respects.

(14) To our knowledge, there are no franchises, contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, leases or other instruments or agreements required by the 1933 Act or the 1933 Act Regulations to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(15) (A) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, (B) no authorization, approval, vote or other consent of any shareholder or creditor of the Company or any member of Zumiez Holdings, (C) no waiver, consent or other action under any Subject Instrument, Shareholder Document or Lease, and (D) to our knowledge, no authorization, approval, vote or other consent of any other person or entity, is necessary or required for the due authorization, execution and delivery of the Underwriting Agreement by the Company, for the offering, issuance, sale or delivery of the Securities by the Company under the Underwriting Agreement, for the performance by the Company of its obligations under the Underwriting Agreement or for the consummation by the Company of the Pre-Closing Transactions, in each case on the terms contemplated by the Prospectus and the Underwriting Agreement, except such as have been already obtained or such as may be required under state securities or blue sky laws and except for such filings with the Secretary of State of the State of

Washington or with similar officials of any other applicable jurisdictions as have been made in connection with the Pre-Closing Transactions.

(16) The execution, delivery and performance of the Underwriting Agreement by the Company and the consummation by the Company of the transactions contemplated in the Underwriting Agreement, the Registration Statement and the Prospectus (including the Pre-Closing Transactions, the issuance and sale of the Securities to be sold by the Company and the sale of the Securities to be sold by the Selling Shareholders) and compliance by the Company with its obligations under the Underwriting Agreement do not and will not, whether with or without the giving of notice or lapse of time or both, conflict with or constitute a breach of, or default or Repayment Event under, or result in the creation or imposition of any Lien upon any property or assets of the Company pursuant to any Subject Instrument or Lease, except (solely in the case of Leases) for such conflicts, breaches, or defaults or Liens that would not have a Material Adverse Effect, nor will such action result in any violation of the provisions of the articles of incorporation and bylaws of the Company or any applicable law, statute, rule, regulation, judgment, order, writ or decree, known to us, of any government, government instrumentality or court having jurisdiction over the Company or any of its properties, assets or operations.

(17) The Company is not and, immediately after giving effect to the offering and sale of the Securities and the receipt of the proceeds thereof, will not be an "investment company", as such term is defined in the 1940 Act.

Although we have not undertaken to investigate or verify independently and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus (other than those specific matters on which we are opining in Items (5), (13) and (14) hereof) no facts have come to our attention that cause us to believe that (A) the Initial Registration Statement or any amendment thereto, at the time the Initial Registration Statement or any such amendment became effective, or that any Rule 462(b) Registration Statement, at the time such Rule 462(b) Registration Statements became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (B) the Prospectus or any amendment or supplement thereto, at the time the Prospectus was issued, at the time any such amendment or supplement was issued or on the date of this letter, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except in each case that we make no statement and express no belief with respect to financial statements, including the notes thereto, and schedules and other financial or statistical data included in or omitted from the Initial Registration Statement, any Rule 462(b) Registration Statement or the Prospectus or any amendment or supplement thereto).

In the event that such opinion shall define the term "Registration Statement," "Initial Registration Statement," "Rule 462(b) Registration Statement" or "Prospectus" (rather than indicating that such terms, as used in such opinion, have the respective meanings given thereto in the Underwriting Agreement), such opinion shall define the terms "Registration Statement", "Initial Registration Statement" and "Rule 462(b) Registration Statement" to include the Rule 430A Information and shall define the term "Prospectus" as the Prospectus in the form first furnished to the Underwriters for use in confirming sales of the Securities (and not as the Prospectus filed with the Commission pursuant to Rule 424(b).

In rendering such opinion, Company counsel shall state that such opinion covers matters arising under the laws of the State of Washington, the Delaware General Corporation Law, the Delaware Limited Liability Company Act and the federal laws of the United States of America that, in our experience, are normally applicable to transactions of the type contemplated by the Underwriting Agreement, in each case as generally publicly reported and available through normal means, and we do

not express any opinion as to the laws of any other state or jurisdiction. In rendering such opinion, Company counsel may rely as to matters involving the laws of any other state upon the opinion of local counsel satisfactory to the Representatives; provided that such opinion shall be addressed to the Representatives, shall state that Company counsel may rely on such opinion as if it were addressed to them in rendering their opinion pursuant to the Underwriting Agreement, shall be dated the same date as the opinion of Company counsel, shall be delivered to the Representatives at the same time that the opinion of Company counsel is delivered, and shall be satisfactory in form and substance to counsel for the Underwriters. In rendering such opinion, Company counsel may rely, as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company and public officials. Such opinion shall not state that it is to be governed or qualified by, or that it is otherwise subject to, any treatise, written policy or other document relating to legal opinions, including, without limitation, the Legal Opinion Accord of the ABA Section of Business Law (1991). In the event that such opinion shall contain a definition of Company's counsel's "knowledge" or other similar definition, such definition shall refer to the knowledge of those attorneys who have given substantive attention to any matters relating to the Company. Such opinion shall further state that Sidley Austin Brown & Wood LLP, counsel for the Underwriters, may, in rendering their opinion pursuant to the Underwriting Agreement, rely on such opinion of Company counsel with respect to all matters arising under or governed by the laws of the State of Washington. Such opinion of Company counsel shall further state that, to the extent that any agreement, instruments or other document referred to in such opinion is by its terms governed by the laws of any jurisdiction other than the State of Washington, the Delaware General Corporation Law, the Delaware Limited Liability Company Act or the federal laws of the United States of America, Company counsel has assumed that the laws of such jurisdiction are, in all respects relevant to such opinion, identical to laws of the State of Washington.

EXHIBIT G

Form of Opinion of Selling Shareholders Counsel

(1) The Underwriting Agreement has been duly authorized (if such Selling Shareholder is not a natural person), executed and delivered by each Selling Shareholder.

(2) Each Selling Shareholder (other than Brentwood) has duly authorized (if such Selling Shareholder is not a natural person), executed and delivered its Power of Attorney and its Custody Agreement and each such Power of Attorney and Custody Agreement constitutes a valid and binding obligation of such Selling Shareholder, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other similar laws relating to creditors' rights generally or by general equitable principles.

(3) In the case of any Selling Shareholders which are not natural persons, each such Selling Shareholder has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its organization.

(4) Each Selling Shareholder has full right, power and authority to execute, deliver and perform its obligations under the Underwriting Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement and to sell, transfer and deliver the Securities to be sold by such Selling Shareholder under the Underwriting Agreement.

(5) The execution, delivery and performance of the Underwriting Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement by each Selling Shareholder and the consummation of the transactions contemplated by the Underwriting Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement (including the sale and delivery of the Securities to be sold by such Selling Shareholder pursuant to the Underwriting Agreement), and compliance by such Selling Shareholder with its obligations under the Underwriting Agreement and (except in the case of Brentwood) its Power of Attorney and its Custody Agreement, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any Lien upon any of the Securities to be sold by such Selling Shareholder under the Underwriting Agreement pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, bond, note, debenture, evidence of indebtedness, lease or other agreement or instrument to which such Selling Shareholder or any of its subsidiaries (if any) is a party or by which such Selling Shareholder or any of its subsidiaries (if any) is bound or to which any of the property or assets of such Selling Shareholder or any of its subsidiaries (if any) is subject, nor does or will such action result in any violation of the provisions of the Organizational Documents of such Selling Shareholder (if such Selling Shareholder is not a natural person) or any of its subsidiaries (if any) or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over such Selling Shareholder or any of its subsidiaries (if any) or any of their respective assets, properties or operations.

(6) Each Selling Shareholder is the sole registered owner of the Securities to be sold by such Selling Shareholder under the Underwriting Agreement, free and clear, to our knowledge, of any Liens other than pursuant to the Underwriting Agreement; and, upon payment of the consideration for the Securities to be sold by the Selling Shareholders as provided in the Underwriting Agreement, delivery of such Securities, as directed by the Underwriters, to Cede or such other nominee as may be designated by DTC, registration of such Securities in the name of Cede or such other nominee, and the crediting of such Securities on the records of DTC to "securities accounts" (as defined in Section 8-501(a) of the Uniform Commercial Code of the State of New York (the "UCC")) of the Underwriters (assuming that neither DTC nor any such Underwriter has "notice of any adverse claim" (within the meaning of Section 8-105 of the UCC) to such Securities), (i) DTC shall be a "protected

purchaser" of such Securities within the meaning of Section 8-303 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire valid "security entitlements" (within the meaning of Section 8-102(a)(17) of the UCC) to such Securities and (iii) no action based on any "adverse claim" (as defined in Section 8-102 of the UCC) to the "financial asset" (as defined in Section 8-102(a)(9) of the UCC) consisting of such Securities deposited with or held by DTC, whether such action is framed in conversion, replevin, constructive trust, equitable lien, or other theory, may be asserted successfully against the Underwriters. In rendering the opinion set forth in this paragraph, such counsel may assume that when such payment, delivery and crediting of such Securities occur (x) such Securities will have been registered in the name of Cede or such other nominee designated by DTC, in each case on the Company's share registry in accordance with the Company's charter and by-laws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102(a)(1) of the UCC, and (z) appropriate entries to credit Securities to the securities accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(7) The Securities to be sold by the Selling Shareholders under the Underwriting Agreement are not subject to any option, warrant, put, call, right of first refusal or other right to purchase or otherwise acquire any such Securities arising under or pursuant to any Shareholder Documents or the LLC Agreement or, to our knowledge, otherwise except pursuant to the Underwriting Agreement.

(8) (A) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, (B) no authorization, approval, vote or other consent of (i) any stockholder (or other equity owner) of any Selling Shareholder (in the case of Selling Shareholders that are not natural persons) or any creditor of any Selling Shareholder, or (ii) if any of the Securities to be sold by the Selling Shareholders have been or will be distributed to such Selling Shareholders by Zumiez Holdings, of any member of Zumiez Holdings, (C) no waiver, consent or other action under any Shareholder Document to which any Selling Shareholder is a party or by which it is bound and (D) to our knowledge, no authorization, approval, vote or other consent of any other person or entity, is necessary or required for the execution or delivery by any Selling Shareholder of, or the performance by any Selling Shareholder of its obligations under, the Underwriting Agreement or (except in the case of Brentwood) its Custody Agreement or its Power of Attorney, for the sale and delivery by any Selling Shareholder of the Securities to be sold by it under the Underwriting Agreement or for the consummation by any Selling Shareholder of the other transactions contemplated by the Underwriting Agreement or (except in the case of Brentwood) its Custody Agreement or its Power of Attorney, except such as may be required under the 1933 Act, the 1933 Act Regulations, the 1934 Act or the 1934 Act Regulations or state securities laws.

(9) None of the Selling Shareholders has any preemptive right, right of first refusal or other similar right to purchase or otherwise acquire any of the Securities that are to be sold by the Company or any of the other Selling Shareholders under any Shareholder Document, the LLC Agreement or, to our knowledge, otherwise.

In rendering such opinion, such counsel shall state that such opinion covers matters arising under the laws of the States of Washington and (solely insofar as concerns the opinion set forth in paragraph (6)) New York and the federal laws of the United States of America. In rendering such opinion, such counsel may rely as to matters involving the application of the laws of any other jurisdiction upon the opinion of local counsel satisfactory to the Representatives; provided that such opinion shall be addressed to the Representatives, shall state that counsel to the Selling Shareholders may rely on such opinion as if it were addressed to them in rendering their opinion pursuant to the Underwriting Agreement, shall be dated the same date as the opinion of counsel to the Selling Shareholders, shall be delivered to the Representatives at the same time that the opinion of counsel to the Selling Shareholders is delivered, and shall be satisfactory in form and substance to counsel for the Underwriters. In rendering such opinion, counsel to the Selling Shareholders may rely, as to matters of

fact but not as to legal conclusions, to the extent they deem proper, on certificates of the Selling Shareholders and public officials. Such opinion shall not state that it is to be governed or qualified by or that it is otherwise subject to any treatise, written policy or other document relating to legal opinions, including, without limitation, the Legal Opinion Accord of the ABA Section of Business Law (1991). In the event that such opinion shall contain a definition of "knowledge" or other similar definition, such definition shall refer to the knowledge of those attorneys who have given substantive attention to any matters relating to the Selling Shareholders. Such opinion shall further state that, to the extent that any agreement, instruments or other document referred to in such opinion is by its terms governed by the laws of any jurisdiction other than the States of Washington and (solely insofar as concerns the opinion set forth in paragraph (6)) New York or the federal laws of the United States of America, such counsel has assumed that the laws of such jurisdiction are, in all respects relevant to such opinion, identical to laws of the State of Washington.

EXHIBIT H

Certificate of the Chief Financial Officer

Dated: • , 2005

I, Brenda I. Morris, Chief Financial Officer of Zumiez Inc., a Washington corporation (the "Company"), do hereby certify that this certificate is delivered pursuant to Section 5(•)(•) of the Underwriting Agreement dated • , 2005 (the "Underwriting Agreement") among the Company, the Selling Shareholders, and Wachovia Capital Markets, LLC and Piper Jaffray & Co., as representatives of the several Underwriters named therein, and do hereby further certify on behalf of the Company as follows:

I have compared certain amounts, percentages and other information appearing in the Company's registration statement on Form S-1 (No. 333-122865), as amended through the date hereof (the "Registration Statement"), and the Company's Prospectus dated • , 2005 (the "Prospectus"), which amounts, percentages and other information are circled on the attached pages from such Registration Statement and Prospectus, to amounts and other information appearing in the audited or unaudited financial statements of the Company or the general ledger or comparable financial records of the Company and have found such amounts, percentages and other information to be in agreement or, in the case of any such amounts, percentages and other information which could not be agreed directly to such financial statements, general ledger or other financial or accounting records, I have recomputed such amounts, percentages and other information using data appearing in such financial statements, general ledger or other financial or accounting records and found such amounts, percentages and other information, as so recomputed, to be in agreement.

Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the Underwriting Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first written above.

Brenda I. Morris
Chief Financial Officer

QuickLinks

Exhibit 1.1

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.7

ZUMIEZ INC.

2005 EQUITY INCENTIVE PLAN

**As approved by the Board of Directors
on January 24, 2005 and
Shareholders on , 2005**

1. PURPOSES.

(a) GENERAL PURPOSE. The Company, by means of the Plan, seeks to retain the services of Eligible Recipients, to secure and retain the services of new members of this group and to provide incentives for such persons to exert maximum efforts for the success of the Company and, if applicable, any of the Company's parents and subsidiaries.

(b) AVAILABLE STOCK AWARDS. The purpose of the Plan is to provide a means by which Eligible Recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) stock bonuses, (iv) Restricted Stock grants, (v) Restricted Stock Unit grants and (vi) Stock Appreciation Rights.

2. DEFINITIONS.

"Affiliate" means any Parent or Subsidiary of the Company, whether now or hereafter existing.

"Annual Increase" has the meaning set forth in Section 4(a) of the Plan.

"Board" means the Board of Directors of the Company.

"*Change in Control*" means (i) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Company immediately prior to such merger, consolidation or other reorganization; or (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means a committee of one or more members of the Board appointed by the Board in accordance with Section 3(c) of the Plan.

"Common Stock" means the common stock of the Company.

"Company" means Zumiez Inc., a Washington corporation.

"Consultant" means any person, including an advisor, (i) engaged by the Company or an Affiliate to render consulting or advisory services and who is compensated for such services, including members of any advisory board constituted by the Company, or (ii) who is a member of the Board of Directors of an Affiliate. However, the term "Consultant" shall not include either Directors who are not compensated by the Company for their services as Directors or Directors who are merely paid a director's fee by the Company for their services as Directors.

"Continuous Service" means, with respect to Employees, service with the Company or an Affiliate that is not interrupted or terminated. With respect to Directors or Consultants, Continuous Service means service with the Company, or a Parent or Subsidiary of the Company, whether as a Director or Consultant, that is not interrupted or terminated. The Board or the chief executive officer of the

Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave.

"Covered Employee" means the chief executive officer and the four (4) other highest compensated officers of the Company for whom total compensation is required to be reported to shareholders under the Exchange Act, as determined for purposes of Section 162(m) of the Code and the regulations promulgated thereunder.

"Director" means a member of the Board of Directors of the Company.

"Disability" means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code.

"Eligible Recipient" means any Employee, Director or Consultant of the Company or any Employee, Director or Consultant of a Parent or Subsidiary of the Company.

"Employee" means any person employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means an executive officer within the meaning of NASD Rule 4350(c), or any successor rule, as in effect from time to time.

"*Fair Market Value"* means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value of a share of Common Stock shall be the closing sale price for such stock (or the closing bid, if no sale was reported) as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the day of determination, as reported in *The Wall Street Journal* or such other source as the Board deems reliable.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value shall be determined in good faith by the Board using a reasonable valuation method.

"FAS 123" shall mean Statement of Financial Accounting Standard 123, "Accounting for Stock-based Compensation," as promulgated by the Financial Accounting Standards Board.

"Former Plans" shall mean collectively the Zumiez Inc. 1993 Stock Option Plan and the Zumiez Inc. 2004 Stock Option Plan.

"Former Plan Shares" has the meaning set forth in Section 4(b) of the Plan.

"Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

"Independent Director" means an independent director as defined in NASD Rule 4200(a)(15), or any successor rule, as in effect from time to time.

"Non-Employee Director" means a Director who either (i) is not a current Employee or Officer of the Company or its parent or a subsidiary, does not receive compensation (directly or indirectly) from the Company or its parent or a subsidiary for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K), does not possess an interest in any other transaction as to which disclosure would be required under Item 404(a) of Regulation S-K and is not engaged in a business relationship as to which disclosure would be required under Item 404(b) of Regulation S-K, or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

"Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

"Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

"Option" means a stock option granted pursuant to Section 6 of the Plan.

"Option Agreement" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

"Optionholder" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

"Outside Director" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" receiving compensation for prior services (other than benefits under a tax qualified pension plan), was not an officer of the Company or an "affiliated corporation" at any time and is not currently receiving direct or indirect remuneration from the Company or an "affiliated corporation" for services in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

"Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

"Participant" means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

"Performance Criteria" shall have the meaning set forth in Section 7(b)(iii) of the Plan.

"Plan" means this 2005 Equity Incentive Plan, as amended from time to time.

"Regulation S-K" means Regulation S-K promulgated pursuant to the Securities Act, as in effect from time to time.

"Re-Load Option" has the meaning set forth in Section 6(m) of the Plan.

"Repurchase Blackout Period" means six (6) months from the date the Common Stock relating to a Stock Award is issued to the Participant or, in the case of a Stock Award with vesting restrictions, six (6) months from the vesting date or, in any case, such longer or shorter period of time as required to avoid a variable charge to earnings for financial accounting purposes.

"Restricted Stock" shall mean a grant of shares of Common Stock pursuant to Section 7(b) of the Plan.

"Restricted Stock Units" shall mean a grant of the right to receive shares of Common Stock in the future or their cash equivalent (or both) pursuant to Section 7(b) of the Plan.

"Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

"Securities Act" means the Securities Act of 1933, as amended.

"Stand-Alone Stock Appreciation Right" has the meaning set forth in Section 7(c) of the Plan.

"Stock Appreciation Right" means the right to receive appreciation in the Common Stock pursuant to the provisions of Section 7(c) of the Plan.

"Stock Award" means any right granted under the Plan, including an Option, a stock bonus, a Stock Appreciation Right, a Restricted Stock grant and a Restricted Stock Unit grant.

"Stock Award Agreement" means a written agreement between the Company and a holder of a Stock Award evidencing the terms and conditions of an individual Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

"Subsidiary" means (1) in the case of an Incentive Stock Option, a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code, and (2) in the case of any other Stock Award, in addition to a subsidiary corporation as defined in clause (1), (A) a limited liability company, partnership or other entity in which the Company controls fifty percent (50%) or more of the voting power or equity interests, or (B) an entity with respect to which the Company possesses the power, directly or indirectly, to direct or cause the direction of the management and policies, whether through the Company's ownership of voting securities, by contract or otherwise.

"Tandem Stock Appreciation Right" has the meaning set forth in Section 7(c) of the Plan.

