

10-11-2000



MLD  
8.22.00

101484919  
RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

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

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

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

Citizenship/State of Incorporation/Organization

10/10/2000 MTHAI1 00000020 192385 75567112

FOR OFFICE USE ONLY

01 FC:481 40.00 CH  
02 FC:482 575.00 CH

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

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

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

[Empty text box]

Address (line 1)

[Empty text box]

Address (line 2)

[Empty text box]

Address (line 3)

[Empty text box]

Address (line 4)

[Empty text box]

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

[Empty text box]

**Pages**

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

#

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

Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="75567112"/>	<input type="text" value="75529956"/>	<input type="text" value="75529955"/>
<input type="text" value="74672893"/>	<input type="text" value="75633537"/>	<input type="text" value="75633541"/>
<input type="text" value="75779967"/>	<input type="text" value="75779966"/>	<input type="text"/>

<input type="text" value="1763608"/>	<input type="text" value="1444863"/>	<input type="text" value="1434476"/>
<input type="text" value="1818485"/>	<input type="text" value="1875050"/>	<input type="text" value="1942879"/>
<input type="text" value="2087963"/>	<input type="text" value="2155298"/>	<input type="text" value="2243029"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

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

Kenneth Rubenstein

Name of Person Signing

Kenneth Rubenstein

Signature

8/18/00

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party



Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

Ryobi Technologies, Inc.

08012000

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party



Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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Corporation  Association

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Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**


2189668	1926945	1695200
1687562	1684800	1290283
2237598		

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

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

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

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Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

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**PLEDGE AND SECURITY AGREEMENT**

**dated as of August 1, 2000**

**between**

**EACH OF THE GRANTORS PARTY HERETO**

**and**

**HSBC BANK USA,  
as the Collateral Agent**

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This **PLEDGE AND SECURITY AGREEMENT**, dated as of August 1, 2000 (this "**Agreement**"), between **EACH OF THE UNDERSIGNED**, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (each, a "**Grantor**"), and **HSBC BANK USA**, as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, the "**Collateral Agent**").

#### **RECITALS:**

**WHEREAS**, reference is made to that certain Credit and Guaranty Agreement, dated as of the date hereof (as it may be amended, supplemented or otherwise modified, the "**Credit Agreement**"), by and among **ONE WORLD TECHNOLOGIES, INC.**, a Delaware corporation ("**Company**"), **ONE WORLD TECHNOLOGIES, LTD.**, a Bermuda corporation ("**Holdings**"), **TECHTRONIC INDUSTRIES COMPANY LIMITED**, a corporation organized under the laws of Hong Kong with limited liability ("**Parent**"), **CERTAIN SUBSIDIARIES OF COMPANY**, as Guarantors, the Lenders party hereto from time to time, **COMMERZ (EAST ASIA) LIMITED**, as Lead Arranger, **HSBC SECURITIES (USA), INC.** ("**HSI**"), as Lead Arranger (together with Commerz (East Asia) Limited and their permitted successors and assigns in such capacity, the "**Lead Arrangers**"), **COMMERZBANK AG** ("**Commerzbank**"), as Syndication Agent together with its permitted successors in such capacity ("**Syndication Agent**") and **HSBC BANK USA** ("**HSBC**"), as Administrative Agent (together with its permitted successors in such capacity, "**Administrative Agent**") and as Collateral Agent (together with its permitted successors in such capacity, "**Collateral Agent**");

**WHEREAS**, subject to the terms and conditions of the Credit Agreement, certain Grantors may enter into one or more Lender Hedge Agreements with one or more Lender Counterparties;

**WHEREAS**, in consideration of the extensions of credit and other accommodations of Lenders and Lender Counterparties as set forth in the Credit Agreement and the Lender Hedge Agreements, respectively, each Grantor has agreed, subject to the terms and conditions hereof, and of each other Credit Document and each of the Lender Hedge Agreements, to secure such Grantor's obligations under the Credit Documents and the Lender Hedge Agreements as set forth herein; and

**NOW, THEREFORE**, in consideration of the premises and the agreements, provisions and covenants herein contained, each Grantor and the Collateral Agent agree as follows:

#### **SECTION 1. DEFINITIONS; GRANT OF SECURITY.**

**1.1. General Definitions.** In this Agreement, the following terms shall have the following meanings:



**"Account Debtor"** shall mean each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

**"Accounts"** shall mean (i) all "accounts" as defined in the UCC and (ii) all Health-Care-Insurance Receivables.

**"Agreement"** shall have the meaning set forth in the preamble.

**"Additional Grantors"** shall have the meaning assigned in Section 4.3.

**"Assigned Agreements"** shall mean all agreements and contracts to which such Grantor is a party as of the date hereof, including, without limitation, each Material Contract, or to which such Grantor becomes a party after the date hereof, as each such agreement may be amended, supplemented or otherwise modified from time to time.