"Ten Percent Shareholder" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock comprising more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

3. ADMINISTRATION.

(a) Administration by Board. The Board shall administer the Plan unless and until the Board delegates administration to a Committee, as provided in Section 3(c). Whether or not the Board has delegated administration, the Board shall have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(b) Powers of Board. The Board (or the Committee) shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how each Stock Award shall be granted; what type or combination of types of Stock Award shall be granted; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Common Stock pursuant to a Stock Award; and the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(iii) To amend the Plan or a Stock Award as provided in Section 13.

(iv) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company that are not in conflict with the provisions of the Plan.

(c) Delegation to Committee. The Board may delegate administration of the Plan to a Committee of two (2) or more members of the Board, each of whom must qualify as a Non-Employee Director, Outside Director, and Independent Director. If administration is delegated to such a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be deemed to be to the Committee or subcommittee, as appropriate), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Notwithstanding the foregoing, only a Committee may grant Stock Awards to (i) senior executives of the Company who are subject to Section 16 of the Exchange Act, (ii) Covered Employees, or (iii) the chief executive officer or any other Executive Officer. The Board may abolish the Committee, or any subcommittee, at any time and revest in the Board the administration of the Plan.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

4. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to the provisions of Section 12 relating to adjustments upon changes in Common Stock, the Common Stock that may be issued pursuant to Stock Awards shall not exceed in the aggregate 2,925,000 shares of Common Stock plus (i) the number of Former Plan Shares (as defined below) and (ii) such number of additional shares determined in accordance with the next sentence. There shall be an annual increase to the number of shares available for Stock Awards effective on the first business day of each fiscal year of the Company, commencing on January 30, 2006, such that the total number of shares available for issuance hereunder shall equal fifteen percent (15%) of the total number of shares of Common Stock outstanding on such business day (the "*Annual Increase*"); provided, however, that in no event will the aggregate number of shares available for award hereunder exceed 4,387,500. Notwithstanding the foregoing, the Board may designate, in any fiscal year, that the Annual Increase be less than the maximum number of shares available for such increase or that there be no Annual Increase during such fiscal year. The shares that may be issuable under Incentive Stock Options shall be limited to the above maximum number of shares reserved under the Plan.

(b) Reversion of Shares and Availability of Shares to the Share Reserve. If any Stock Award granted under the Plan or under the Former Plans shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, or if any shares of Common Stock issued to a Participant pursuant to a Stock Award granted under the Plan or under the Former Plans are forfeited back to or repurchased by the Company, including, but not limited to, any repurchase or forfeiture caused by the failure to meet a contingency or condition required for the vesting or exercise of such shares, then the shares of Common Stock not acquired under such Stock Award (the "*Former Plan Shares*"), shall become available for issuance under the Plan. Former Plan Shares shall include reserved shares of Common Stock that are not subject to a grant under the Former Plans. The number of shares of Common Stock underlying a Stock Award not issued as a result of any of the following actions shall again be available for issuance under the Plan: (i) a payout of a Stand-Alone Stock Appreciation Right, or a performance-based award of Restricted Stock or Restricted Stock Units in the form of cash; (ii) a cancellation, termination, expiration, forfeiture, or lapse for any reason (with the exception of the termination of a Tandem Stock Appreciation Right upon exercise of the related Options, or the termination of a related Option upon exercise of the corresponding Tandem Stock Appreciation Right) of any Stock Award; or (iii) payment of the Option exercise price and/or payment of any taxes arising upon exercise of the Option by withholding shares of Common Stock which otherwise would be acquired on exercise or issued upon such payout.

(c) Source of Shares. The shares of Common Stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

5. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to Employees. Stock Awards other than Incentive Stock Options may be granted to Eligible Recipients.

(b) Ten Percent Shareholders. A Ten Percent Shareholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock at the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant shall not be eligible for the grant of a Stock Award if, at the time of grant, a Form S-8 Registration Statement under the Securities Act ("*Form S-8*") is not available to register either the offer or the sale of the Company's securities to such Consultant because of the nature of the services that the Consultant is providing to the Company, or because the Consultant is

not a natural person, or as otherwise provided by the rules governing the use of Form S-8, unless the Company determines both (i) that such grant (A) shall be registered in another manner under the Securities Act (e.g., on a Form S-3 Registration Statement) or (B) does not require registration under the Securities Act in order to comply with the requirements of the Securities Act, if applicable, and (ii) that such grant complies with the securities laws of all other relevant jurisdictions. Form S-8 generally is available to consultants and advisors only if (i) they are natural persons, (ii) they provide bona fide services to the issuer, its parents, its majority-owned subsidiaries or majority-owned subsidiaries of the issuer's parent, and (iii) the services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer's securities.

(d) Foreign Participants. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its subsidiaries operate or have Employees, Directors or Consultants, the Board, in its sole discretion, shall have the power and authority to: (i) determine which subsidiaries shall be covered by the Plan; (ii) determine which Employees, Directors or Consultants outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Stock Award granted to Employees, Directors or Consultants outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable (any such subplans and/or modifications shall be attached to this subplan as appendices); provided, however, that no such subplans and/or modifications shall increase the number of shares reserved for the Plan as set forth in Section 4 of the Plan; and (v) take any action, before or after a Stock Award is made, that it deems advisable to obtain approval or comply with any applicable foreign laws.

6. OPTION PROVISIONS.

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 5(b) regarding Ten Percent Shareholders, no Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) Exercise Price of an Incentive Stock Option. Subject to the provisions of Section 5(b) regarding Ten Percent Shareholders, the exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

(c) Exercise Price of a Nonstatutory Stock Option. The exercise price of Nonstatutory Stock Options shall be determined by the Board. However, the exercise price of each Nonstatutory Stock Option that is intended to qualify as performance-based compensation within the meaning of the Treasury Regulations promulgated under Section 162(m) of the Code shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted.

(d) Consideration. The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Option is exercised, or (ii) at the discretion of the Board at the time of the grant of the Option (or subsequently in the case of a Nonstatutory Stock Option) (A) by delivery to the Company of other

Common Stock, (B) according to a deferred payment or other similar arrangement with the Optionholder, (C) pursuant to a cashless exercise program implemented by the Company in connection with the Plan, or (D) in any other form of legal consideration that may be acceptable to the Board. Unless otherwise specifically provided in the Option Agreement, the purchase price of Common Stock acquired pursuant to an Option that is paid by delivery to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

In the case of any deferred payment arrangement, interest shall be compounded at least annually and shall be charged at the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(e) Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(f) Transferability of a Nonstatutory Stock Option. A Nonstatutory Stock Option shall be transferable only to the extent provided in the Option Agreement (subject to applicable securities laws). Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(g) Vesting Generally. The total number of shares of Common Stock subject to an Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The provisions of this Section 6(g) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

(h) Termination of Continuous Service. In the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Optionholder's Continuous Service (or, except with respect to Incentive Stock Options, such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Option Agreement, the Option shall terminate.

(i) Extension of Termination Date. Except with respect to Incentive Stock Options, an Optionholder's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service (other than upon the Optionholder's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in Section 6(a), or (ii) the expiration of a period of three (3) months after the termination of the Optionholder's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements.

(j) Disability of Optionholder. In the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option

(to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination (or, except with respect to Incentive Stock Options, such longer or shorter period specified in the Option Agreement) or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein, the Option shall terminate.

(k) Death of Optionholder. In the event (i) an Optionholder's Continuous Service terminates as a result of the Optionholder's death or (ii) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionholder's death pursuant to Section 6(e) or 6(f), but only within the period ending on the earlier of (A) the date eighteen (18) months following the date of death (or, except with respect to Incentive Stock Options, such longer or shorter period specified in the Option Agreement) or (B) the expiration of the term of such Option as set forth in the Option Agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

(l) Early Exercise. The Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. The early purchase of any unvested shares of Common Stock will be pursuant to an early exercise provision in the Option Agreement which may provide for a repurchase option in favor of the Company and other restrictions the Board determines to be appropriate. Any repurchase option so provided for will be subject to the repurchase provisions set forth in Section 11(h) herein.

(m) Substitution of Stock Appreciation Rights for Options . If the Company is required to or elects to expense the cost of Options pursuant to FAS 123 (or a successor or other standard), the Board shall have the sole discretion to substitute without receiving Participants' permission, Stock Appreciation Rights paid only in stock for outstanding Options; provided, the terms of the substituted Stock Appreciation Rights are substantially the same as the terms of the Options, the number of shares underlying the number of Stock Appreciation Rights equals the number of shares underlying the Options and the difference between the Fair Market Value of the underlying shares of Common Stock and the grant price of the Stock Appreciation Rights is equivalent to the difference between the Fair Market Value of the underlying shares of Common Stock and the exercise price of the Options.

(n) Re-Load Options.

(i) Without in any way limiting the authority of the Board to make or not to make grants of Options hereunder, the Board shall have the authority (but not an obligation) to include as part of any Option Agreement a provision entitling the Optionholder to a further Option (a "*Re-Load Option*") in the event the Optionholder exercises the Option evidenced by the Option Agreement, in whole or in part, by surrendering other shares of Common Stock in accordance with this Plan and the terms and conditions of the Option Agreement. Unless otherwise specifically provided in the Option Agreement, the Optionholder shall not surrender shares of Common Stock acquired, directly or indirectly from the Company, unless such shares have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

(ii) Any such Re-Load Option shall (i) provide for a number of shares of Common Stock equal to the number of shares of Common Stock surrendered as part or all of the exercise price of such Option, (ii) have an expiration date which is the same as the expiration date of the Option the exercise of which gave rise to such Re-Load Option, and (iii) have an exercise price which is equal to one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option. Notwithstanding the foregoing,

a Re-Load Option shall be subject to the same exercise price and term provisions heretofore described for Options under the Plan.

Any such Re-Load Option may be an Incentive Stock Option or a Nonstatutory Stock Option, as the Board may designate at the time of the grant of the original Option; provided, however, that the designation of any Re-Load Option as an Incentive Stock Option shall be subject to the one hundred thousand dollar ($100,000) annual limitation on the exercisability of Incentive Stock Options described in Section 11(d) of the Plan and in Section 422(d) of the Code. There shall be no Re-Load Options on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares of Common Stock under Section 4(a) and shall be subject to such other terms and conditions as the Board may determine that are not inconsistent with the express provisions of the Plan regarding the terms of Options.

7. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS.

(a) Stock Bonus Awards. Grants of stock bonus awards shall be pursuant to a Stock Award Agreement, which shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of each grant of a stock bonus award shall include (through incorporation of provisions hereof by reference in the Stock Award Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A stock bonus may be awarded in consideration for past services rendered to the Company or an Affiliate for its benefit.

(ii) Vesting; Right of Repurchase. Shares of Common Stock awarded under the Stock Award Agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board. Such repurchase option is subject to the repurchase provisions set forth in Section 11(h).

(iii) Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination under the terms of the Stock Award Agreement. In such event, the Company shall not reaquire the Common Stock until after the Repurchase Blackout Period.

(iv) Transferability. Rights to acquire shares of Common Stock under the Stock Award Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement, as the Board shall determine in its discretion, so long as Common Stock awarded under the Stock Award Agreement remains subject to the terms of the Stock Award Agreement.

(b) Restricted Stock and Restricted Stock Units.

(i) Designation. Restricted Stock or Restricted Stock Units may be granted under the Plan. Restricted Stock or Restricted Stock Units may include a dividend equivalent right, as permitted by Section 12(a). After the Board determines that it will offer Restricted Stock or Restricted Stock Units, it will advise the Participant in writing or electronically, by means of a Stock Award Agreement, of the terms, conditions and restrictions, including vesting, if any, related to the offer, including the number of shares of Common Stock that the Participant shall be entitled to receive or purchase, the price to be paid, if any, and, if applicable, the time within which the Participant must accept the offer. The offer shall be accepted by execution of a Stock Award Agreement or as otherwise directed by the Board. The term of each award of Restricted Stock or Restricted Stock Units shall be at the discretion of the Board.

(ii) Restrictions. Subject to Section 8(b)(iii), the Board may impose such conditions or restrictions on the Restricted Stock or Restricted Stock Units granted pursuant to the Plan as it may determine advisable, including the achievement of specific performance goals, time based

restrictions on vesting, or others. If the Board established performance goals, the Board shall determine whether a Participant has satisfied the performance goals.

(iii) Performance Criteria. Restricted Stock and Restricted Stock Units granted pursuant to the Plan that are intended to qualify as "performance based compensation" under Section 162(m) of the Code shall be subject to the attainment of performance goals relating to the Performance Criteria selected by the Board and specified at the time such Restricted Stock and Restricted Stock Units are granted. For purposes of this Plan, "*Performance Criteria*" means one or more of the following (as selected by the Board and as such list to be amended or supplemented from time to time by the Plan Administrator): (1) cash flow; (2) earnings per share; (3) earnings before interest, taxes, and amortization; (4) return on equity; (5) total shareholder return; (6) share price performance; (7) return on capital; (8) return on assets or net assets; (9) revenue; (10) revenue growth; (11) earnings growth; (12) operating income; (13) operating profit; (14) profit margin; (15) return on operating revenue; (16) return on invested capital; (17) market price; (18) brand recognition; (19) customer satisfaction; (20) operating efficiency; or (21) productivity. Any of these Performance Criteria may be used to measure the performance of the Company as a whole or any business unit or division of the Company.

(iv) Transferability. Restricted Stock and Restricted Stock Units shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement, as the Board shall determine in its discretion.

(v) Vesting. Unless the Board determines otherwise, the Stock Award Agreement shall provide for the forfeiture of the non-vested shares of Common Stock underlying Restricted Stock or the termination of unvested Restricted Stock Units upon termination of a Participant's Continuous Service. To the extent that the Participant purchased the shares of Common Stock granted under any such Restricted Stock award and any such shares of Common Stock remain non-vested at the time of termination of a Participant's Continuous Service, the termination of Participant's Continuous Service shall cause an immediate sale of such non-vested shares of Common Stock to the Company at the original price per share of Common Stock paid by the Participant.

(c) Stock Appreciation Rights. Grants of Stock Appreciation Rights shall be pursuant to a Stock Award Agreement, which shall be in such form and shall contain such terms and conditions, as the Board shall deem appropriate. The Board may grant Stock Appreciation Rights in connection with all or any part of an Option ("*Tandem Stock Appreciation Rights*") to a Participant or in a stand-alone grant ("*Stand-Alone Stock Appreciation Rights*"). The terms and conditions of a Stock Appreciation Right shall include (through incorporation of the provisions hereof by reference in the Stock Award Agreement or otherwise) the substance of each of the following provisions:

(i) Calculation of Appreciation. Each Stock Appreciation Right will be denominated in shares of Common Stock equivalents. The appreciation distribution payable on the exercise of a Stock Appreciation Right will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a number of shares of Common Stock equal to the number of share of Common Stock equivalents in which the Participant is vested under such Stock Appreciation Right and with respect to which the Participant is exercising the Stock Appreciation Right on such date, over (B) an amount that will be determined by the Board at the time of grant of the Stock Appreciation Right (which amount, in the case of Stock Appreciation Rights intended to qualify as performance-based compensation within the meaning of the Treasury Regulations under Section 162(m) of the Code, shall be not less than the Fair Market Value of such shares of Common Stock at the time of grant of the Common Stock equivalents).

(ii) Vesting. At the time of the grant of a Stock Appreciation Right, the Board may impose such restrictions or conditions to the vesting of such Stock Appreciation Right as it deems appropriate.

(iii) Exercise. To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Award Agreement evidencing such Stock Appreciation Right.

(iv) Payment. The appreciation distribution in respect of a Stock Appreciation Right may be paid in Common Stock, in cash, or any combination of the two, as the Board deems appropriate.

(v) Termination of Continuous Service. If a Participant's Continuous Service terminates for any reason, any unvested Stock Appreciation Rights shall be forfeited and any vested Stock Appreciation Rights shall be automatically redeemed.

(vi) Transferability. Stock Appreciation Rights shall be transferable by the Participant only upon such terms and conditions as are set forth in the Stock Award Agreement, as the Board shall determine in its discretion.

(vii) Tandem Stock Appreciation Rights. A Tandem Stock Appreciation Right shall be exercisable only to the extent that the related Option is exercisable and a Tandem Stock Appreciation Right shall expire no later than the date on which the related Option expires.

8. COVENANTS OF THE COMPANY.

(a) Availability of Shares. During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

9. USE OF PROCEEDS FROM STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

10. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board, but no Stock Award shall be exercised (or, in the case of a stock bonus, shall be granted) unless and until the Plan has been approved by the shareholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

11. MISCELLANEOUS.

(a) Acceleration of Exercisability and Vesting. The Board shall have the power to accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(b) Shareholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms.

(c) No Employment or other Service Rights. Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(e) Maximum Award Amounts. In no event shall a Participant receive a Stock Award or Stock Awards during any one (1) calendar year covering in the aggregate more than 1,000,000 shares of Common Stock.

(f) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award, and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (1) the issuance of the shares of Common Stock upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (2) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(g) Withholding Obligations. To the extent provided by the terms of a Stock Award Agreement, the Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under a Stock Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) tendering a cash payment, (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Stock Award, provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law, or (iii) delivering to the Company owned and unencumbered shares of Common Stock.

(h) Repurchase Provisions. The Company shall exercise any repurchase option specified in the Stock Award by giving the holder of the Stock Award written notice of intent to exercise the repurchase option. Payment may be cash or cancellation of purchase money indebtedness for the Common Stock. The terms of any repurchase option shall be specified in the Stock Award and may be either at Fair Market Value at the time of repurchase or at not less than the original purchase price.

(i) Golden Parachute Taxes. In the event that any amounts paid or deemed paid to a Participant under the Plan are deemed to constitute "excess parachute payments" as defined in Section 280G of

the Code (taking into account any other payments made under the Plan and any other compensation paid or deemed paid to a Participant), or if any Participant is deemed to receive an "excess parachute payment" by reason of his or her vesting of Options pursuant to Section 12(c) herein, the amount of such payments or deemed payments shall be reduced (or, alternatively the provisions of Section 12(c) shall not act to vest options to such Participant), so that no such payments or deemed payments shall constitute excess parachute payments. The determination of whether a payment or deemed payment constitutes an excess parachute payment shall be in the sole discretion of the Board.

(j) Plan Unfunded. The Plan shall be unfunded. Except for the Board's reservation of a sufficient number of authorized shares to the extent required by law to meet the requirements of the Plan, the Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure payment of any Stock Award under the Plan.

12. ADJUSTMENTS UPON CHANGES IN STOCK.

(a) Capitalization Adjustments. In the event that any dividend or other distribution (whether in the form of cash, shares of the Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may, in its sole discretion, adjust the number and class of Common Stock that may be delivered under the Plan and/or the number, class, and price of Common Stock covered by each outstanding Stock Award. In lieu of the payment of a dividend the Board in its discretion may provide holders of Restricted Stock or Restricted Stock Units a dividend equivalent right, in the form of additional shares of Common Stock or units, with respect to the unvested shares of Common Stock or unvested units the Participant shall be entitled to receive or purchase.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Board will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, a Stock Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of Change in Control, then, to the extent permitted by applicable law: (1) any surviving corporation may assume any Stock Awards outstanding under the Plan or may substitute similar stock awards (including an award to acquire the same consideration paid to the shareholders in the transaction described in this Section 12(c)) for those outstanding under the Plan, or (2) in the event any surviving corporation does not assume or continue such Stock Awards, or to substitute similar stock awards for those outstanding under the Plan in accordance with the preceding clause, then the time during which such Stock Awards may be exercised automatically will be accelerated and become fully vested and exercisable immediately prior to the consummation of such transaction, and the Stock Awards shall automatically terminate upon consummation of such transaction if not exercised prior to such event.

(d) No Limitations. The grant of Stock Awards will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

13. AMENDMENT OF THE PLAN AND STOCK AWARDS.

(a) Amendment of Plan. The Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 12 relating to adjustments upon changes in Common Stock, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy the applicable requirements of Section 422 or 162(m) of the Code and the Treasury Regulations thereunder, Rule 16b-3 or any Nasdaq or securities exchange listing requirements. For purposes of clarity, any increase in the number of shares reserved for issuance

hereunder in accordance with the provisions of Section 4(a) hereof shall not be deemed to be an amendment to the Plan.

(b) Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(c) No Impairment of Rights. Rights under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

(d) Amendment of Stock Awards. The Board at any time, and from time to time, may amend the terms of any one or more Stock Awards; provided, however, that the rights under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

14. TERMINATION OR SUSPENSION OF THE PLAN.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the date the Plan is adopted by the Board or approved by the shareholders of the Company, whichever is later. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the Participant.

15. CHOICE OF LAW.

The law of the State of Washington shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of laws rules.

QuickLinks

Exhibit 10.8

ZUMIEZ INC.

2005 EMPLOYEE STOCK PURCHASE PLAN

The Company does hereby establish its 2005 Employee Stock Purchase Plan as follows:

1. PURPOSE OF THE PLAN. The purpose of this Plan is to provide eligible employees who wish to become shareholders in the Company a convenient method of doing so. It is believed that employee participation in the ownership of the business will be to the mutual benefit of the employees and the Company. The Company intends to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan, accordingly, shall be construed so as to extend and limit participation in a manner that is consistent with the requirements of that section of the Code.

2. DEFINITIONS.

"**Account**" shall mean the funds accumulated with respect to an individual Participant as a result of deductions from his or her pay for the purpose of purchasing stock under this Plan. The funds allocated to a Participant's Account shall remain the property of the respective employee at all times but may be commingled with the general funds of the Company. No interest shall be accrued, owed or paid on amounts in a Participant's Account.

"**Board**" means the Board of Directors of the Company.

"**Change in Control**" means (i) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not shareholders of the Company immediately prior to such merger, consolidation or other reorganization; or (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Committee**" means the Compensation Committee of the Board (or any other committee of the Board comprised to comply with Rule 16b-3 promulgated under the Exchange Act and designated by the Board to administer the Plan). Notwithstanding any delegation of authority to the Committee, the Board may also take any action under the Plan in its discretion at any time, and any reference in this Plan document to the rights and obligations of the Committee shall be construed to apply equally to the Board.

"**Company**" means Zumiez Inc.

"**Compensation**" means total performance-based pay received by a Participant from the Company or any of its Subsidiaries, including salary, wages, performance bonuses, commissions, incentive compensation and overtime. Compensation shall not include moving or relocation allowances, equalization payments, patent or sign-on bonuses, tuition or other expense reimbursements, meal allowances, commuting or automobile allowances, severance pay, fringe benefits received under employee benefit plans, and income realized as a result of participation in any stock plan, including without limitation any stock option, stock award, stock purchase, or similar plan, of the Company or any Subsidiary.

"**Eligible Employee**" means any individual who is a common law employee of the Company or one of its Subsidiaries and is customarily employed for at least twenty (20) hours per week and more than

five (5) months in any calendar year by the Company or one of its Subsidiaries. For purposes of the Plan, an individual will not cease to be an Eligible Employee while the individual is on sick leave or other leave of absence approved by the Company (or one of its Subsidiaries as applicable). Where the period of leave exceeds ninety (90) days and the individual's right to reemployment is not guaranteed either by statute or by contract, the individual shall cease to be an Eligible Employee on the 91st day of such leave, unless otherwise determined by the Committee.

"**ESPP Broker**" means a stock brokerage or other financial services firm designated by the Company to establish accounts for shares purchased under the Plan by Participants.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means, as of any date, the value determined as follows:

(i) If the Company's common stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or the Nasdaq SmallCap Market, its Fair Market Value shall be the closing sales price for the common stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(ii) If the Company's common stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean of the closing bid and asked prices for the common stock on the date of determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(iii) In the absence of an established market for the Company's common stock, its Fair Market Value shall be determined in good faith by the Committee.

"**Offering Date**" means the commencement date of an offering.

"**Participant**" means an Eligible Employee that has complied with the requirements of Section 6.

"**Plan**" means this Zumiez Inc. 2005 Employee Stock Purchase Plan.

"**Purchase Price**" means, with respect to a particular offering, the lesser of (1) 85% of the Fair Market Value of the Company's common stock on the Offering Date (or the first Trading Day following the Offering Date if the Offering Date is not a Trading Day); or (2) 85% of the Fair Market Value of the Company's common stock on the last Trading Day of the offering.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Subsidiaries**" means any present or future domestic or foreign corporation that: (a) would be a "subsidiary corporation" of the Company as that term is defined in Section 424 of the Code, and (b) whose employees have been designated by the Committee to be eligible to be Participants under the Plan. The Committee shall have complete discretion to designate from time to time the subsidiary corporations whose employees will be eligible to be Participants under the Plan, and the Committee's designation or change in designation to add or remove a corporation from the list of participating subsidiary corporations shall not require the consideration or approval of the Company's shareholders.

"**Trading Day**" means a day on which the U.S. national stock exchanges and the Nasdaq National Market are open for trading.

3. EMPLOYEES ELIGIBLE TO PARTICIPATE.

3.1 *Initial Offering*. Any individual that is an Eligible Employee on the Offering Date of the initial offering under the Plan shall be automatically enrolled in the initial offering.

3.2 *Subsequent Offerings*. Any individual that is an Eligible Employee on any Offering Date subsequent to the initial Offering Date is eligible to participate in that offering, subject to the limitations set forth in Section 11.

4. OFFERINGS. Subject to the right of the Committee, in its sole discretion, to change the Offering Date or term of any offering, the Plan shall be implemented through consecutive six-month offerings with a new offering commencing January 1 and July 1 of each year, or on such other date as the Committee shall determine, and continuing thereafter until the Plan is terminated in accordance with Section 24; *provided, however*, that the initial offering under the Plan shall commence on the first Trading Day after the date on which Company's registration statement for its initial public offering of its common stock is declared effective by the Securities and Exchange Commission under the Securities Act, and shall end on the ensuing June 30 or December 31, whichever is earlier. Participation in one offering under the Plan shall neither limit, nor require, participation in any other offering.

5. NUMBER OF SHARES TO BE OFFERED. The maximum number of shares that will be offered under the Plan is 500,000 shares, subject to adjustments as set forth in Section 19.1. The shares to be sold to Participants under the Plan will be common stock of the Company. If for any reason not all shares offered to a Participant under an option grant are purchased (e.g., due to a withdrawal pursuant to Section 12.1), the shares not purchased shall again become available to be offered under the Plan. If the total number of shares of common stock for which options are to be granted on any date exceeds the number of shares then available under the Plan (after deduction of all shares for which options have been exercised or are then outstanding), the Company shall make a pro rata allocation of the shares remaining available in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable. In such event, the payroll deductions to be made pursuant to the authorizations therefor shall be reduced accordingly and the Company shall give written notice of such reduction to each Participant affected thereby.

6. PARTICIPATION.

6.1 *Initial Offering*. An Eligible Employee who has become a Participant in the initial offering under the Plan pursuant to Section 3.1 shall be entitled to continue his or her participation in such offering only if he or she submits to the Company (or other such person so designated by the Company) a properly completed enrollment agreement authorizing payroll deductions in the form provided by the Company for such purpose (i) no earlier than the effective date of the filing with the Securities and Exchange Commission of the Company's Registration Statement on Form S-8 with respect to the shares of common stock issuable under the Plan, and (ii) no later than five (5) business days from such date of the filing of the Company's Registration Statement on Form S-8 or such other period of time as the Committee may determine. A Participant's failure to submit the enrollment agreement during such period shall result in the automatic termination of his or her participation in the initial offering under the Plan.

6.2 *Subsequent Offerings*. An Eligible Employee may become a Participant in any subsequent offering under the Plan (after the initial offering) by completing and submitting to the Company (or other such person so designated by the Company) an enrollment agreement provided by the Company. The enrollment agreement may be completed at any time after the individual becomes an Eligible Employee, and will be effective as of the next Offering Date following the receipt by the Company (or other such person so designated by the Company) of a properly completed enrollment agreement.

6.3 *Additional Enrollment Agreements*. The Committee may require current Participants to complete new enrollment agreements at any time it deems necessary or desirable to facilitate administration of the Plan or for any other reason.

7. PAYROLL DEDUCTIONS.

7.1 *Deduction Percentage*. At the time a Participant submits his or her enrollment agreement, which shall include a payroll deduction authorization, he or she shall elect to have deductions made from his or her Compensation on each payday during the time he or she is a Participant in an offering at any non-fractional percentage rate from 1% to 15%.

7.2 *Commencement of Payroll Deductions*. Payroll deductions authorized by a Participant shall commence on the first payday following the Offering Date and shall continue through subsequent offerings until the Participant ceases to be an Eligible Employee or when he or she withdraws or suspends his or her participation from the Plan as provided in Section 12; *provided, however*, that for the initial offering under the Plan, payroll deductions shall commence on the first payday as shall be administratively practicable following the Participant's submission of an enrollment agreement to the Company (or other such person so designated by the Company) pursuant to Section 6.1.

7.3 *Participant's Account*. All payroll deductions from a Participant shall be credited to his or her Account under the Plan. Payroll deduction shall be the sole means of accumulating funds in a Participant's Account. A Participant may not make any separate cash or other payment into such Account nor may payment for shares be made other than by payroll deduction.

7.4 *Changes to Payroll Deductions*. A Participant may withdraw from or suspend his or her participation in the Plan as provided in Section 12, but no other change may be made during an offering with respect to that offering. Other changes permitted under the Plan may only be made with respect to an offering that has not yet commenced. A Participant may change his or her payroll deduction percentage election, effective as of the next Offering Date, by submitting a revised enrollment agreement prior to such Offering Date. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 11 herein, a Participant's payroll deductions may be decreased to zero percent (0%) at any time during an offering.

8. GRANTING OF OPTION. On the Offering Date, the Company shall be deemed to have granted to the Participant an option under the Plan to purchase as many full shares of the Company's common stock as he or she is able to purchase with the payroll deductions accumulated in his or her Account during his or her participation in that offering at a price per share equal to the Purchase Price for such offering; *provided, however*, that in no event shall a Participant be permitted to purchase during any single offering more than 2,000 shares (subject to adjustments as set forth in Section 19.1). Notwithstanding the foregoing, a Participant's option to purchase shares of the Company's common stock hereunder shall be subject to the limitations set forth in Section 11 herein. All Eligible Employees who participate in an offering shall have the same rights and privileges with respect to that offering in accordance Section 423(b)(5) of the Code.

9. EXERCISE OF OPTION. Unless a Participant withdraws from the Plan as provided in Section 12.1, his or her option for the purchase of shares of the Company's common stock shall be exercised automatically on the final day of the offering, and the maximum number of full shares subject to the option shall be purchased for such Participant at the applicable Purchase Price with the accumulated payroll deductions in his or her Account. No fractional shares of the Company's common stock shall be purchased.

10. CARRYOVER OF ACCOUNT. At the termination of each offering, the Company shall automatically re-enroll the Participant in the next offering at the Participant's then current rate of payroll deduction unless the Participant has notified the Company that he or she wants to change his or her payroll deduction rate or not participate in the next offering(s). The balance in the Participant's Account that results because the Plan does not permit purchases of fractional shares shall be retained

in the Participant's Account for the subsequent offering, subject to earlier withdrawal by the Participant as provided in Section 12.1. Upon termination of the Plan, the entire balance of each Participant's Account shall be refunded to him or her.

11. LIMITATIONS ON PARTICIPATION. Notwithstanding any provisions of the Plan to the contrary, no Participant shall be granted an option under the Plan (i) to the extent that, immediately after the grant, such Participant (or any other person whose stock would be attributed to such Participant pursuant to Section 424(d) of the Code) would own capital stock of the Company or any parent or subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any parent or subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any parent or subsidiary of the Company accrues at a rate which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time.

12. WITHDRAWAL AND SUSPENSION.

12.1 *Withdrawal from the Plan*. A Participant may, at any time prior to the first day of the last calendar month of an offering, withdraw from an offering, in whole but not in part, by submitting a withdrawal notice to the Company (or other such person so designated by the Company), in which event the Company will refund the entire balance of his or her Account as soon as practicable thereafter.

12.2 *Suspension of Participation*. A Participant may, at any time prior to the first day of the last calendar month of an offering, reduce his or her payroll deduction to zero by submitting a suspension notice to the Company (or other such person so designated by the Company), thereby suspending participation in the Plan. Such reduction will be effective as soon as practicable after receipt of the Participant's suspension notice. Shares shall be purchased in accordance with Section 9 based on the amounts accumulated in the Participant's Account prior to the suspension of payroll deductions.

12.3 *Re-Enrollment in the Plan*. If a Participant withdraws or suspends his or her participation pursuant to Sections 12.1 or 12.2 above, he or she shall not participate in a subsequent offering unless and until he or she re-enrolls the Plan. To re-enroll in the Plan, a Participant who has previously withdrawn or suspended participation by reducing payroll deductions to zero must file a new enrollment agreement. The Participant's re-enrollment in the Plan will not become effective prior to the Offering Date for the next offering following his or her withdrawal or suspension, and if the Participant is an officer of the Company within the meaning of Section 16 of the Exchange Act, he or she may not re-enroll in the Plan before the beginning of the second offering following his or her withdrawal or suspension.

13. DELIVERY OF SHARES. Promptly following the end of each offering, the number of shares of the Company's common stock purchased by each Participant shall be deposited into an account established in the Participant's name at the ESPP Broker. The Participant may direct, by written notice to the Company (or other such person so designated by the Company) at the time of his or her enrollment in the Plan, that his or her ESPP Broker account be established in the names of the Participant and one other person designated by the Participant, as joint tenants with right of survivorship, tenants in common, or community property, to the extent and in the manner permitted by applicable law. A Participant shall be free to undertake a disposition (as that term is defined in Section 424(c) of the Code) of the shares in his or her account with the ESPP Broker at any time, whether by sale, exchange, gift, or other transfer of legal title, but in the absence of such a disposition of the shares, the shares must remain in the Participant's account at the ESPP Broker until the holding period set forth in Section 423(a) of the Code has been satisfied. With respect to shares for which the

Section 423(a) holding period has been satisfied, the Participant may move such shares to another brokerage account of Participant's choosing or request that a stock certificate be issued and delivered to him or her. A Participant who is not subject to payment of U.S. income taxes may move his or her shares to another brokerage account of his or her choosing or request that a stock certificate be issued and delivered to him or her at any time, without regard to the satisfaction of the Section 423(a) holding period.

14. NO EMPLOYMENT RIGHTS. The Plan does not create, directly or indirectly, in any employee or class of employees any right with respect to continuation of employment by the Company or employment for a certain number of hours per week or months per calendar year, and it shall not be deemed to interfere in any way with the Company's right to terminate, or otherwise modify, an employee's employment at any time.

15. NO SHAREHOLDER RIGHTS. No Participant shall have any right as a shareholder with respect to any shares of the Company's common stock until the shares have been purchased in accordance with Section 9 above and the shares of common stock have been issued by the Company.

16. RIGHTS NOT TRANSFERABLE. No Participant shall be permitted to sell, assign, transfer, pledge, or otherwise dispose of or encumber either the payroll deductions credited to his or her Account or any rights with regard to the exercise of an option or to receive shares under the Plan other than by will or the laws of descent and distribution, and such right and interest shall not be liable for, or subject to, the debts, contracts, or liabilities of the Participant. If any such action is taken by the Participant, or any claim is asserted by any other party in respect of such right and interest whether by garnishment, levy, attachment or otherwise, such action or claim will be treated as an election to withdraw funds in accordance with Section 12.1. Only an Eligible Employee and/or a Participant may elect to participate in, suspend participation in or withdraw from the Plan, and such election rights may not be transferred.

17. TERMINATION OF EMPLOYMENT. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she shall be deemed to have elected to withdraw from the Plan and the payroll deductions accumulated in such Participant's Account during the offering but not yet used to purchase shares of the Company's common stock under the Plan shall be refunded to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 18, and such Participant's option shall be automatically terminated.

18. DESIGNATION OF BENEFICIARY. A Participant may designate a beneficiary who is to receive (i) any shares of the Company's common stock and cash, if any, from the Participant's Account under the Plan in the event of such Participant's death subsequent to the date on which the option is exercised with respect to an offering but prior to delivery to such Participant of such shares and cash, and (ii) any cash from the Participant's Account under the Plan in the event of such Participant's death prior to exercise of the option with respect to an offering. If a Participant is married and the designated beneficiary is not his or her spouse, spousal consent shall be required for such designation to be effective. A Participant may change his or her beneficiary at any time by written notice to the Company (or other such person so designated by the Company). In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate. All beneficiary designations under this Section 18 shall be made in such form and manner as the Committee may prescribe from time to time.

19. ADJUSTMENTS; CHANGE IN CONTROL.

19.1 *Adjustments*. In the event of reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, offerings of rights, or any other change in the structure of the common shares of the Company, the Committee may make such adjustment, if any, as it may deem appropriate in the number, kind, and the price of shares available for purchase under the Plan, and in the number of shares which a Participant is entitled to purchase.

19.2 *Change in Control*. In the event of a Change in Control, then, to the extent permitted by law, each outstanding option may be assumed or an equivalent option may be substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, or continue the option, any offering then in progress shall be shortened by setting a new ending date for such offering, which date shall be prior to the date of the Company's proposed Change in Control. The Committee shall notify each Participant in writing, at least five (5) business days prior to the new ending date for such offering, that the end of the offering has been changed and that the Participant's option shall be exercised automatically on such new ending date for the offering, unless prior to such date the Participant has withdrawn from the offering as provided in Section 12.1.

20. AMENDMENT OR DISCONTINUANCE OF THE PLAN. The Committee may at any time and for any reason terminate or amend the Plan; provided that no Participant's existing rights under any offering already made under Section 4 hereof may be adversely affected thereby and that no such amendment of the Plan shall, except as provided in Section 19.1, increase the number of shares of the Company's common stock to be offered under the Plan unless shareholder approval is obtained therefor. Without shareholder consent and without regard to whether any Participant rights may be considered to have been "adversely affected," the Committee shall be entitled to change the period of any one or more offerings, limit the frequency and/or number of changes in the amount withheld during an offering, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of the Company's common stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Plan.

21. ADMINISTRATION. The Plan shall be administered by the Committee. The Committee may delegate any or all of its authority hereunder to such officer of the Company as it may designate. The Committee shall be vested with full authority to make, administer, and interpret such rules and regulations as it deems necessary to administer the Plan, and any determination, decision, or action of the Committee in connection with the construction, interpretation, administration, or application of the Plan shall be final, conclusive, and binding upon all Participants and any and all persons claiming under or through any Participant.

22. INTEREST. No interest will be accrued, owed or paid on any money in the Accounts of Participants.

23. NOTICES. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

24. TERMINATION OF THE PLAN. This Plan shall terminate at the earliest of the following:

24.1 The date of the filing of a statement of intent to dissolve by the Company or the effective date of a merger or consolidation wherein the Company is not to be the surviving

corporation, which merger or consolidation is not between or among corporations related to the Company.

24.2 The date the Committee acts to terminate the Plan in accordance with Section 20 above.

24.3 The date when all shares reserved under the Plan have been purchased.

25. LIMITATIONS ON SALE OF STOCK PURCHASED UNDER THE PLAN. The Plan is intended to provide the Company's common stock for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant in the conduct of his or her affairs. A Participant, therefore, may sell stock purchased under the Plan at any time he or she chooses, subject to compliance with any applicable Federal or state securities laws. THE EMPLOYEE ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE STOCK.

26. GOVERNMENTAL REGULATION. The Company's obligation to sell and deliver shares of the Company's common stock under the Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance, or sale of such shares.

27. DATES. All references in the Plan to a date are intended to refer to dates in the United States, and references to business days refer to days on which the U.S. national stock exchanges and the Nasdaq National Market are open for trading.

28. GOVERNING LAW. The law of the state of Washington shall govern all matters that relate to this Plan except to the extent it is superseded by the laws of the United States.

29. SAVINGS CLAUSE. It is intended that this Plan conform to Section 423 of the Code, all regulations promulgated thereunder and all rules adopted with respect thereto. Any provision of this Plan that does not conform to such Code section, regulations and rules, or is in violation thereof, shall be of no force or effect.