**"Cash Proceeds"** shall have the meaning assigned in Section 6.4.

**"Chattel Paper"** shall mean all "chattel paper" as defined in the UCC.

**"Collateral"** shall have the meaning assigned in Section 1.3.

**"Collateral Agent"** shall have the meaning set forth in the preamble.

**"Collateral Records"** shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

**"Collateral Support"** shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

**"Commodities Accounts"** (i) shall mean all "commodity accounts" as defined in the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 3.4 under the heading "Commodities Accounts" (as such schedule may be amended or supplemented from time to time).

**"Controlled Foreign Corporation"** shall mean "controlled foreign corporation" as defined in the United States Internal Revenue Code of 1986, as amended from time to time.

**"Copyright Licenses"** shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 3.7(B) (as amended or supplemented from time to time).

**"Copyrights"** shall mean all United States, state and foreign copyrights, all mask works fixed in semi-conductor chip products (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, now or hereafter in force throughout the world, all registrations and applications therefor including, without limitation, the applications referred to in Schedule 3.7(A) (as amended or supplemented from time to time), all rights corresponding thereto throughout the world, all extensions and renewals of any thereof, the right to sue for past, present and future infringements of any of the foregoing, and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

**"Credit Agreement"** shall have the meaning set forth in the preamble.

**"Documents"** shall mean all "documents" as defined in the UCC.

**"Deposit Accounts"** (i) shall mean all "deposit accounts" as defined in the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 3.4 under the heading "Deposit Accounts" (as such schedule may be amended or supplemented from time to time).

**"Equipment"** shall mean: (i) all "equipment" as defined in the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

**"General Intangibles"** (i) shall mean all "general intangibles" as defined in the UCC and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements, all Intellectual Property and all Payment Intangibles (in each case, regardless of whether characterized as general intangibles under the UCC).

**"Goods"** (i) shall mean all "goods" as defined in the UCC and (ii) shall include, without limitation, all Inventory and Equipment and any computer program embedded in the goods and any supporting information provided in connection with such program if (x) the program is associated with the goods in such a manner that is customarily considered part of the goods or (y) by becoming the owner of the goods, a Person acquires a right to use the program in connection with the goods (in each case, regardless of whether characterized as goods under the UCC).

**"Health-Care-Insurance Receivable"** shall have the meaning specified in Revised Article 9.

**"Indemnitee"** shall mean the Collateral Agent, and its officers, partners, directors, trustees, employees, agents and Affiliates.

**"Instruments"** shall mean all "instruments" as defined in Article 9 of the UCC.

**"Insurance"** shall mean: (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

**"Intellectual Property"** shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

**"Inventory"** shall mean: (i) all "inventory" as defined in the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor's business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

**"Investment Related Property"** shall mean: (i) all "investment property" (as such term is defined in the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, Securities Accounts and Commodities Accounts.

**"Letter of Credit Right"** shall have the meaning specified in Revised Article 9.

**"Money"** shall mean "money" as defined in the UCC.

**"Patent Licenses"** shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 3.7(D) (as amended or supplemented from time to time).

**"Patents"** shall mean all United States, state and foreign patents and applications for letters patent throughout the world, including, but not limited to each patent and patent application referred to in Schedule 3.7(C) (as amended or supplemented from time to time), all reissues, divi-

sions, continuations, continuations-in-part, extensions, renewals, and reexaminations of any of the foregoing, all rights corresponding thereto throughout the world, and all proceeds of the foregoing including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit and the right to sue for past, present and future infringements of any of the foregoing.