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.9

INDEMNITY AGREEMENT

This Agreement is made as of the day of , 2005, by and between ZUMIEZ INC., a Washington corporation (the "**Company**"), and ("**Indemnitee**").

RECITALS

A. The Company desires to attract and retain qualified directors and officers, and to provide them with protection against liability and expenses incurred while acting in that capacity.

B. The Company's articles of incorporation (the "**Articles of Incorporation**") and its bylaws (the "**Bylaws**") contain provisions for indemnifying directors and officers of the Company, and the Articles of Incorporation, Bylaws and Title 23B of the Revised Code of Washington (the "**Washington Business Corporation Act**") contemplate that separate contracts may be entered into between the Company and its directors and officers with respect to their indemnification by the Company, which contracts may provide greater protection than is afforded by the Articles of Incorporation and Bylaws.

C. The Company recognizes that Indemnitee has reservations about serving or continuing to serve the Company without adequate protection against personal liability arising from such service, and that it is also of critical importance to Indemnitee that adequate provision be made for advancing costs and expenses of legal defense.

D. The Board of Directors of the Company has approved as being in the best interests of the Company indemnity agreements substantially in the form of this Agreement for directors and certain officers of the Company.

NOW, THEREFORE, in consideration of the promises, conditions, representations and warranties set forth herein, including the Director's continued service to the Company, the Company and Indemnitee hereby agree as follows:

1. ***Definitions.*** The following terms, as used herein, shall have the following respective meanings; other terms not specifically defined herein have the meaning provided in the Washington Business Corporation Act or the Bylaws:

"**Covered Amount**" means and all losses, claims, damages, liabilities, Expenses, judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with a Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

"**Expenses**" means attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Proceeding.

"**Proceeding**" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal in which Indemnitee is, was or becomes involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company or that, being or having been such a director, officer, employee or agent, Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action (or inaction) by Indemnitee in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent;

provided, however, that, except with respect to an action to enforce the provisions of this Agreement, Proceeding shall not include any action, suit, claim or proceeding instituted by or at the direction of Indemnitee unless such action, suit, claim or proceeding is or was authorized by the Company's board of directors.

2. *Indemnification.*

(a) *Scope.* The Company agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by this Agreement, the Articles of Incorporation, the Bylaws, the Washington Business Corporation Act or otherwise. In the event of any change, after the date of this Agreement, in any applicable law, statute or rule regarding the right of a Washington corporation to indemnify a member of its board of directors or an officer, such changes, to the extent that they would expand Indemnitee's rights hereunder, shall be within the purview of Indemnitee's rights and the Company's obligations hereunder, and, to the extent that they would narrow Indemnitee's rights hereunder, shall be excluded from this Agreement; provided, however, that any change that is required by applicable laws, statutes or rules to be applied to this Agreement shall be so applied regardless of whether the effect of such change is to narrow Indemnitee's rights hereunder.

(b) *Additional Indemnification.* If Indemnitee was or is made a party, or is threatened to be made a party, to or is otherwise involved (including, without limitation, as a witness) in any Proceeding, the Company shall hold harmless and indemnify Indemnitee from and against any and all Covered Amounts.

(c) *Determination of Entitlement.* In the event that a determination of Indemnitee's entitlement to indemnification is required pursuant to Section 23B.08.550 of the Washington Business Corporation Act or any successor thereto or pursuant to other applicable law, an appropriate decision-maker specified in Section 23B.08.550 of the Washington Business Corporation Act shall make such determination; provided, however, that Indemnitee shall initially be presumed in all cases to be entitled to indemnification, unless the Company shall deliver to Indemnitee written notice of a determination that Indemnitee is not entitled to indemnification (a "Company Denial Notice") within sixty (60) calendar days of the final disposition of the Proceeding under which such Indemnitee is seeking indemnification. The Indemnitee shall conclusively be deemed to be entitled to such indemnification in the absence of delivery of a Company Denial Notice within the time period specified in the prior sentence and the Company hereby agrees not to assert otherwise. In the event the Company delivers a Company Denial Notice within the prescribed time period, and such denial is disputed by the Indemnitee, the Company shall bear the burden of proof to establish that the Indemnitee is not entitled to indemnification in such situation.

(d) *Survival.* The indemnification provided under this Agreement shall apply to any and all Proceedings, notwithstanding that Indemnitee has ceased to be a director, officer, employee or agent of the Company.

3. *Notification and Defense of Claim.*

(a) *Notification.* Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company in writing of the commencement thereof; but the omission to notify the Company will not relieve the Company from any liability which it may have to Indemnitee under this Agreement unless and only to the extent that such omission can be shown to have prejudiced the Company's ability to defend the Proceeding.

(b) *Defense of Claim.* With respect to any such Proceeding as to which Indemnitee notifies the Company of the commencement thereof:

(i) The Company may participate therein at its own expense;

(ii) The Company, jointly with any other indemnifying party similarly notified, may assume the defense thereof, with counsel satisfactory to Indemnitee (Indemnitee's consent to such counsel may not be unreasonably withheld). After notice from the Company to Indemnitee of its election to assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof unless (A) the employment of counsel by Indemnitee has been authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such action, or (C) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the conclusion provided for in 3(b)(ii)(B) above;

(iii) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its written consent;

(iv) The Company shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent; and

(v) Neither the Company nor Indemnitee will unreasonably withhold its, his or her consent to any proposed settlement.

(c) *Notice to Insurers.* If, at the time of the receipt of a notice of a claim pursuant to Section 3(a) hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

4. *Expense Advances.*

(a) *Expense Advances.* The right to indemnification of Covered Amounts conferred hereby shall include the right to have the Company pay Indemnitee's Expenses in any Proceeding as such expenses are incurred and in advance of such Proceeding's final disposition (such right is referred to hereinafter as an "**Expense Advance**"). Any Expense Advance to be made under this Agreement shall be paid by the Company to Indemnitee within twenty (20) calendar days following delivery of a written request therefor by Indemnitee to the Company.

(b) *Conditions to Expense Advance.* The Company's obligation to provide an Expense Advance is subject to the following conditions:

(i) Indemnitee shall submit to the Company a written undertaking, constituting an unlimited general obligation of the Indemnitee, to repay any and all of the Expense Advance if it is ultimately determined by a court of competent jurisdiction that the Indemnitee did not meet the required standard of conduct;

(ii) Indemnitee shall submit to the Company a written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the standard of conduct required to be eligible for indemnification; and

(iii) Indemnitee shall give the Company such information and cooperation as it may reasonably request and as shall be within Indemnitee's power.

5. *Enforcement.*

(a) *Enforcement.* In the event that a claim for indemnification, an Expense Advance or otherwise is made hereunder and is not paid within (i) sixty (60) calendar days of the final disposition of the Proceeding under which an Indemnitee is seeking indemnification, provided that written notice of such final disposition is promptly delivered to the Company, or (ii) twenty (20) days for an Expense Advance, Indemnitee may, but need not, at any time thereafter bring suit against the Company to recover the unpaid amount of the claim (an " **Enforcement Action**").

(b) *Presumptions in Enforcement Action.* In any Enforcement Action the following presumptions (and limitation on presumptions) shall apply:

(i) The Company shall conclusively be presumed to have entered into this Agreement and assumed the obligations imposed on it hereunder in order to induce Indemnitee to continue as an officer and/or director, as the case may be, of the Company;

(ii) Neither (i) the failure of the Company (including the Company's board of directors, independent or special legal counsel or the Company's shareholders) to have made a determination prior to the commencement of the Enforcement Action that indemnification of Indemnitee is proper in the circumstances nor (ii) an actual determination by the Company, its board of directors, independent or special legal counsel or shareholders that Indemnitee is not entitled to indemnification shall be a defense to the Enforcement Action or create a presumption that Indemnitee is not entitled to indemnification hereunder; and

(iii) If Indemnitee is or was serving as a director, officer, employee or agent of a corporation of which a majority of the shares entitled to vote in the election of its directors is held by the Company or in an executive or management capacity in a partnership, joint venture, trust or other enterprise of which the Company or a wholly-owned subsidiary of the Company is a general partner or has a majority ownership, then Indemnitee shall conclusively be deemed to be serving such entity at the request of the Company.

(c) *Attorneys' Fees and Expenses for Enforcement Action.* In the event Indemnitee is required to bring an Enforcement Action, the Company shall indemnify and hold harmless Indemnitee against all of Indemnitee's fees and expenses in bringing and pursuing the Enforcement Action (including attorneys' fees at any stage, including on appeal); provided, however, that the Company shall not be required to provide such indemnification for such attorneys' fees or expenses if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such Enforcement Action was not made in good faith or was frivolous.

6. *Limitations on Indemnification; Mutual Acknowledgment.*

(a) *Limitation on Indemnification.* No indemnification pursuant to this Agreement shall be provided by the Company:

(i) On account of any suit in which a final, unappealable judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto;

(ii) For Covered Amounts that have been paid directly to Indemnitee by an insurance carrier under a policy of officers' and directors' liability insurance maintained by the Company;

(iii) On account of Indemnitee's conduct which is finally adjudged to have been intentional misconduct, a knowing violation of law or RCW 23B.08.310 or any successor provision of the Washington Business Corporation Act, or a transaction from which Indemnitee derived benefit in money, property or services to which Indemnitee is not legally entitled; or

(iv) If a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

(b) *Mutual Acknowledgment.* The Company and Indemnitee acknowledge that, in certain instances, federal law or public policy may override applicable state law and prohibit the Company from indemnifying Indemnitee under this Agreement or otherwise. For example, the Company and Indemnitee acknowledge that the Securities and Exchange Commission (the "**SEC**") has taken the position that indemnification is not permissible for liabilities arising under certain federal securities laws, and federal legislation prohibits indemnification for certain ERISA violations. Furthermore, Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

7. ***D&O Insurance.*** The Company hereby covenants and agrees that, so long as Indemnitee shall continue to serve as an officer or director of the Company and thereafter so long as Indemnitee shall be subject to any Proceeding, the Company shall maintain in full force and effect a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts. In all policies of director and officer liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director, or of the Company's officers, if Indemnitee is not a director of the Company but is an officer. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company's board of directors determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnitee is covered by similar insurance maintained by a parent or subsidiary of the Company; provided however that such decision shall not adversely affect coverage of director and officer liability insurance for periods prior to such decision without the unanimous vote of all directors.

8. ***Rights Not Exclusive.*** The rights provided hereunder shall not be deemed exclusive by any other rights to which the Indemnitee may be entitled under the Bylaws or any agreement, vote of shareholders or of disinterested directors or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity by holding such office, and shall continue after the Indemnitee ceases to serve the Company as a Indemnitee.

9. ***Notices.*** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed given when actually received (either through delivery in person or by telex or facsimile transmission) or two business days after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified.

10 ***No Employment Rights.*** Nothing contained in this Agreement is intended to create in Indemnitee any right to continued or future employment.

11. ***Severability.*** In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of the Washington Business Corporation Act or other applicable law, such provision shall be limited or modified in its application

to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms.

12. ***Choice of Law.*** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Washington.

13. ***Consent to Jurisdiction.*** The Company and the Indemnitee each hereby irrevocably consent to the jurisdiction of the state and federal courts located in King County, Washington for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement.

14. ***Entire Agreement; Enforcement of Rights.*** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification, amendment or termination of this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

15. ***Counterparts.*** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

16. ***Successor and Assigns.*** This Agreement shall be (i) binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or otherwise by operation of law) and (ii) shall be binding on and inure to the benefit of the heirs, personal representatives and estate of Indemnitee.

17. ***Amendment.*** No amendment, modification, termination or cancellation of this Agreement shall be effective unless made in a writing signed by each of the parties hereto.

[*remainder of page left intentionally blank*]

IN WITNESS WHEREOF, the Company and Indemnitee have executed this Agreement as of the day and year first above written.

ZUMIEZ INC.

By: _____

Title:

INDEMNITEE

_____

_____ , Indemnitee

QuickLinks

Exhibit 10.10

LIMITED LIABILITY COMPANY AGREEMENT

OF

ZUMIEZ HOLDINGS LLC

a Delaware Limited Liability Company

Dated as of November 4, 2002

TABLE OF CONTENTS

LIMITED LIABILITY COMPANY AGREEMENT
OF
ZUMIEZ HOLDINGS LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "Agreement") of Zumiez Holdings LLC, a Delaware limited liability company (the "Company"), is made and entered into as of the 4th day of November 2002, by and among the parties listed on the signature pages hereto (collectively, the "Members").

RECITALS

WHEREAS, the Members have formed the Company as a limited liability company under the laws of the State of Delaware and desire to enter into a written agreement, in accordance with the provisions of the Delaware Limited Liability Company Act, as it may be amended from time to time, and any successor to such statute (the "Act").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Members agree as follows:

ARTICLE 1
ORGANIZATIONAL MATTERS

1.1 *Formation.* Richard M. Brooks ("Brooks") previously formed the Company as a limited liability company under the Act for the purposes hereinafter set forth. The rights and liabilities of the Members of the Company shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistency between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern.

1.2 *Name.* The name of the Company is Zumiez Holdings LLC. The Company may also conduct business at the same time under one or more fictitious names if a majority of the Managers (as hereinafter defined) determines that such is in the best interests of the Company and a majority of the Managers may change the name of the Company, from time to time, in accordance with applicable law; *provided that,* in each case, the Managers shall promptly give written notice of any change to the Members.

1.3 *Principal Place of Business; Other Places of Business.* The principal place of business of the Company is located at 11150 Santa Monica Boulevard, Suite 1200, Los Angeles, California 90025, care of Brentwood Associates, or such other place within or outside the State of Delaware as a majority of the Managers may from time to time designate; *provided that* the Managers shall promptly give written notice of any change to the Members. The Company may maintain offices and places of business at such other place or places within or outside the State of Delaware as a majority of the Managers deem advisable; *provided that* the Managers shall promptly give written notice of any change to the Members.

1.4 *Business Purpose.* The principal purpose of the Company is to make investments, directly or indirectly through its wholly owned subsidiaries, in Zumiez Inc., a Delaware corporation ("Zumiez"), and its subsidiaries, if any, including their respective successors (the "Zumiez Entities"), and to manage the business of the Zumiez Entities, either directly or indirectly through its wholly owned subsidiaries. The Company may also engage in any and all other ancillary or similar business, purpose or activity deemed necessary or appropriate by a majority of the Managers and in which a limited liability company may be engaged under applicable law, including, without limitation, the Act.

1.5 *Certificate of Formation; Filings.* Prior to the effective date of this Agreement, Richard M. Brooks caused to be executed and filed a certificate of formation as described in Section 18-201 of the Act (the "Certificate") in the Office of the Secretary of State of the State of Delaware in conformity with the Act. The Managers may cause to be executed and filed any duly authorized amendments to the Certificate from time to time in a form prescribed by the Act. The Managers shall also cause to be made, on behalf of the Company, such additional filings and recordings as a majority of the Managers shall deem necessary or advisable.

1.6 *Designated Agent for Service of Process.* The Company shall continuously maintain a registered office and a designated and duly qualified agent for service of process on the Company in the State of Delaware.

1.7 *Term.* The Company commenced on the date that the Certificate was filed with the Office of the Delaware Secretary of State, and shall continue until terminated pursuant to this Agreement.

ARTICLE 2
DEFINITIONS

Capitalized words and phrases used and not otherwise defined elsewhere in this Agreement shall have the following meanings:

2.1 **"Act"** is defined in the Preamble.

2.2 **"Additional Interest"** is defined in *Paragraph* 7.3.3.

2.3 **"Additional Members"** means those Persons admitted to the Company pursuant to *Paragraph* 3.3 of this Agreement.

2.4 **"Adjusted Capital Account Deficit"** means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

2.4.1 Add to such Capital Account the following items:

(a) The amount, if any, that such Member is obligated to contribute to the Company upon liquidation of such Member's Interest; and

(b) The amount that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

2.4.2 Subtract from such Capital Account such Member's share of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

2.4.3 The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

2.5 **"Affiliate"** means, with reference to a specified Person: (a) a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person, (b) any Person that is an executive officer, general partner, managing member or trustee of, or serves in a similar capacity with respect to, the specified Person, or for which the specified Person is an executive officer, general partner, managing member or trustee, or serves in a similar capacity, or (c) any member of the Immediate Family of the specified Person.

2.6 **"Agreement"** is defined in the Preamble.

2.7 **"Assignee"** means any Person (a) to whom a Member (or assignee thereof) Transfers all or any part of its interest in the Company, and (b) which has not been admitted to the Company as a Substitute Member pursuant to *Paragraph* 7.9 of this Agreement.

2.8 **"Bankruptcy"** means the occurrence of any event described in Section 18-304 of the Act.

2.9 **"Brentwood"** means Brentwood-Zumiez Investors, LLC.

2.10 **"Brentwood Manager"** is defined in *Paragraph* 6.1.4.

2.11 **"Brentwood Nominee"** is defined in *Paragraph* 6.9.1.

2.12 **"Brooks"** means Richard M. Brooks.

2.13 **"Brooks Manager"** is defined in *Paragraph* 6.1.4.

2.14 **"Brooks Nominee"** is defined in *Paragraph* 6.9.1.

2.15 **"Campion"** means Thomas D. Campion.

2.16 **"Campion Manager"** is defined in *Paragraph* 6.1.4.

2.17 **"Campion Nominee"** is defined in *Paragraph* 6.9.1.

2.18 **"Capital Account"** means the Capital Account maintained for each Member on the Company's books and records in accordance with the following provisions:

2.18.1 To each Member's Capital Account there shall be added (a) such Member's Capital Contributions, (b) such Member's allocable share of Net Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to *Article* 5 hereof or other provisions of this Agreement, and (c) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

2.18.2 From each Member's Capital Account there shall be subtracted (a) the amount of (i) cash and (ii) the Gross Asset Value of any Company assets (other than cash) distributed to such Member (other than any payment of principal and/or interest to such Member pursuant to the terms of a loan made by the Member to the Company) pursuant to any provision of this Agreement, (b) such Member's allocable share of Net Losses and any other items in the nature of expenses or losses that are specially allocated to such Member pursuant to *Article* 5 or other provisions of this Agreement, and (c) liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

2.18.3 In the event any Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Interest.

2.18.4 In determining the amount of any liability for purposes of *Paragraphs* 2.18.1 and 2.18.2 hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

2.18.5 The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations. In the event that a majority of the Managers determine that it is prudent to modify the manner in which the Capital Accounts, or any additions or subtractions thereto, are computed in order to comply with such Regulations, the Managers may make such modification, *provided that* it is not likely to have a material effect on the amounts distributable to any Member pursuant to *Article* 8 hereof upon the dissolution of the Company. The Managers shall also make (a) any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (b) any appropriate modifications in the event that unanticipated events might otherwise cause this Agreement not to comply with Regulations Sections 1.704-1(b) and 1.704-2.

2.19 **"Capital Contributions"** means, with respect to any Member, the total amount of money and the initial Gross Asset Value of property (other than money) contributed to the capital of the Company by such Member, whether as an initial Capital Contribution or as an additional Capital Contribution.

2.20 **"Cash Available for Distribution"** means, with respect to any fiscal year, all Company cash receipts, after deducting payments for operating expenses, payments required to be made in connection with any loan to the Company or any other loan secured by a lien on any Company assets, capital expenditures and any other amounts set aside for the restoration, increase or creation of reasonable Reserves.

2.21 **"Certificate"** means the Certificate of Formation of the Company filed under the Act in the Office of the Delaware Secretary of State for the purpose of forming the Company as a Delaware limited liability company, and any duly authorized, executed and filed amendments or restatements thereof.

2.22 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

2.23 **"Company"** is defined in the Preamble.

2.24 **"Contribution Agreement"** means the Contribution Agreement, dated as of October 18, 2002, by and among Zumiez, the Company and each of the Members.

2.25 **"Control"** means, with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

2.26 **"Depreciation"** means, for each fiscal year or other period, an amount equal to the Federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such period, except that if the Gross Asset Value of an asset differs from its adjusted basis for Federal income tax purposes at the beginning of such period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the Federal income tax depreciation, amortization or other cost recovery deduction for such period bears to such beginning adjusted tax basis; *provided, however,* that if the Federal income tax depreciation, amortization or other cost recovery deduction for such period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

2.27 **"Drag-Along Sale"** is defined in *Paragraph* 7.4.1.

2.28 **"Drag-Along Sale Date"** is defined in *Paragraph* 7.4.2.

2.29 **"Drag-Along Sale Notice"** is defined in *Paragraph* 7.4.2.

2.30 **"Drag-Along Seller"** is defined in *Paragraph* 7.4.1.

2.31 **"Economic Interest"** means a Person's right to share in the Net Profits, Net Losses, or similar items of, and to receive distributions from, the Company, but does not include any other rights of a Member including, without limitation, the right to vote or to participate in the management of the Company, or, except as specifically provided in this Agreement or required under the Act, any right to information concerning the business and affairs of the Company.

2.32 **"Eligible Member"** means, with respect to Brentwood, Campion or Brooks, as applicable, that such Member, together with its Affiliates, continues to directly or indirectly Control at least 50% of the Percentage Interest owned by such Member as of the date of this Agreement, provided, however, that only for purposes of determining whether such Member is an Eligible Member, such Member's Percentage Interest shall be appropriately adjusted to not take into account any decrease in a Member's Percentage Interest resulting from the admission of Additional Members pursuant to *Paragraph* 3.3. Certain of the rights in this Agreement are dependent on a Member being an Eligible Member. The rights of a transferee of an Eligible Member to these particular rights are governed by *Paragraph* 7.9.3.

2.33 **"GAAP"** means generally accepted United States accounting principles as in effect from time to time.

2.34 **"Gross Asset Value"** means, with respect to any asset, the asset's adjusted basis for Federal income tax purposes, except as follows:

2.34.1 The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by a majority of the Managers and the contributing Member.

2.34.2 The Gross Asset Values of all Company assets immediately prior to the occurrence of any event described in subsection (a), subsection (b), subsection (c) or subsection (d) hereof shall be adjusted to equal their respective gross fair market values, as determined by a majority of the Managers using such reasonable method of valuation as it may adopt, as of the following times:

(a) the acquisition of an additional interest in the Company (other than in connection with the execution of this Agreement) by a new or existing Member in exchange for more than a *de minimis* Capital Contribution, if a majority of the Managers reasonably determine that such adjustment is necessary or appropriate to reflect the relative Economic Interests of the Members in the Company;

(b) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(c) on any date the IRR Amount is required to be determined; and

(d) at such other times as a majority of the Managers shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

2.34.3 The Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution as determined by a majority of the Managers.

2.34.4 The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided, however,* that Gross Asset Values shall not be adjusted pursuant to this *Paragraph* 2.34.4 to the extent that a majority of the Managers reasonably determine that an adjustment pursuant to *Paragraph* 2.34.2 above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this *Paragraph* 2.34.4.

2.34.5 If the Gross Asset Value of a Company asset has been determined or adjusted pursuant to *Paragraph* 2.34.1, *Paragraph* 2.34.2 or *Paragraph* 2.34.4 hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Company Asset for purposes of computing Net Profits and Net Losses.

2.35 **"Haakenson"** means John G. Haakenson.

2.36. **"Immediate Family"** means, and is limited to, an individual Member's current spouse, parents, parents-in-law, grandparents, children, siblings, and grandchildren, or a trust, estate or other estate-planning vehicle, all of the beneficiaries of which consist of such Member or members of such Member's Immediate Family.

2.37 **"Incapacity"** means the entry of an order of incompetence or of insanity, or the death, dissolution, Bankruptcy or termination (other than by merger or consolidation) of any Person.

2.38 **"Indemnitee"** is defined in *Paragraph* 6.8.1.

2.39 **"Interest"** means a Member's Membership Interest or Economic Interest.

2.40 **"Investment Agreement"** means the Investment Agreement, dated as of November 4, 2002, by and between Brentwood and Zumiez.

2.41 **"IRR Amount"** means the amount of cash and/or the Gross Asset Value of Property that if distributed to Brentwood on the date in respect of which the IRR Amount is being determined and after taking into account the amount of the Preferred Return distributed to Brentwood under *Article* 4 and *Article* 8, would be sufficient to provide Brentwood with a cumulative 25% annual rate of return, compounded annually, on all Capital Contributions. For purposes of calculating the IRR Amount, all Capital Contributions shall be deemed made as of the date such Capital Contributions are actually made to the Company and, no Capital Contributions shall be deemed to have been made prior to the date hereof.

2.42 **"Liquidation Event"** means (i) any sale or other disposition of all or substantially all of the assets of the Company or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Company, including, but not limited to, a sale of the Shares of Zumiez in accordance with the terms of Section V of the Stockholders' Agreement, and (ii) the consummation of an initial public offering of Zumiez in accordance with Section XIII of the Stockholders' Agreement.

2.43 **"Liquidator"** is defined in *Paragraph* 8.5.1.

2.44 **"Manager"** means a Person elected or appointed to the Board of Managers in accordance with *Paragraph* 6.1.4.

2.45 **"Member Nominee"** is defined in *Paragraph* 6.9.1.

2.46 **"Members"** means the Persons owning Membership Interests, as reflected in the books and records of the Company, as amended from time to time, any Substitute Members and any Additional Members, with each Member being referred to, individually, as a **"Member."**

2.47 **"Members' Allotment"** is defined in *Paragraph* 7.3.

2.48 **"Membership Interest"** means the entire ownership interest of a Member in the Company at any particular time, including without limitation, the Member's Economic Interest, any and all rights to vote and otherwise participate in the Company's affairs, and the rights to any and all benefits to which a Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all of the terms and provisions of this Agreement.

2.49 **"Net Profits"** or **"Net Losses"** means, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

2.49.1 Any income of the Company that is exempt from Federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this *Paragraph* 2.49 shall be added to such taxable income or loss;

2.49.2 Any expenditure of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this *Paragraph* 2.49, shall be subtracted from such taxable income or loss;

2.49.3 Gain or loss resulting from any disposition of Company assets where such gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Gross Asset Value of the Company assets disposed of, notwithstanding that the adjusted tax basis of such Company assets differs from its Gross Asset Value;

2.49.4 In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year;

2.49.5 To the extent an adjustment to the adjusted tax basis of any asset included in Company assets pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for the purposes of computing Net Profits and Net Losses;

2.49.6 If the Gross Asset Value of any Company Asset is adjusted in accordance with *Paragraph* 2.34.2 or *Paragraph* 2.34.3 of this Agreement, the amount of such adjustment shall be taken into account in the taxable year of such adjustment as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses; and

2.49.7 Notwithstanding any other provision of this *Paragraph* 2.49, any items that are specially allocated pursuant to *Paragraph* 5.2 hereof shall not be taken into account in computing Net Profits or Net Losses.

2.50 **"Offer Notice"** is defined in *Paragraph* 7.2.2.

2.51 **"Offered Interest"** is defined in *Paragraph* 7.2.2.

2.52 **"Offeree"** is defined in *Paragraph* 7.2.3.

2.53 **"Offeror"** is, defined in *Paragraph* 7.2.1.

2.54 **"Percentage Interest"** means, with respect to each Member, the percentage set forth opposite such Member's name on *Exhibit "A"* (which exhibit shall take into account the effects of the Special Distribution pursuant to *Paragraph* 4.2 hereof), attached hereto as it may be amended, modified or supplemented from time to time, to the extent necessary to reflect accurately transfers, redemptions, Capital Contributions, the issuance of additional Membership Interests, or similar events having an effect on a Member's Percentage Interest.

2.55 **"Permitted Assignee"** is defined in *Paragraph* 7.2.3.

2.56 **"Person"** means and includes an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated organization, a government or any department or agency thereof, or any entity similar to any of the foregoing.

2.57 **"Plan Assets"** shall have the meaning set forth in the Plan Asset Regulation.

2.58 **"Plan Asset Regulation"** means 29 C.F.R. §2510.3-101.

2.59 **"Pledge Agreement"** means the Indemnity Pledge Agreement, dated as of November 4, 2002, by and among the Company, Brentwood, Thomas D. Campion and Richard M. Brooks.

2.60 **"Preferred Return"** means an amount equal to the sum of (i) the accrued interest on a Member's initial Capital Contribution and (ii) the accrued interest on any additional Capital Contribution by such member, in each case (a) taking into account any repayments of the Capital Contribution and (b) at an annual rate of 8%, compounded annually, from the date of such Capital Contribution until the repayment of such Capital Contribution, or portion thereof, as the case may be.

2.61 **"Property"** means all property and assets of the Company (whether such assets are real or personal, or are owned, leased or otherwise possessed or held), including cash, and any improvements thereto, and shall include both tangible and intangible property.

2.62 **"Regulations"** means proposed, temporary and final Treasury Regulations promulgated under the Code, as such regulations may be amended from time to time.

2.63 **"Regulatory Allocations"** is defined in *Paragraph* 5.2.4.

2.64 **"Remaining Interest"** is defined in *Paragraph* 7.2.3.

2.65 **"Requisite Members"** means Members holding an aggregate Percentage Interest of at least 66 $^{2}/_{3}$%.

2.66 **"Reserves"** means funds set aside or amounts allocated to reserves that shall be maintained in amounts deemed sufficient by a majority of the Managers for costs or expenses incident to the conduct of business by the Company as contemplated hereunder.

2.67 **"Responsible Party"** is defined in *Paragraph* 6.7.6.

2.68 **"Safe Harbors"** is defined in *Paragraph* 7.12.

2.69 **"Securities Act"** is defined in *Paragraph* 3.8.3.

2.70 **"Shares"** means all of the capital stock of Zumiez owned by the Company.

2.71 **"Stockholders' Agreement"** means the Amended and Restated Stockholders' Agreement, dated as of November 4, 2002, by and among Zumiez and the stockholders listed on the signature pages thereto.

2.72 **"Substitute Member"** means any Person (a) to whom a Member (or assignee thereof) Transfers all or any part of its interest in the Company, and (b) which has been admitted to the Company as a Substitute Member pursuant to *Paragraph* 7.9 of this Agreement.

2.73 **"Tag-Along Notice"** is defined in *Paragraph* 7.3.3.

2.74 **"Tag-Along Notice Date"** is defined in *Paragraph* 7.3.3.

2.75 **"Tag-Along Sale"** is defined in *Paragraph* 7.3.1.

2.76 **"Tag-Along Sale Date"** is defined in *Paragraph* 7.3.3.

2.77 **"Tag-Along Sale Notice"** is defined in *Paragraph* 7.3.3.

2.78 **"Tag-Along Seller"** is defined in *Paragraph* 7.3.1.

2.79 **"Transfer"** means, with respect to any interest in the Company, a sale, conveyance, exchange, assignment, pledge, encumbrance, gift, bequest, hypothecation or other transfer or disposition by any other means, whether for value or no value and whether voluntary or involuntary (including, without limitation, by operation of law), or an agreement to do any of the foregoing. The terms "Transferred" and "Transferring" shall have correlative meanings.

2.80 **"UBTI"** means unrelated business taxable income, as defined under Section 512 of the Code.

2.81 **"Unpaid IRR Amount"** means the IRR Amount less any prior payments made in respect of the IRR Amount pursuant to *Paragraph* 4.1.2(c) or Paragraph 8.5.1(b).

2.82 **"Unpaid Preferred Return"** means the Preferred Return of a Member less any prior payments of the Preferred Return received by such Member pursuant to *Paragraph* 4.1.2(a) and (b) or *Paragraph* 8.5.1(b).

2.83 **"Unrepaid Capital Contribution"** means the Capital Contribution of a Member less any repayment of such Member's Capital Contribution to such Member. For the avoidance of doubt, the amounts of cash distributed to Members pursuant to *Paragraph* 4.2 constitute repayment of such Members' Capital Contributions.

2.84 **"Zumiez"** is defined in *Paragraph* 1.4.

2.85 **"Zumiez Entities"** is defined in *Paragraph* 1.4.

ARTICLE 3
CAPITAL; CAPITAL ACCOUNTS; MEMBERS; REPRESENTATIONS

3.1 *Initial Capital Contributions of Members.* The names addresses, initial Capital Contributions and Percentage Interests of the Members are set forth on *Exhibit "A"* attached hereto and incorporated herein. All Members acknowledge and agree that the Capital Contributions set forth in *Exhibit "A"* represent the amount of money and the Gross Asset Value of all property (other than money) initially contributed by the Members.

3.2 *Capital Accounts.* A Capital Account shall be established and maintained for each Member in accordance with the terms of this Agreement.

3.3 *Additional Members*

3.3.1 Following formation of the Company and subject to the provisions of *Paragraph* 3.3.2, the Managers are hereby authorized to cause the Company to issue interests in the Company, and to admit one or more recipients of such interests as additional Members ("Additional Members") from time to time, on such terms and conditions and for such Capital Contributions, if any, as a majority of the Managers may determine. As a condition to being admitted to the Company, each Additional Member shall execute an agreement to be bound by the terms and conditions of this Agreement.

3.3.2 *Preemptive Rights.*

(a) If the Company proposes to issue additional interests in the Company, each Eligible Member shall have the right to subscribe, on *a pro rata* basis in accordance with its Percentage Interest, to its proportionate share of such issuance.

(b) If the Company proposes to issue any additional interests in the Company, it shall give each Eligible Member written notice of its intention, and the terms and conditions upon which the Company proposes to issue the same. Each Eligible Member shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the additional interests being issued upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of interests to be purchased. If the Eligible Member fails to exercise in full the rights of first refusal, then the Company shall have ninety (90) days thereafter to sell the interests in respect of which the Eligible Member's rights were not exercised, at a price and upon general terms and conditions materially no more favorable to the purchasing Eligible Members and the other purchasing parties than specified in the Company's notice to the Eligible Members (*e.g.*, the price for such interests proposed to be offered for sale to purchasing Eligible Members and others shall be no more favorable (e.g., less) than the price specified in the Company's notice to the Eligible Members). If the Company has not sold such interests within ninety (90) days of the notice provided in this *Paragraph* 3.3.2, the Company shall not thereafter issue or sell such interests, without first offering such interests to the Eligible Members in the manner provided above.

3.4 *Member Capital.* Except as otherwise provided in this Agreement or with the prior written consent of a majority of the Managers: (a) no Member shall demand or be entitled to receive a return of or interest on its Capital Contributions or Capital Account, and (b) no Member shall withdraw any portion of its Capital Contributions or receive any distributions from the Company as a return of capital on account of such Capital Contributions.

3.5 *Additional Capital Contributions.* No Member is obligated to make any additional Capital Contributions to the Company.

3.6 *Member Loans.* No Member shall be required or permitted (except with the consent of a majority of the Managers) to make any loans or otherwise lend any funds to, act as a surety or endorser for, assume one or more specific obligations of, provide collateral for, or enter into other credit, guarantee, financing or refinancing arrangements, with, the Company. No loans made by any Member to the Company shall have any effect on such Member's Percentage Interest, such loans representing a debt of the Company payable or collectible solely from the assets of the Company in accordance with the terms and conditions upon which such loans were made.

3.7 *Liability of Members.* Except as otherwise required by any non-waiveable provision of the Act or other applicable law: (a) no Member shall be personally liable in any manner whatsoever for any debt, liability or other obligation of the Company, whether such debt, liability or other obligation arises in contract, tort, or otherwise; and (b) no Member shall in any event have any liability whatsoever in excess of (i) the amount of its Capital Contributions, (ii) its share of any assets and undistributed profits of the Company, and (iii) the amount of any wrongful distribution to such Member, if, and only to the extent, such Member has actual knowledge (at the time of the distribution) that such distribution is made in violation of Section 18-607 of the Act.

3.8 *Member Representations, Warranties and Agreements.* Each Member hereby represents and warrants to, and agrees with, the Company as set forth below:

3.8.1 The Member has full power and authority to execute, deliver and perform its obligations under this Agreement, and this Agreement is a valid and binding obligation of the Member, enforceable in accordance with its terms, except that the enforcement thereof may be

subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law). The Member is not subject to any agreement not to compete or other restriction on its ability to acquire the Membership Interests being obtained pursuant to this Agreement, and the Member will not enter into any such agreement or restriction.

3.8.2 The Member has received and reviewed this Agreement and all attachments hereto, and such business, financial and other information as it deems necessary and appropriate to enable it to evaluate the financial risk inherent in making an investment in the Company, including, but not limited to, information with respect to the Zumiez Entities. The Member acknowledges that on the date of this Agreement the Company has no assets or liabilities other than the cash contributions and stock contributions to be made by the Members as set forth on *Exhibit A* hereto.

3.8.3 The Member is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). The Member is acquiring the Membership Interests hereunder with its own funds or property for investment, for its own account, and not as a nominee or agent for any other person, firm or corporation, and not with a view to the sale or distribution of all or any part thereof, and it has no present intention of selling, granting a participation in, or otherwise distributing any of the Membership Interests. Except as provided herein, the Member does not have any contract, undertaking, agreement or arrangement with any person, firm or corporation to sell, transfer or grant a participation to such person, firm or corporation with respect to any of the Membership Interests.

3.8.4 The Member understands and agrees that (i) the Membership Interests will not be registered under the Securities Act, in part based upon an exemption from registration predicated on the accuracy and completeness of its representations and warranties appearing herein; (ii) it will not be permitted to sell, transfer or assign any of the Membership Interests, unless, subject to the other provisions of this Agreement, an exemption from the registration and prospectus delivery requirements of the Securities Act is available and any sale, transfer or assignment of the Membership Interests will be subject to restrictions as provided in this Agreement; and (iii) there is no assurance that such an exemption from registration will ever be available or that the Membership Interests will ever be able to be sold.

3.8.5 The Member agrees that in no event will it Transfer any Membership Interests unless and until (subject to the provisions of *Paragraph* 7.1) (i) it shall have notified the Company of the proposed disposition and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition, and (ii) it shall have furnished the Company with an opinion of counsel reasonably satisfactory in form and content to the Company to the effect that (A) such disposition will not require registration of such Membership Interests under the Securities Act or applicable state securities laws, or (B) that appropriate action necessary for compliance with the Securities Act and applicable state-securities laws has been taken, or (iii) the Company shall have waived, expressly and in writing, the provisions of clauses (i) and (ii) of this subsection.

3.8.6 The Member has such knowledge, sophistication and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Company and of making an informed investment decision with respect thereto, and has the ability to bear the economic risks of its investment for an indefinite period of time and can afford to suffer the complete loss of its investment in the Company. The Member has sought and relied on the professional advice of its legal counsel and tax advisor and understands that the Company has not rendered any legal or tax advice to such Member.

3.8.7 Each Member acknowledges that, pursuant to the Investment Agreement, a copy of which each Member has reviewed, Brentwood is obligated, subject to certain terms and conditions,

to purchase from Zumiez up to an aggregate of $10.0 million of convertible preferred stock of Zumiez.

3.8.8 Each Member acknowledges that, pursuant to the Corporate Development and Administrative Services Agreement, dated November 4, 2002, between Zumiez and Brentwood Private Equity III, LLC, a copy of which each Member has reviewed, Zumiez is obligated to pay certain management and transaction fees to Brentwood Private Equity III, LLC, an affiliate of Brentwood.

3.8.9 Each Member acknowledges that Brooks and Zumiez have entered into an employment agreement, a copy of which each Member has reviewed.

ARTICLE 4
DISTRIBUTIONS

4.1 *Distributions.*

4.1.1 Except as otherwise provided in *Paragraph* 4.2 or in *Article* 8, distributions of Property or Cash Available for Distribution shall be made only at such times as may be determined in the sole discretion of a majority of the Managers.