**"Payment Intangible"** shall have the meaning specified in Revised Article 9.

**"Permitted Sale"** shall mean those sales, transfers or assignments permitted by Section 6 of the Credit Agreement.

**"Pledged Debt"** shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 3.4 under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

**"Pledged Equity Interests"** shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

**"Pledged LLC Interests"** shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 3.4 under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

**"Pledged Partnership Interests"** shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 3.4 under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

**"Pledged Trust Interests"** shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 3.4 under the heading

"Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

**"Pledged Stock"** shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 3.4 under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

**"Pledge Supplement"** shall mean any supplement to this agreement in substantially the form of Exhibit A.

**"Proceeds"** shall mean: (i) all "proceeds" as defined in the UCC, (ii) payments or distributions made with respect to any Investment Related Property and (iii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

**"Receivables"** shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

**"Receivables Records"** shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating

thereto and (v) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

**"Record"** shall have the meaning specified in Revised Article 9.

**"Requisite Obligees"** shall have the meaning assigned in Section 7.

**"Revised Article 9"** shall mean the 1999 Official Text of Article 9 of the Uniform Commercial Code with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7 and 8.

**"Secured Obligations"** shall have the meaning assigned in Section 2.1.

**"Secured Parties"** means the Agents, the Lenders and the Lender Counterparties and shall include, without limitation, all former Agents, Lenders or Lender Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Agents, Lenders or Lender Counterparties and such Obligations have not been paid or satisfied in full.

**"Securities Accounts"** (i) shall mean all "securities accounts" as defined in the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 3.4 under the heading "Securities Accounts" (as such schedule may be amended or supplemented from time to time).

**"Supporting Obligation"** shall mean all "supporting obligations" as defined in Revised Article 9.

**"Trademark Licenses"** shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 3.7(F) (as amended or supplemented from time to time).

**"Trademarks"** shall mean all United States, state and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, internet domain names, trade styles, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to the registrations and applications referred to in Schedule 3.7(E) (as amended or supplemented from time to time), all extensions or renewals of any of the foregoing, all of the goodwill of the business connected with the use of and symbolized by the foregoing, the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

**"Trade Secret Licenses"** shall mean any and all payments providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder)

including, without limitation, each agreement referred to in Schedule 3.7(G) (as amended or supplemented from time to time).

**"Trade Secrets"** shall mean all trade secrets and all other confidential or proprietary information and know-how now or hereafter owned or used in, or contemplated at any time for use in, the business of such Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, the right to sue for past, present and future infringement of any Trade Secret, and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

**"UCC"** shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

**1.2. Definitions; Interpretation.** The following capitalized terms are used as defined in the Credit Agreement: Credit Documents, Counterpart Agreement, Event of Default, Indebtedness, Material Contract, Net Asset Sale Proceeds, Obligations and Permitted Liens. All other capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement or, if not defined therein, in the UCC or, if not defined in either of the foregoing, in Revised Article 9. References to "Sections", "Exhibits" and "Schedules" shall be to Sections, Exhibits and Schedules, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. The rules of construction set forth in Section 1.3 of the Credit Agreement shall be applicable to this Agreement mutatis mutandis. If any conflict or inconsistency exists between this Agreement and the Credit Agreement, the Credit Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

**1.3. Grant of Security.** Each Grantor hereby grants to the Collateral Agent a security interest and continuing lien on all of such Grantor's right, title and interest in, to and under the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

- (a) Accounts;
- (b) Chattel Paper;
- (c) Documents;

- (d) General Intangibles;
- (e) Goods;
- (f) Instruments;
- (g) Insurance;
- (h) Intellectual Property;
- (i) Investment Related Property;
- (j) Letter of Credit Rights;
- (k) Money;
- (l) Receivables and Receivable Records;

(m) to the extent not otherwise included above, all Collateral Support and Supporting Obligations relating to any of the foregoing; and

(n) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

For avoidance of doubt it is expressly understood and agreed that, to the extent the Uniform Commercial Code is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties hereto desire that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision. Notwithstanding the immediately preceding sentence, the foregoing grant is intended to apply immediately on the date hereof to all Collateral to the fullest extent permitted by applicable law regardless of whether any particular item of Collateral is currently subject to the UCC.

**1.4. Certain Limited Exclusions.** Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in, any of such Grantor's right, title or interest (a) in any Intellectual Property if the grant of such security interest shall constitute or result in the abandonment, invalidation or rendering unenforceable any right, title or interest of any Grantor therein; (b) in any license, contract or agreement to which such Grantor is a party or any of its rights or interests thereunder, including, without limitation, with respect to any Pledged Partnership Interests or any Pledged LLC Interests, to the extent, but only to the extent, that such a grant would, under the terms of such license, contract



or agreement (including, without limitation, any partnership agreements or any limited liability company agreements), or otherwise, result in a breach or termination of the terms of, or constitute a default under or termination of any such license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-318(4) of the Uniform Commercial Code (or any successor provision, including Section 9-406 of Revised Article 9) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and such Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect; or (c) in any of the outstanding capital stock of a Controlled Foreign Corporation, in excess of 65% of the voting power of all classes of capital stock of such Controlled Foreign Corporation entitled to vote.