4.1.2 Except as provided in *Paragraph* 4.2, all distributions of Property or Cash Available for Distribution shall be distributed to the Members in the manner and order of priority set forth below:

(a) First, to Brentwood in an amount equal to Brentwood's Unrepaid Capital Contribution plus the Unpaid Preferred Return;

(b) Second, to the other Members (other than Brentwood), *pro rata,* in an amount equal to the other Member's Unrepaid Capital Contribution plus the Unpaid Preferred Return;

(c) Third, to the Members, *pro rata* in accordance with their respective Percentage Interests, until Brentwood receives an amount equal to the Unpaid IRR Amount;

(d) Fourth, to the Members, *pro rata,* in accordance with. their respective Percentage Interests (except that 50% of the amount otherwise distributable to Brentwood shall be distributed to Campion, Brooks and Haakenson *pro rata,* in accordance with such Members' respective Percentage Interests set forth on *Exhibit B* hereto), until such Members receive the respective dollar amounts set forth opposite such Member's name on *Exhibit B* hereto less the aggregate amount of any cash or Property previously received by such Members pursuant to this *Paragraph 4.1.2(d);* and finally

(e) Fifth, to the Members, *pro rata*, in accordance with their respective Percentage Interests.

4.2. *Special Distribution.* On the date hereof, the Company shall distribute in cash to Campion and Haakenson, the amounts set forth on *Exhibit "C"* hereto. For the avoidance of doubt, the parties hereto shall treat, for United States federal income tax purposes, such distribution as a "purchase" by Brentwood and a "sale" by Campion and Haakenson, of the shares of common stock of Zumiez, as set forth on *Exhibit C* hereto.

4.3 *Withholding.* The Company may withhold distributions or portions thereof if it is required to do so by any applicable rule, regulation, or law, and each Member hereby authorizes the Company to withhold from or pay on behalf of or with respect to such Member any amount of Federal, state, local or foreign taxes that Brentwood (after advice from the independent certified public accountant that prepares the Company's tax returns) determines the Company is required to withhold or pay with respect to any amount distributable or allocable to such Member pursuant to this Agreement. Any

amount paid on behalf of or with respect to a Member pursuant to this *Paragraph* 4.3 shall constitute a loan by the Company to such Member, which loan shall be repaid by such Member within fifteen (15) days after notice from the Company that such payment must be made unless: (i) the Company withholds such payment from a distribution which would otherwise be made to the Member or (ii) a majority of the Managers determine, in their sole and absolute discretion, that such payment may be satisfied out of Cash Available For Distribution which would, but for such payment, be distributed to the Member. Any amounts withheld pursuant to this *Paragraph* 4.3 shall be treated as having been distributed to such Member. In the event that a Member fails to pay any amounts owed to the Company pursuant to this *Paragraph* 4.3 when due, the remaining Members may, in their respective sole and absolute discretion, elect to make the payment to the Company on behalf of such defaulting Member, and in such event shall be deemed to have loaned such amount to such defaulting Member and shall succeed to all rights and remedies of the Company as against such defaulting Member (including, without limitation, the right to receive distributions). Any amounts payable by a Member hereunder shall bear interest at eight percent (8%) from the date such amount is due (*i.e.*, 15 days after demand) until such amount is paid in full. A Member's obligations hereunder shall survive the dissolution, liquidation, or winding up of the Company. Each Member hereby submits to the jurisdiction of any state or Federal court sitting in the state of Delaware in any action arising out of or relating to this Agreement or the transactions contemplated herein.

4.4 *Distributions in Kind.* No right is given to any Member to demand or receive property other than cash as provided in this Agreement. A majority of the Managers may determine, in their sole and absolute discretion, to make a distribution in kind of Company assets to the Members, and such Company assets shall be distributed in such a fashion as to ensure that the Gross Asset Value thereof is distributed in accordance with *Articles* 4 and 8 hereof. If the Managers plan to make a distribution of securities, the Managers shall provide at least five business days prior written notice to the Members of such proposed distribution of securities, which notice shall contain the proposed distribution date, a description of the securities proposed to be distributed (including any voting rights), the quantity of securities proposed to be distributed and the equity capitalization of the company whose securities are proposed to be distributed.

4.5 *Limitations on Distributions.* Notwithstanding any provision to the contrary contained in this Agreement, neither the Company nor the Managers, on behalf of the Company, shall knowingly make a distribution to any Member or the holder of any Economic Interest on account of its Membership Interest or Economic Interest in the Company (as applicable) in violation of Section 18-607 of the Act.

ARTICLE 5
ALLOCATIONS OF NET PROFITS AND NET LOSSES

5.1 *General Allocation of Net Profits and Losses.*

5.1.1 Net Profits and Net Losses shall be determined and allocated (i) with respect to each fiscal year of the Company as of the end of such fiscal year and (ii) among the Members in a manner such that the Capital Account of each member immediately after making such allocation, is, as nearly as possible, equal (proportionately) to the distributions that would be made to such member during such fiscal year pursuant to *Article* 8 if (a) the Company were dissolved and its affairs wound up and its remaining assets were sold for cash in an amount equal to their fair market value (b) all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the fair market value of the assets securing such liability), and (c) the net assets of the Company were distributed in accordance with *Article* 4 to the Members immediately after making such allocation. Subject to the other provisions of this Agreement, an allocation to a Member of a share of Net Profits or Net Losses shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profits or Net Losses.

5.2 *Regulatory Allocations.* Notwithstanding the foregoing provisions of this *Article* 5, the following special allocations shall be made in the following order of priority:

5.2.1 If any Member unexpectedly receives an adjustment, allocation, or distribution of the type contemplated by Regulations Section 1.704-1 (b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be allocated to all such Members (in proportion to the amounts of their respective Adjusted Capital Account Deficits) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit of such Member as quickly as possible. It is intended that this *Paragraph* 5.2.1 qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d).

5.2.2 If the allocation of Net Loss to a Member as provided in *Paragraph* 5.1 hereof would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Net Loss as will not create or increase an Adjusted Capital Account Deficit. The Net Loss that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests, subject to the limitations of this *Paragraph* 5.2.2.

5.2.3 To the extent that an adjustment to the adjusted tax basis of any Company Asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its Membership Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

5.2.4 The allocations set forth in *Paragraphs* 5.2.1, 5.2.2 and 5.2.3 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2(i). Notwithstanding the provisions of *Paragraph* 5.1.1, the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

5.3 *Tax Allocations.*

5.3.1 Except as provided in *Paragraph* 5.3.2 hereof, for income tax purposes under the Code and the Regulations each Company item of income, gain, loss and deduction shall be allocated between the Members as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to this *Article* 5.

5.3.2 Tax items with respect to Company assets that are contributed to the Company with a Gross Asset Value that varies from its basis in the hands of the contributing Member immediately preceding the date of contribution shall be allocated between the Members for income tax purposes pursuant to Regulations promulgated under Code Section 704(c) so as to take into account such variation. The Company shall account for such variation under any method approved under Code Section 704(c) and the applicable Regulations as chosen by a majority of the Managers, including, without limitation, the "traditional method" as described in Regulations Section 1.704-3(b). If the Gross Asset Value of any Company asset is adjusted pursuant to *Paragraph* 2.32, subsequent allocations of income, gain, loss and deduction with respect to such Company asset shall take account of any variation between the adjusted basis of such Company

asset for Federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations promulgated thereunder under any method approved under Code Section 704(c) and the applicable Regulations as chosen by a majority of the Managers. Allocations pursuant to this *Paragraph* 5.3.2 are solely for purposes of Federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profits, Net Losses and any other items or distributions pursuant to any provision of this Agreement.

5.4 *Other Provisions.*

5.4.1 For any fiscal year during which any part of a Membership Interest or Economic Interest is transferred between the Members or to another Person, the portion of the Net Profits, Net Losses and other items of income, gain, loss, deduction and credit that are allocable with respect to such part of a Membership Interest or Economic Interest shall be apportioned between the transferor and the transferee under any method allowed pursuant to Section 706 of the Code and the applicable Regulations as determined by a majority of the Managers.

5.4.2 In the event that the Code or any Regulations require allocations of items of income, gain, loss, deduction or credit different from those set forth in this *Article* 5, the Managers are hereby authorized to make new allocations in reliance on the Code and such Regulations, and no such new allocation shall give rise to any claim or cause of action by any Member.

5.4.3 For purposes of determining a Member's proportional share of the Company's "excess nonrecourse liabilities" within the meaning of Regulations Section 1.752-3(a)(3), each Member's interest in Net Profits shall be such Member's Percentage Interest.

5.4.4 To the extent that any Member individually receives remuneration that results directly or indirectly from Company activity or participation, such amounts shall be remitted to the Company. Such amount is to be allocated in accordance with the provisions of this *Article* 5.

5.4.5 The Members acknowledge and are aware of the income tax consequences of the allocations made by this *Article* 5 and hereby agree to be bound by the provisions of this *Article* 5 in reporting their shares of Net Profits, Net Losses and other items of income, gain, loss, deduction and credit for Federal, state and local income tax purposes.

ARTICLE 6
OPERATIONS

6.1 *Management.*

6.1.1 Subject to the provisions of this Agreement relating to actions required to be approved by the Members, the business, property and affairs of the Company shall be managed and all powers of the Company shall be exercised by or under the direction of the Managers.

6.1.2 None of the Managers (acting in their capacity as such) shall have authority to bind the Company to any third party with respect to any matter unless the Board of Managers shall have approved such matter and authorized such Manager(s) to bind the Company with respect thereto; *provided however,* any Manager, acting alone, (a) is authorized to endorse checks, drafts and other evidences of indebtedness made payable to the order of the Company, but only for the purpose of deposit into one of the Company's bank accounts and (b) may act pursuant to *Paragraph* 6.10.6. Subject to *Paragraph* 6.2.2, a majority of the Managers acting together shall have authority to sign any contracts, checks, drafts or other instruments obligating the Company. A majority of the Managers, acting together, may delegate to any Manager their authority to sign on behalf of the Company.

6.1.3 Meetings of the Board of Managers may be called by any Manager. All meetings shall be held upon two (2) days notice by mail or delivered personally or by electronic mail or facsimile. A notice shall specify the purpose of any meeting. Notice of a meeting need not be given to any Managers who signs a waiver of notice or a consent to holding the meeting (which waiver or consent need not specify the purpose of the meeting) or an approval of the minutes thereof, whether before or after the meeting. All such waivers, consents and approvals shall be filed with the Company records or made apart of the minutes of the meeting. A majority of the Managers present may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment shall be given prior to the time of the adjourned meeting to the Managers who are present at the time of the adjournment. Meetings of the Managers may be held at any place which has been designated in the notice of the meeting or at such place as may be approved by the Managers. Managers may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Managers participating in such meeting can hear one another. Participation in a meeting in such manner constitutes a presence in person at such meeting. Except to the extent that this Agreement requires the approval of all Managers, every act or decision done or made by a majority of the Managers is the act of the Managers. Any action required or permitted to be taken by the Managers may be taken by the Managers without a meeting, if a majority of the Managers consent in writing to such action, unless the action requires the unanimous vote of the Managers, in which case all Managers must consent in writing. Such action by written consent shall have the same force and effect as a majority vote or unanimous vote, as applicable of such Managers. The provisions of this *Paragraph* 6.1.3 govern meetings of the Managers if the Managers elect, in their discretion, to hold meetings. However, nothing in this *Paragraph* 6.1.3 or in this Agreement is intended to require that meetings of Managers be held, it being the intent of the Members that meetings of Managers are not required.

6.1.4 The Board of Managers shall initially consist of four (4) Managers, two of whom shall be elected by Brentwood (the "Brentwood Manager"), one of whom shall be elected by Brooks (the "Brooks Manager"), and one of whom shall be elected by Campion (the "Campion Manager"); *provided, however,* neither Brentwood nor Messrs. Brooks or Campion shall be entitled to elect a Manager if such Member is not an Eligible Member. The Board of Managers shall be composed of all the Managers. A Manager need not be a Member. The initial Brentwood Managers shall be Messrs. Tom Davin and William Barnum. The initial Brooks Manager shall be Brooks, and the initial Campion Manager shall be Campion. The Members agree to vote their Membership Interests as necessary from time to time to give effect to the foregoing provisions for appointment of Managers.

6.1.5 Any Manager may resign at any time by giving written notice to the Members and remaining Managers without prejudice to the rights, if any, of the Company under any contract to which the Manager is a party. The resignation of any Manager shall take effect upon receipt of that notice or at such later time as shall be specified in the notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

6.1.6 Any Manager may be removed at any time, with or without cause, by the written consent of the Member that elected such Manager.

6.1.7 Upon the death, resignation or removal of a Manager, only the Eligible Member who elected such Manager may appoint the successor Manager; *provided, however,* that, if both (a) the Member entitled to elect the vacated Manager is Incapacitated and (b) such Incapacity does not result in a Transfer pursuant to *Paragraph* 7.1.2, then the resulting vacancy on the Board of Managers shall be filled by a Person elected by the Requisite Members.

6.2 *Authority of the Managers; Limitations on Authority of the Managers.*

6.2.1 Without limiting the generality of *Paragraph* 6.1, but subject to *Paragraph* 6.2.2 and to the express limitations set forth elsewhere in this Agreement, the Managers shall have all necessary powers to manage and carry out the purposes, business, property and affairs of the Company.

6.2.2 Notwithstanding any contrary provision of this Agreement, the Managers shall not take (or agree to take) any action regarding the following matters without the written consent of all Members:

(a) any act in contravention of the Agreement; or

(b) any act that would subject any Member to personal liability for the debts, liabilities or obligations of the Company.

6.3 *Compensation of the Managers; Reimbursement of Expenses.*

6.3.1 The Managers shall not receive any fees or other compensation for their services in administering the Company.

6.3.2 Each Manager shall be entitled to reimbursement on a monthly basis from the Company for all reasonable out-of-pocket costs and expenses incurred by it for or on behalf of the Company upon providing the Company with reasonable documentation for such costs and expenses. Pursuant to an expense agreement between the Company and Zumiez, dated as of the date hereof, Zumiez shall be required to advance and/or reimburse the Company for costs and expenses incurred by the Company.

6.3.3 Immediately following the execution of this Agreement by the Members and the initial Capital Contributions, the Company will pay an investment banking fee of $1,095,000 to Brentwood Private Equity III, LLC, an affiliate of Brentwood.

6.4 *Records and Reports.*

6.4.1 The Managers shall cause to be kept, at the principal place of business of the Company, or at such other location as the Managers shall reasonably deem appropriate, full and proper ledgers, other books of account, and records of all receipts and disbursements, other financial activities, and the affairs of the Company for at least the current and past four fiscal years.

6.4.2 The Managers shall cause to be sent to each Member, within ninety (90) days following the end of each fiscal year of the Company, a report that shall include all necessary information required by the Members for preparation of their Federal, state and local income or franchise tax or information returns, including each Member's pro rata share of Net Profits, Net Losses and any other items of income, gain, loss and deduction for such fiscal year.

6.4.3 Upon reasonable written request by any Member related to such Member's Membership Interest, the Managers shall cause to be sent to such Member a copy of the Company's Federal, state and local income tax or information returns for any fiscal year for which such returns are still required to be made available to Members pursuant to applicable law.

6.4.4 Members (personally or through an authorized representative) may, for purposes reasonably related to their Membership Interests, examine and copy (at their own cost and expense) the books and records of the Company at all reasonable business hours.

6.5 *Liability of the Managers.* Each Manager shall carry out its duties in good faith, in a manner that the Manager believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. Each Manager shall devote such time to the business of the Company as the Manager, in its discretion, deems necessary for

the efficient carrying on of the Company's business. A Manager who so performs the duties of Manager shall not have any liability by reason of being or having been a Manager of the Company except for actions taken in bad faith or for gross negligence or willful misconduct.

6.6 *Devotion of Time.* The Managers are not obligated to devote all of their time or business efforts to the affairs of the Company. The Managers shall devote whatever time, effort and skill as they deem appropriate for the operation of the Company.

6.7 *Information Rights.* The reports and documents furnished to the Company pursuant to Section 8.3 of the Contribution Agreement shall be provided solely to the Managers and the Members; provided however, such reports and documents shall only be provided to those Managers that have entered into a confidentiality agreement with the Company on terms substantially similar to *Paragraph* 9.15 of this Agreement. Each Member acknowledges that it is bound by the confidentiality provisions set forth in *Paragraph* 9.15 of this Agreement.

6.8 *Indemnification of the Members and the Managers.*

6.8.1 The Company shall indemnify and hold harmless each Member and each Manager, and each of their Affiliates, and all officers, directors, employees, and agents of any of the foregoing (individually, an "Indemnitee") to the full extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved as a party or otherwise, relating to the performance or nonperformance of any act concerning the activities of the Company, if the Indemnitee's conduct did not constitute gross negligence, bad faith, willful misconduct or material breach of this Agreement. The termination of an action, suit or proceeding by judgment, order, settlement, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption or otherwise constitute evidence that the Indemnitee acted in a manner contrary to that specified above.

6.8.2 Expenses incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding subject to this *Paragraph* 6.8 shall be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding upon receipt by the Company of a written commitment by or on behalf of the Indemnitee to repay such amount if it shall be determined that such Indemnitee is not entitled to be indemnified as authorized in this *Paragraph* 6.8.

6.8.3 Any indemnification provided hereunder shall be satisfied solely out of the assets of the Company, as an expense of the Company. No Member shall be subject to personal liability by reason of these indemnification provisions.

6.8.4 The provisions of this *Paragraph* 6.8 are for the benefit of the Indemnitees and shall not be deemed to create any rights for the benefit of any other Person.

6.8.5 To the extent that the Managers, or any Affiliate, or any officer, director, employee or agent of any of the foregoing (each, a "Responsible Party") has, at law or in equity, duties (including, without limitation, fiduciary duties) to the Company, any Member or other Person bound by the terms of this Agreement, such Responsible Parties acting in accordance with this Agreement shall not be liable to the Company, any Member, or any such other Person for their good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties of a Responsible Party otherwise existing at law or in equity, are agreed by all parties hereto to replace such other duties to the greatest extent permitted under applicable law.

6.9 *Other Activities.* Any Member may engage or invest in, and devote its time to, any other business venture or activity of any nature and description (independently or with others), whether or not such other activity may be deemed or construed to be in competition with the Company. Neither the Company nor any Member shall have any right by virtue of this Agreement or the relationship created hereby in or to such other venture or activity of any other Member (or to the income or proceeds derived therefrom), and the pursuit thereof, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

6.10 *Management Rights.*

6.10.1 The Company shall take appropriate actions to cause the following persons to be nominated and elected to the Board of Directors of Zumiez (each a "Member Nominee"), including, but not limited to, voting all of the Shares owned by the Company in favor of the Member Nominees at all regular and special meetings of the stockholders of Zumiez called or held for the purpose of filling positions on the Board of Directors of Zumiez, or in each written consent executed in lieu of such a meeting of stockholders:

(a) two (2) persons designated by Brentwood (each a "Brentwood Nominee"); provided, however, that the Company shall not be required to designate the Brentwood Nominees at any time after Brentwood is no longer an Eligible Member;

(b) one (1) person designated by Campion (the "Campion Nominee"); provided, however, that the Company shall not be required to designate the Campion Nominee at any time after Campion is no longer an Eligible Member; and

(c) one (1) person designated by Brooks (the "Brooks Nominee"); provided, however, that the Company shall not be required to designate the Brooks Nominee at any time after Brooks is no longer an Eligible Member.

6.10.2 In the event that the Company is no longer obligated to designate a Member Nominee pursuant to Paragraph 6.10.1, the Company shall vote all of its Shares and take all actions otherwise necessary to ensure the election of the person designated by a majority of the Board of Directors of Zumiez then in office.

6.10.3 If any Member Nominee ceases to serve as a director of Zumiez for any reason during his or her term, a Member Nominee for the vacancy resulting therefrom will be designated by the Member(s) who designated the vacated director; *provided, however,* if the Company is no longer obligated to designate any particular Member Nominee, the resulting vacancy will be filled by a person appointed by a majority of the Board of Directors of Zumiez.

6.10.4 The Company (in its capacity as principal stockholder of Zumiez) shall use its reasonable best efforts to call, or cause the appropriate officers or directors of Zumiez to call, a special meeting of stockholders of Zumiez and to vote all of the Shares owned by the Company for, or to take all actions by written consent in lieu of any such meeting necessary to cause, the removal (with or without cause) from the Board of Directors of Zumiez of (i) any Brentwood Nominee, if Brentwood requests such director's removal in writing for any reason, (ii) the Campion Nominee, if Campion requests such director's removal in writing for any reason, (iii) the Brooks Nominee, if Brooks requests such director's removal in writing for any reason, or (iv) any Member Nominee of any Person listed in *Paragraph* 6.10.1 that is no longer an Eligible Member.

6.10.5 If (i) at any time on or prior to the fourth anniversary of the date hereof, Brentwood and Campion, or (ii) at any time after the fourth anniversary of the date hereof, either Brentwood or Campion, elect to cause the Company to exercise its rights under Sections V, XIII or XIV of the Stockholders' Agreement, the Managers shall take all actions necessary or appropriate to effect the transactions contemplated thereunder; *provided, however,* that neither Brentwood nor Campion

shall any have rights under this *Paragraph* 6.10.5 at any time after Brentwood or Campion, as the case may be, is no longer an Eligible Member. No consent or approval of any other Member is required for Brentwood and/or Campion, as the case may be, to exercise the rights in this *Paragraph* 6.10.5.

6.10.6 Each Manager, acting alone, shall have the right on behalf of the Company, to enforce any and all rights of the Company under the Contribution Agreement.

6.11 *UBTI.* The Company will use its commercially reasonable efforts not to incur UBTI.

ARTICLE 7
INTERESTS AND TRANSFERS OF INTERESTS

7.1 *Transfers.*

7.1.1 Any purported Transfer which is not in accordance with this Agreement shall be null and void.

7.1.2 *Paragraphs* 7.2, 7.3 and 7.5.2 shall not apply to (a) a Transfer by a Member pursuant to *Paragraph* 7.4 or (b) a Transfer by a Member to (i) the Company or any subsidiary thereof, (ii) Brentwood as pledgee under the Pledge Agreement (including any Transfer contemplated therein), (iii) such Member's Immediate Family, (iv) any custodian or trustee for the account or benefit of such Member or such Member's Immediate Family, (iv) the shareholders, partners, or members of a Member which is an entity, (vi) a charitable organization that qualifies under Section 501(c)(3) of the Code, or (vii) a bank or other lending institution to secure loans extended by such bank or other lending institution for any purpose; *provided, however,* that each transferee pursuant to clause (iii), (iv), (v), (vi) or (vii) shall receive and hold such Interest subject to the provisions of this Agreement, and there shall be no further Transfer of such Interest except in accordance herewith; and, *provided, further,* that the transferor and the transferee pursuant to clause (iii), (iv), (v), (vi) or (vii) comply with *Paragraph* 7.9 of the Agreement.

7.2 *Right of First Refusal.*

7.2.1 Except for Transfers (i) pursuant to *Paragraph* 7.1.2, (ii) through the exercise of rights as a Member (other than the Tag-Along Seller) pursuant to *Paragraph* 7.3, or (iii) pursuant to *Paragraph* 7.4, if at any time any Member (an "Offeror") proposes to Transfer, directly or indirectly, all or any part of its Interest (or any beneficial interest therein), such Offeror shall first offer such Interest to the Company and the other Members as set forth below.

7.2.2 The Offeror shall deliver a written notice (the "Offer Notice") to the Company stating (i) a *bona fide* intention to sell or transfer such Interest, (ii) the Interest (expressed as a percentage) proposed to be Transferred (the "Offered Interest"), (iii) the price for which such Offeror proposes to Transfer the Offered Interest (in the case of a Transfer not involving a sale such price shall be deemed to be the fair market value of the Offered Interest as determined pursuant to *Paragraph* 7.2.4) and the terms of payment of that price and other terms and conditions of sale, and (iv) the name and address of the proposed purchaser or transferee. An Offeror shall not effect, or attempt to effect, any sale or other transfer for value of the Interest other than for money or an obligation to pay money. The Offer Notice shall constitute an irrevocable commitment by the Offeror to sell the Offered Interest to the Company and the other Members at the same price, terms and conditions as set forth in the Offer Notice.

7.2.3 For a period of thirty (30) days after receipt of the Offer Notice, the Company or its assignee or assignees (any such assignee hereinafter referred to as a "Permitted Assignee") shall have the right to purchase all of the Offered Interest upon giving notice within such thirty (30) day period of its intention to make such purchase to the Offeror. The price per share of the Offered

Interest purchased by the Company pursuant to this *Paragraph* 7.2.3 shall be, in the case of a sale, the price per share as set forth in the Offer Notice and, in the case of a Transfer not involving a sale, the fair market value of such Interest determined pursuant to *Paragraph* 7.2.4 hereof, and the purchase shall be on the same terms and subject to the same conditions as those set forth in the Offer Notice. If the Company (including any Permitted Assignee or Permitted Assignees) elects not to purchase all the Offered Interest, then it shall give written notice thereof within the thirty (30) day period following receipt of the Offer Notice, and, for a period of twenty (20) days after receipt of the aforementioned notice from the Company, the other Members (each an "Offeree") shall have the right to purchase *pro rata (pro rata* on the basis of the total Percentage Interests owned by those Offerees that elect to purchase such Remaining Interest, as defined below) all of the Offered Interest not purchased by the Company (the "Remaining Interest") on the same price, terms and conditions as set forth in the Offer Notice; provided, however, that the price per share shall be, in the case of a Transfer not involving a sale, the fair market value of such Interest determined pursuant to *Paragraph* 7.2.4 hereof. If the Company is required but fails to give the notice referred to in the preceding sentence of this *Paragraph* 7.2.3, then the Company nevertheless shall be deemed to have given such notice upon the expiration of the thirty (30) day period referred to in such preceding sentence.

7.2.4 In the case of a Transfer of an Interest not involving a sale, the fair market value of the Interest shall be determined in good faith by a majority of the Managers. This determination shall be final and binding upon all parties and persons claiming under or through them. Anything in this *Paragraph* 7.2 to the contrary notwithstanding, if the Offeror is not satisfied with the determination of fair market value, the Offeror may elect not to proceed with the proposed Transfer of Interest not involving a sale and retain such Interest subject to the provisions of this Agreement.

7.2.5 If the Company, including any Permitted Assignee or Permitted Assignees, or the Offerees, as applicable, do not elect to purchase all of the Interest to which the Offer Notice refers as provided in *Paragraph* 7.2.2 hereof, then the Offeror shall have no obligation to sell any of the Offered Interest to the Company or the Offerees (unless the Offeror elects otherwise), and subject first to the Offeror's compliance with *Paragraph* 7.3, the Offeror may Transfer the Offered Interest (less any portion of the Offered Interest which it has elected to Transfer pursuant to the election permitted in the first parenthetical of this *Paragraph* 7.2.5) to any purchaser or transferee named in the Offer Notice on terms and conditions materially no more favorable to such proposed transferee than those terms and conditions specified in the Offer Notice (e.g., the price for such Interest proposed to be sold to the proposed transferee shall be no more favorable (e.g., less) than the price specified in the Offer Notice). If more than five (5) months transpires between the date of the Offer Notice and the closing of any Transfer to such proposed transferee, the Offeror must again comply with this *Paragraph* 7.2 prior to any Transfer to the proposed transferee.

7.2.6 The closing of purchases of Offered Interest pursuant to *Paragraph* 7.2.3 shall take place on a date, time and place mutually agreed upon by the parties. At the closing, (i) the Offeror shall deliver an executed assignment of the Offered Interest, which assignment shall contain warranties of the Offeror that the Offered Interest is being transferred free and clear of all liens, claims, security and other encumbrances, and (ii) each purchasing Offeree shall deliver to the Offeror, by wire transfer of immediately available funds, the amount equal to the Offered Interest being acquired by such Offeree, in full payment of the purchase price of the Offered Interest purchased.

7.3 *Tag-Along Rights.*

7.3.1 After the application of *Paragraph* 7.2 and prior to a Transfer pursuant to *Paragraph* 7.2.5, if a Member (the "Tag-Along Seller") continues to propose to Transfer (a "Tag-Along Sale"), directly or indirectly, all or any part of its Interest (or any beneficial interest therein) to a third-party, then each other Member shall have the right, but not the obligation, to participate in such Tag-Along Sale (and to displace the Tag-Along Seller to the extent of such participation) by selling up to its *pro rata* interest of the Interest proposed to be Transferred. For purposes hereof, a Member's *pro rata* interest of the Interest proposed to be Transferred by the Tag-Along Seller shall be equal to the product of (i) the aggregate Interest (expressed as a percentage of the Company) proposed to be sold by the Tag-Along Seller in the Tag-Along Sale and (ii) such Member's Percentage Interest.

Any such sale by any Member shall be on the same terms and conditions as the proposed Tag-Along Sale by the Tag-Along Seller; *provided, however,* that all selling Members shall share *pro rata,* based upon the Interest being sold by each (i) in any indemnity liabilities to the proposed purchaser in the Tag-Along Sale (other than representations as to unencumbered ownership of and ability to transfer the Interest being sold of any other seller in the Tag-Along Sale, which shall be the sole responsibility of such other seller), provided that no Member shall have liability in excess of the proceeds received by such Member in the Tag-Along Sale, and (ii) in any escrow for the purpose of satisfying any such indemnity liabilities.

7.3.2 The foregoing notwithstanding, *Paragraph* 7.3.1 shall not apply to any transfer permitted in *Paragraph* 7.1.2.

7.3.3 The Tag-Along Seller shall cause the Company to promptly provide each Member with written notice (the "Tag-Along Sale Notice") not more than sixty (60) nor less than thirty (30) days prior to the proposed date of the Tag-Along Sale (the "Tag-Along Sale Date"). Each Tag-Along Sale Notice shall set forth: (i) the name and address of each proposed purchaser of Interest in the Tag-Along Sale; (ii) the total Interest (expressed as a percentage) proposed to be sold by the Tag-Along Seller; (iii) the proposed amount and form of consideration to be paid for such Interest and the terms and conditions of payment offered by each proposed purchaser; (iv) the aggregate Interest held of record as of the close of business on the date preceding the date of the Tag-Along Sale Notice (the "Tag-Along Notice Date") by the Member to whom the notice is sent; (v) the aggregate Interest held of record as of the Tag-Along Notice Date by the Tag-Along Seller; (vi) the maximum Interest (the "Member's Allotment") (as computed in accordance with *Paragraph* 7.3.1) that the Member to whom the notice is sent is entitled to include in the Tag-Along Sale assuming each Member elected to participate in the Tag-Along Sale and elected to sell all of the Interest owned by such Member; (vii) confirmation that the proposed purchaser has been informed of the "Tag-Along Rights" provided for herein and has agreed to purchase the Interest in accordance with the terms hereof; (viii) the Tag-Along Sale Date, and (ix) confirmation that, with respect to the Interest to be received by the proposed purchaser, the proposed purchaser agrees in writing to be bound by, and covenants that each subsequent purchaser of all such Interest shall be bound by, the provisions of this Agreement as if such purchaser were an original party to this Agreement.

Each Member who wishes to participate in the Tag-Along Sale shall provide written notice (or oral notice confirmed in writing) (the "Tag-Along Notice") to the Tag-Along Seller no less than fifteen (15) days prior to the Tag-Along Sale Date. The Tag-Along Notice shall set forth the Interest, if any, that such Member desires to include in the Tag-Along Sale (which shall not exceed such Member's Allotment). The Tag-Along Notice shall also specify the aggregate additional Interest owned of record as of the date of the Tag-Along Notice by such Member, if any, which such Member desires also to include in the Tag-Along Sale ("Additional Interest") in the event there is an aggregate undersubscription for the entire Members' Allotment. In the event there is an aggregate

undersubscription by the Members for the entire Members' Allotment, the Tag-Along Seller shall apportion the unsubscribed Interest to Members whose Tag-Along Notices specified an Additional Interest, which apportionment shall be on a *pro rata* basis among such Members in accordance with the Additional Interest specified by all such Members in their Tag-Along Notices.

The Tag-Along Seller shall determine the aggregate Interest to be sold by each participating Member in any given Tag-Along Sale in accordance with the terms hereof, and the Tag-Along Notices given by the Members shall constitute their binding respective agreements to sell such Interest on the terms and conditions applicable to such sale (including the requirements of this *Paragraph* 7.3).

If a Tag-Along Notice from a Member is not received by the Tag-Along Seller within the 15-day period specified above, then the Tag-Along Seller shall have the right to sell the Interest specified in the Tag-Along Sale Notice to the proposed purchaser without any participation by such Member, but only on the terms and conditions stated in such Tag-Along Sale Notice and only if such sale occurs on a date within five business days of the Tag-Along Sale Date.

7.3.4 The provisions of this *Paragraph* 7.3 shall apply regardless of the form of consideration received in the Tag-Along Sale.

7.4 *Drag-Along Rights.*

7.4.1 If (i) Brentwood and Campion are Eligible Members and desire to sell all of their respective Interest at any time on or prior to the fourth anniversary of the date hereof, or (ii) Brentwood or Campion (each, a "Drag-Along Seller" and collectively, the "Drag-Along Sellers") is an Eligible Member and desires to sell all of its respective Interest at any time after the fourth anniversary of the date hereof, in each case, pursuant to a *bona fide* offer to purchase from a third-party (other than an Affiliate of such Drag-Along Seller(s)), subject to *Paragraph* 7.4.3 below, then each of the other Members shall sell all Interest held by it pursuant to such offer to purchase (the "Drag-Along Sale"). All holders of Interest in such Drag-Along Sale (i) shall be subject to the same terms and conditions of sale and shall otherwise be treated equally or, where appropriate, *pro rata* based upon the Percentage Interest held by each Member, and (ii) shall execute such documents and take such actions as may be reasonably required to consummate the Drag-Along Sale.

Any such sale by any Member shall be on the same terms and conditions as the proposed Drag-Along Sale by the Drag-Along Seller(s); *provided, however,* that all selling Members shall share, based upon the number of Interest being sold by each, (i) in any indemnity liabilities to the purchaser in the Drag-Along Sale (other than representations as to unencumbered ownership of and ability to transfer the Interest being sold of any other seller in the Drag-Along Sale, which shall be the sole responsibility of such other seller) and (ii) in any escrow for the purpose of satisfying any such indemnity liabilities; *provided* that each Member's sharing obligation hereunder with respect to such indemnity or other liabilities shall be several and limited to the Interest being sold by such Member and the proceeds thereof, including, without limitation, the cash and non-cash consideration received by such Member with respect to such Interest. In no circumstance whatsoever hereunder shall any other recourse be had to such Member, whether by levy or execution, or under any law, or by the enforcement of any assessment or penalty or otherwise, it being understood that the sole recourse for enforcing such Member's obligation hereunder shall be to such Interest being sold thereby and the proceeds thereof.

7.4.2 The Drag-Along Seller(s) shall cause the Company to promptly provide each Member with written notice (the "Drag-Along Sale Notice") not more than sixty (60) nor less than thirty (30) days prior to the date of the Drag-Along Sale (the "Drag-Along Sale Date"). Each Drag-Along. Sale Notice shall set forth: (i) the name and address of each proposed purchaser of Interest in the Drag-Along Sale; (ii) the proposed amount and form of consideration to be paid for

such Interest and the terms and conditions of payment offered by each proposed purchaser; (iii) confirmation that each proposed purchaser has been informed of the "Drag-Along Rights" provided for herein and has agreed to purchase Interest in accordance with the terms hereof; and (iv) the Drag-Along Sale Date.

7.4.3 The provisions of this *Paragraph* 7.4 shall apply regardless of the form of consideration to be received in the Drag-Along Sale, and if any non-cash consideration is proposed in the Drag-Along Sale to the Drag-Along Seller(s), then each Member shall accept its *pro rata* share of such non-cash consideration for the Interest based upon its Percentage Interest.

7.5 *Further Restrictions.*

7.5.1 Notwithstanding any contrary provision in this Agreement, any Transfer that would otherwise be permitted by this Agreement shall be null and void if: (a) such Transfer would cause a termination of the Company for Federal or state, if applicable, income tax purposes (unless this clause (a) is waived by all of the Managers); (b) such Transfer requires the registration of such Transferred Interest pursuant to any applicable Federal or state securities laws; (c) such Transfer causes the Company to become a "Publicly Traded Partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code; (d) such Transfer subjects the Company to regulation under the Investment Company Act of 1940, the Investment Advisers Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended; (e) such Transfer results in a violation of applicable laws to which the Company is subject or could have liability; (f) such Transfer is made to any Person who lacks the legal right, power or capacity to own such Interest; (g) such Transfer would cause the assets of the Company to constitute Plan Assets, or (h) the Company does not receive written instruments (including, without limitation, copies of any instruments of Transfer and such Assignee's consent to be bound by this Agreement as an Assignee) that are in a form reasonably satisfactory to the Managers.

7.5.2 Except as provided in *Paragraph* 7.1.2, at any time prior to the fourth anniversary of the date hereof, no Member may Transfer, directly or indirectly, all or any portion of its Interest without the prior written consent of a majority of the Managers, which consent may be withheld in their sole and absolute discretion.

7.5.3 Any agreement (e.g., purchase and sale agreement) governing the Transfer of an Interest shall contain a provision stating that (a) such agreement shall be governed by Delaware law and (b) any dispute arising out of such Transfer shall be resolved in Delaware.

7.6 *Rights of Assignees.* Until such time, if any, as a transferee of any permitted Transfer pursuant to this *Article* 7 is admitted to the Company as a Substitute Member pursuant to *Paragraph* 7.9: (i) such transferee shall be an Assignee only, and only shall receive, to the extent Transferred, the distributions and allocations of income, gain, loss, deduction, or similar item to which the Member which Transferred its Interest would be entitled, and (ii) such Assignee shall not be entitled to exercise any other rights or powers of a Member, such other rights, and all obligations relating to, or in connection with, such Interest, remaining with the transferring Member. In such a case, the transferring Member shall remain a Member even if he has transferred his entire Economic Interest in the Company to one or more Assignees until such time as each Assignee is admitted to the Company as a Member pursuant to *Paragraph* 7.9. In the event of any permitted Transfer as contemplated by this *Paragraph 7.6, Exhibit A* shall be amended to reflect the interests of this Assignee in and to the transferring Member's interest, as provided herein. In the event any Assignee desires to make a further assignment of any Economic Interest in the Company, such Assignee shall be subject to all of the provisions of this Agreement to the same extent and in the same manner as any Member desiring to make such an assignment.

7.7 *Admissions and Withdrawals.* No Person shall be admitted to the Company as a Member except in accordance with *Paragraph* 3.3 (in the case of Persons obtaining an interest in the Company directly from the Company) or *Paragraph* 7.9 (in the case of transferees of a permitted Transfer of an interest in the Company from another Person). No admission or withdrawal of a Member shall cause the dissolution of the Company. Any purported admission or withdrawal which is not in accordance with this Agreement shall be null and void.

7.8 *Forfeiture Upon Withdrawal.* If any Member withdraws from the Company (other than a withdrawal pursuant to *Paragraph* 7.10), such withdrawing Member shall forfeit its Membership Interest. If any Member attempts to withdraw from the Company (other than pursuant to *Paragraph* 7.10) without the consent of the Requisite Members, then, notwithstanding the last sentence of *Paragraph* 7.7, a majority of the Managers may, in their sole and absolute discretion, permit such withdrawal (without waiving, in any manner, any other rights available to it or the Company at law or in equity and in addition to, and not in lieu of, any other remedies to which it or the Company may be entitled); *provided that* such withdrawing Member shall not be entitled to receive any payment or any other benefits of or other compensation in connection with, its Membership Interest.

7.9 *Admission of Assignees as Substitute Members.*

7.9.1 An Assignee shall become a Substitute Member only if and when each of the following conditions are satisfied:

(a) the assignor of the Interest transferred sends written notice to the Managers requesting the admission of the Assignee as a Substitute Member and setting forth the name and address of the Assignee, the Percentage Interest transferred, and the effective date of the Transfer;

(b) except for Transfers that comply with the provisions of Section 7, a majority of the Managers (or, if at any time no Managers exist, the Requisite Members) consent in writing to such admission, which consent may be given or withheld in the Managers' (or Members') sole and absolute discretion; and

(c) the Managers receive from the Assignee (i) such information concerning the Assignee's financial capacities and investment experience as may reasonably be requested by the Managers, and (ii) written instruments (including, without limitation, copies of any instruments of Transfer and such Assignee's consent to be bound by this Agreement as a Substitute Member) that are in a form reasonably satisfactory to the Managers.

7.9.2 Upon the admission of any Substitute Member, *Exhibit A* shall be amended to reflect the name, address, and Percentage Interest of such Substitute Member and to eliminate or adjust, if necessary, the name, address, and Percentage Interest, of the predecessor of such Substitute Member.

7.9.3 If an Eligible Member Transfers all of its Membership Interest, and the transferee is otherwise admitted as a Substitute Member pursuant to *Paragraph* 7.9, the transferee of such Membership Interest shall succeed to (and retain) (a) the preemptive rights in *Paragraph* 3.3.2, (b) the rights of appointment and removal of a Manager in *Paragraph* 6.1, (c) the management rights in *Paragraph* 6.10 and (d) the drag-along rights in *Paragraph* 7.4, in each case, if and only if, the transferee continues to Control at least 50% of the Interest that was owned by the transferor as of the date of this Agreement.

7.10 *Withdrawal of Members.* If a Member has transferred all of its Membership Interest to one or more Assignees, then such Member shall withdraw from the Company if and when all such Assignees have been admitted as Substitute Members in accordance with this Agreement. In the event that a Member has a zero balance in its Capital Account and a zero Percentage Interest, such Member

shall be deemed to have withdrawn from the Company and shall have no further rights as a Member; provided, however, such Member shall nonetheless retain its rights under *Paragraph* 4.1.2(d).

7.11 *Conversion of Membership Interest.* In the event of the Incapacity of a Member that does not result in a Transfer pursuant to *Paragraph* 7.1.2, such Incapacitated Member's Membership Interest shall automatically be converted to an Economic Interest only, and such Incapacitated Member (or its executor, administrator, trustee or receiver, as applicable) shall thereafter be deemed an Assignee for all purposes hereunder, with such Economic Interest, but without any other rights of a Member unless the holder of such Economic Interest is admitted as a Substitute Member pursuant to *Paragraph* 7.9.

7.12 *Compliance With IRS Safe Harbor.* The Managers shall monitor the transfers of interests in the Company to determine (i) if such interests are being traded on an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of section 7704 of the Code, and (ii) whether additional transfers of interests would result in the Company being unable to qualify for at least one of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the Internal Revenue Service setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of section 7704 of the Code) (the "Safe Harbors"). The Managers shall take all steps reasonably necessary or appropriate to prevent any trading of interests or any recognition by the Company of transfers made on such markets and, except as otherwise provided herein, to ensure that at least one of the Safe Harbors is met.

ARTICLE 8
DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY

8.1 *Limitations.* The Company may be dissolved, liquidated, and terminated and have its affairs wound up only pursuant to the provisions of this *Article* 8, and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Company or a sale or partition of any or all of the Company assets.

8.2 *Exclusive Causes.* Notwithstanding the Act, the following and only the following events shall cause the Company to be dissolved, liquidated, and terminated:

(a) The election of the Requisite Members;

(b) The occurrence of a Liquidation Event; or

(c) Judicial dissolution.

Any dissolution of the Company other than as provided in this *Paragraph* 8.2 shall be a dissolution in contravention of this Agreement.

8.3 *Effect of Dissolution.* The dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until it has been wound up and its assets have been distributed as provided in *Paragraph* 8.5 of this Agreement and its Certificate has been cancelled by the filing of a certificate of cancellation with the office of the Delaware Secretary of State. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

8.4 *No Capital Contribution Upon Dissolution.* Each Member shall look solely to the assets of the Company for all distributions with respect to the Company, its Capital Contribution thereto, its Capital Account and its share of Net Profits or Net Losses, and shall have no recourse therefor (upon dissolution or otherwise) against any other Member. Accordingly, if any Member has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which the liquidation occurs), then such Member shall have no

deficit restoration obligation and have no obligation to make any Capital Contribution with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other person for any purpose whatsoever.

8.5 *Liquidation.*

8.5.1 Upon dissolution of the Company, a majority of the Managers shall designate one of the Managers to act as the "Liquidator" of the Company. The Liquidator shall take full account of the Company's debts, obligations, liabilities and Property and shall cause the Property or the proceeds from the sale thereof, to the extent sufficient therefore, to be applied and distributed, to the maximum extent permitted by law, in the following priority:

(a) First, to the payment of the obligations of the Company, to the expenses of liquidation, and to the setting up of any Reserves for contingencies which the Liquidator may consider necessary; then

(b) Second, to the Members in accordance with *Article* 4, after giving effect to any prior payments in accordance with such provision.

8.5.2 Notwithstanding *Paragraph* 8.5.1 of this Agreement, in the event that the Liquidator determines that an immediate sale of all or any portion of the Company assets would cause undue loss to the Members, the Liquidator, in order to avoid such loss to the extent not then prohibited by the Act, may either defer liquidation of and withhold from distribution for a reasonable time any Company assets except those necessary to satisfy the Company's debts and obligations, or distribute the Company assets to the Members in kind.

ARTICLE 9
MISCELLANEOUS

9.1 *Appointment of Managers as Attorneys-in-Fact.*

9.1.1 Each Member, including each Additional Member and Substitute Member, by its execution of this Agreement, irrevocably constitutes and appoints each Manager as its true and lawful attorney-in-fact with full power and authority in its name, place and stead to execute, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to carry out the provisions of this Agreement, including but not limited to:

(a) Subject to *Paragraph* 9.2, all certificates and other instruments (including counterparts of this Agreement), and all amendments thereto, which a majority of the Managers deem appropriate to form, qualify, continue or otherwise operate the Company as a limited liability company (or other entity in which the Members will have limited liability comparable to that provided in the Act), in the jurisdictions in which the Company may conduct business or in which such formation, qualification or continuation is, in the opinion of the Managers, necessary or desirable to protect the limited liability of the Members.

(b) Subject to *Paragraph* 9.2, all amendments to this Agreement adopted in accordance with the terms hereof, and all instruments which a majority of the Managers deem appropriate to reflect a change or modification of the Company in accordance with the terms of this Agreement.

(c) All conveyances of Company assets, and other instruments which the Liquidator reasonably deems necessary in order to complete a dissolution and termination of the Company pursuant to this Agreement.

9.1.2 The appointment by all Members of the Managers as attorneys-in-fact shall be deemed to be a power coupled with an interest, in recognition of the fact that each of the Members under this Agreement will be relying upon the Managers to act as contemplated by this Agreement in any filing and other action by it on behalf of the Company, shall survive the Incapacity of any Person hereby giving such power, and the transfer or assignment of all or any portion of the Interest of such Person in the Company, and shall not be affected by the subsequent Incapacity of the Member; *provided, however*, that in the event of the assignment by a Member of all of its Interest in the Company, the foregoing power of attorney of an assignor Member shall survive such assignment only until such time as the Assignee shall have been admitted to the Company as a Substitute Member and all required documents and instruments shall have been duly executed, filed and recorded to effect such substitution.

9.2 *Amendments.*

9.2.1 Each Additional Member and Substitute Member shall become a signatory hereto by signing such number of counterpart signature pages to this Agreement, a power of attorney to the Managers, and such other instruments, in such manner, as the Managers shall determine. By so signing, each Additional Member and Substitute Member, as the case may be, shall have, and shall be deemed to have, adopted and agreed to be bound by all of the provisions of this Agreement.

9.2.2 Except as otherwise provided in this Agreement and except for amendments otherwise specifically authorized herein, any and all amendments to this Agreement may be made from time to time by the Managers and the Requisite Members; *except that,* without the consent of each Member to be adversely affected, this Agreement may not be amended so as to (a) modify the limited liability of a Member, (b) adversely affect the interest of a Member in Net Profits, Net Losses or Cash Available for Distribution (other than to reflect the admission and economic terms of an Additional Member or the economic interest of an Assignee) or (c) adversely affect the interest of a Member with respect to *Paragraphs* 3.3.2, 7.1.2, 7.2, 7.3 or 7.4.

9.2.3 In addition to other amendments authorized herein, amendments may be made to this Agreement from time to time by the Managers, without the consent of any other Member: (a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement that are not inconsistent with the provisions of this Agreement; (b) to delete or add any provision of this Agreement required to be so deleted or added by any Federal or state official, which addition or deletion is deemed by such official to be for the benefit or protection of all of the Members; and (c) to take such actions as may be necessary (if any) to insure that the Company will be treated as a partnership for Federal income tax purposes.

9.2.4 In making any amendments, there shall be prepared and filed by, or for, the Managers such documents and certificates as may be required under the Act and under the laws of any other jurisdiction applicable to the Company.

9.3 *Accounting and Fiscal Year.*

9.3.1 The books of the Company shall be subject to Section 448 of the Code, on such method of accounting for tax purposes as may be determined by a majority of the Managers. The fiscal year of the Company shall end on December 31 of each year, or on such other date permitted under the Code as a majority of the Managers shall determine.

9.4 *Meetings.* At any time, and from time to time, the Managers may, but shall not be required to, call meetings of the Members. Written notice of any such meeting shall be given to all Members not less than two (2) nor more than forty-five (45) days prior to the date of such meeting. Each meeting of the Members shall be conducted by the Managers or any designee thereof. Each Member may authorize any other Person (whether or not such other Person is a Member) to act for it or on its

behalf on all matters in which the Member is entitled to participate. Each proxy must be signed by the Member or such Member's attorney-in-fact. All other provisions governing, or otherwise relating to, the holding of meetings of the Members, shall from time to time be established in the sole discretion of the Managers.

Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a written consent setting forth the action so taken is signed by Members holding the Percentage Interests required by this Agreement for the action in question. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of approval by the Members holding the Percentage Interests required by this Agreement. Such consent shall thereafter be sent to each of the Managers. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

9.5 *Entire Agreement.* This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior or contemporaneous agreements or understandings between the parties hereto pertaining to the subject matter hereof.

9.6 *Further Assurances.* Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors, and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish, and deliver such other instruments, documents and statements, and to take such other action as may be required by law or reasonably necessary to effectively carry out the purposes of this Agreement.

9.7 *Notices.* Any notice, consent, payment, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be (a) delivered personally to the Person or to an officer of the Person to whom the same is directed, or (b) sent by facsimile or registered or certified mail, return receipt requested, postage prepaid, addressed as follows: if to the Company, to the Company at the address set forth in *Paragraph* 1.3 hereof, or to such other address as the Company may from time to time specify by notice to the Members; if to a Member, to such Member at the most recent address set forth in the Company's books and records, or to such other address as such Member may from time to time specify by notice to the Company. Any such notice shall be deemed to be delivered, given and received for all purposes as of: (i) the date so delivered, if delivered personally, (ii) upon receipt, if sent by facsimile, or (iii) on the date of receipt or refusal indicated on the return receipt, if sent by registered or certified mail, return receipt requested, postage and charges prepaid and properly addressed.

9.8 *Tax Matters.*

9.8.1 Brentwood shall at all times be designated and shall operate as "Tax Matters Partner" (as defined in Code Section 6231), to oversee or handle matters relating to the taxation of the Company, including the making of any election for Federal income tax purposes.

9.8.2 Income tax returns of the Company shall be prepared by such Person(s) as Brentwood shall retain at the expense of the Company. In the event of any dispute between the Internal Revenue Service and the Company, the Company will provide the Members with notice thereof and prior to any settlement of such dispute submit the proposed settlement terms to the Members for their consent, which will require the consent of a majority of the Managers and the Requisite Members.

9.9 *Dispute Resolution.*

9.9.1 *Mutual Discussions.* If any dispute or difference of any kind whatsoever shall arise between the Members (each a "Disputing Member") in connection with, or arising out of, this Agreement, or the breach, termination or validity thereof (a "Dispute"), the Disputing Members shall attempt to settle such Dispute in the first instance by mutual discussions. All negotiations

pursuant to this clause shall be confidential and shall be treated as compromise and settlement negotiations, and no oral or documentary representations made by the Disputing Members during such negotiations shall be admissible for any purpose in any subsequent proceedings. If any Dispute is not resolved within thirty (30) days of receipt by a Disputing Member of notice of a Dispute (or within such longer period as to which the Disputing Members have agreed in writing), then, on the request of any Disputing Member ("Mediation Request"), the Dispute shall be submitted to mediation in accordance with *Paragraph* 9.9.2.

9.9.2 *Mediation.* Any Dispute not resolved pursuant to *Paragraph* 9.9.1 shall be referred to mediation in accordance with the Commercial Mediation Rules ("Mediation Rules") of the American Arbitration Association ("AAA") before a mediator to be agreed upon by the Disputing Members. If no mediator has been agreed upon within 20 days of receipt by a Disputing Member of a Mediation Request, then any Disputing Member may request that the AAA appoint a mediator in accordance with the Mediation Rules. All mediation pursuant to this clause shall be confidential and shall be treated as compromise and settlement negotiations, and no oral or documentary representations made by the Disputing Members during such mediation shall be admissible for any purpose in any subsequent proceedings. If the Dispute has not been resolved within thirty (30) days of the appointment of a Mediator or within sixty (60) days of receipt by a Disputing Member or Disputing Members of a Mediation Request (whichever occurs sooner) then, on the demand of any Disputing Member, the Dispute shall be referred to arbitration in accordance with *Paragraph* 9.9.3 herein.

9.9.3 *Arbitration.* Any Dispute not timely resolved in accordance with *Paragraphs* 9.9.1 and 9.9.2 shall, on the receipt of an arbitration demand, be finally and exclusively resolved by arbitration in accordance with the Commercial Arbitration Rules of the AAA (the "Rules"), then in effect, except as modified herein. The arbitration shall be held, and the award shall be issued in the State of Delaware. There shall be one neutral arbitrator appointed by agreement of the Disputing Members within thirty (30) days of receipt by respondent of the demand for arbitration. If such arbitrator is not appointed within the time limit provided herein, on the request of any Disputing Member such arbitrator shall be appointed by the American Arbitration Association by using a list striking and ranking procedure in accordance with the Rules. Any arbitrator appointed by the AAA shall be a retired judge or a practicing attorney with no less than fifteen years of experience and an experienced arbitrator. By agreeing to arbitration, the Disputing Members do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the Disputing Members to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any Disputing Member to respect the arbitral tribunal's orders to that effect. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 *et seq*. In arriving at a decision, the arbitrator shall be bound by the terms and conditions of this Agreement and shall apply the governing law of this Agreement as designated in *Paragraph* 9.9. The arbitrator is not empowered to award damages in excess of compensatory damages, and each Disputing Member hereby irrevocably waives any right to recover punitive, exemplary or similar damages with respect to any Dispute. The award shall provide that the fees and expenses of the arbitration (including the fees of the AAA, the fees and expenses of the arbitrators and the reasonable attorneys' fees of the prevailing Disputing Member) shall be paid by the non-prevailing Disputing Member. The award, which shall be in writing and shall state the findings of fact and conclusions of law upon which it is based, shall be final and binding on the Disputing Members and shall be the sole and exclusive remedy between the Disputing Members regarding any claims, counterclaims, issues or accountings

presented to the arbitral tribunal. Judgment upon any award may be entered in any court of competent jurisdiction.

9.10 *Governing Law.* This Agreement, including its existence, validity, construction, and operating effect, and the rights of each of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Delaware without regard to otherwise governing principles of conflicts of law.

9.11 *Construction.* This Agreement shall be construed as if all parties prepared it.

9.12 *Captions—Pronouns.* Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural as appropriate.

9.13 *Binding Effect.* Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the Members, their heirs, executors, administrators, successors and all other Persons hereafter holding, having or receiving an interest in the Company, whether as Assignees, Substitute Members or otherwise.

9.14 *Severability.* In the event that any provision of this Agreement as applied to any party or to any circumstance, shall be adjudged by a court to be void, unenforceable or inoperative as a matter of law, then the same shall in no way affect any other provision in this Agreement, the application of such provision in any other circumstance or with respect to any other party, or the validity or enforceability of the Agreement as a whole.

9.15 *Confidentiality.* Each Party hereto agrees that the provisions of this Agreement, all understandings, agreements and other arrangements between and among the parties, and all other non-public information received from or otherwise relating to, the Company shall be confidential, and shall not be disclosed or otherwise released to any other Person (other than its members, partners, affiliates, employees or agents who have a need to know the contents of such information in connection with its investment in the Company), without the written consent of the Managers. The obligations of the parties hereunder shall not apply to the extent that the disclosure of information otherwise determined to be confidential is required by applicable law, *provided that,* prior to disclosing such confidential information, a party shall notify the Company thereof, which notice shall include the basis upon which such party believes the information is required to be disclosed.

9.16 *UCC Article 8.* The Company hereby elects that all Interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code as in effect in the State of Delaware. This provision shall not be amended without the consent of all of the Members.

9.17 *Counterparts.* This Agreement may be executed in any number of multiple counterparts, each of which shall be deemed to be an original copy and all of which shall constitute one agreement, binding on all parties hereto.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

COMPANY:

ZUMIEZ HOLDINGS LLC

By: /s/ RICHARD M. BROOKS

Richard M. Brooks
Manager

MEMBERS:

BRENTWOOD-ZUMIEZ INVESTORS, LLC

By: Brentwood Associates Private Equity III, LLC
its Manager

By: Brentwood Private Equity III, LLC
its General Partner

By: /s/ THOMAS E. DAVIN

Thomas E. Davin

/s/ THOMAS D. CAMPION

THOMAS D. CAMPION

/s/ RICHARD M. BROOKS

RICHARD M. BROOKS

/s/ JOHN G. HAAKENSON

JOHN G. HAAKENSON

EXHIBIT "A"

EXHIBIT A

Member Name	Member Address	Cash Contribution	Gross Asset Value of Contributed Property	Less: Cash Distribution	Net Agreed Value of Contributed Property	Percentage Interest in Zumiez LLC
Brentwood-Zumiez Investors, LLC	11150 Santa Monica Blvd. Suite 1200 Los Angeles, CA 90025	$ 25,270,950.67			$ 25,270,950.67	43.25%
Thomas D. Campion	3123 153rd Avenue S.E. Snohomish, WA 92890		$ 33,050,389.76	$ (13,414,765.57)	$ 19,635,624.19	35.12%
Richard M. Brooks	6130 N.E. 152nd Street Kenmore, WA 98028		$ 12,091,601.91		$ 12,091,601.91	21.63%
John O. Haakenson	801 12th Avenue N. Edmonds, WA 98020		$ 3,691,289.46	$ (3,691,289.46)	$ 0.00	0.00%
		$ 25,270,950.67	$ 48,833,281.13	$ (17,106,055.03)	$ 56,998,176.77	100.00%

EXHIBIT "B"

Member Name	Percentage	Maximum Additional Distribution
Thomas D. Campion	81.30%	$ 5,000,000.00
Richard M. Brooks	3.43%	$ 210,949.48
John G. Haakenson	15.27%	$ 939,001.27
	100.00%	$ 6,149,950.75

EXHIBIT "C"

Name		Cash	Shares
Thomas D. Campion	$	13,414,765.57	9,950.35
John G. Haakenson	$	3,691,289.46	2,738.00

QuickLinks

Exhibit 10.10

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 Amendment No. 2 of our report dated March 29, 2005, except for Note 12, as to which the date is April 20, 2005, relating to the financial statements of Zumiez Inc., which appear in such Registration Statement. We also consent to the references to us under the headings "Experts" in such Registration Statement.

/s/ *PricewaterhouseCoopers LLP*
Seattle, Washington
April 20, 2005

QuickLinks

Exhibit 24.2

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that Steven W. Moore constitutes and appoints Richard M. Brooks and Brenda I. Morris, and each of them, his attorney-in-fact, for him in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments and abbreviated registration statements), and any and all registration statements filed pursuant to Rule 462 or Rule 429 under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of common stock of Zumiez Inc., and to file or cause to be filed the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitutes, may do or cause to be done by virtue hereof.

Executed this 12th day of April 2005

/s/ STEVEN W. MOORE

Steven W. Moore, Director

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