## **SECTION 2. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.**

**2.1. Security for Obligations.** This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), of all Obligations with respect to any Grantor (the "Secured Obligations").

**2.2. Grantors Remain Liable.** (a) Anything contained herein to the contrary notwithstanding:

(i) each Grantor shall remain liable under any partnership agreement or limited liability company agreement relating to any Pledged Partnership Interest or Pledged LLC Interest, any Assigned Agreement and/or any other contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed;

(ii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral; and

(iii) neither the Collateral Agent nor any Lender nor Lender Counterparty shall have any obligation or liability under any partnership agreement or limited liability company agreement relating to any Pledged Partnership Interests or Pledged LLC Interests, any Assigned Agreement or any other contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Collateral Agent, any Lender or any Lender Counterparty be obligated to perform any of the obligations or duties of any Grantor

thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) Neither the Collateral Agent, any Lender, any Lender Counterparty nor any purchaser at a foreclosure sale under this Agreement shall be obligated to assume any obligation or liability under any partnership agreement or limited liability company agreement relating to any Pledged Partnership Interests or Pledged LLC Interests, any Assigned Agreement or any other contracts and agreements included in the Collateral unless the Collateral Agent, any Lender, any Lender Counterparty or any such purchaser otherwise expressly agrees in writing to assume any or all of said obligations.

### SECTION 3. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

#### 3.1. Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) it owns the Collateral purported to be owned by it and otherwise has the rights it purports to have in each item of Collateral free and clear of any and all Liens, rights or claims of all other Persons other than Permitted Liens;

(ii) its chief executive office or its sole place of business is, and has been for the four month period preceding the date hereof (except for those Grantors that have been recently incorporated), located at the place indicated on Schedule 3.1(A) (as amended or supplemented from time to time), and the jurisdiction of organization of such Grantor is the jurisdiction indicated on Schedule 3.1(B) (as amended or supplemented from time to time). If the chief executive office or sole place of business of any Grantor is located outside of the United States, then Schedule 3.1(A) (as amended or supplemented from time to time) shall also include the address of the major executive office in the United States, if any, of such Grantor;

(iii) the full legal name of such Grantor is as set forth on Schedule 3.1(A) and it has not in the last five (5) years and does not do business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 3.1(C) (as amended or supplemented from time to time);

(iv) such Grantor has not within the last five (5) years become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated;

(v) other than as permitted by Section 5.14 of the Credit Agreement, all actions and consents, including all filings, notices, registrations and recordings necessary or desirable to create, perfect or ensure the first priority (subject only to Permitted Liens) of the security interests granted to the Collateral Agent hereunder or for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect of the Collateral have been made or obtained except for (x) the filing of UCC financing statements naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite such Grantor's name on Schedule 3.1(D) hereof (as amended or supplemented from time to time) and (y) recordation of the security interests granted herein in Patents, Trademarks and Copyrights in the applicable registries and the registration of all Unregistered Copyrights; and

(vi) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral, to the extent that it could materially affect the value of any Collateral or have a Material Adverse Effect;

(ii) it shall not change such Grantor's name, identity, corporate structure, sole place of business, chief executive office or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, at least twenty (20) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby;

(iii) it shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including

claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five (5) days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(iv) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that could reasonably be expected to materially and adversely affect the value of the Collateral or any portion thereof, the ability of any Grantor or the Collateral Agent to dispose of the Collateral or any portion thereof, or the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any portion thereof;

(v) except as permitted herein or pursuant to the other Credit Documents, it shall not take or permit any action which could impair the Collateral Agent's rights in the Collateral; and

(vi) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except as Permitted Sales; provided, that so long as (1) no Event of Default shall have occurred and is then continuing or would occur after giving effect to a Permitted Sale and (2) to the extent required by Section 2.12(a) of the Credit Agreement, the Net Asset Sale Proceeds with respect to such Permitted Sale are used as set forth in such Section 2.12(a), the Collateral Agent shall release the Lien hereof encumbering the Collateral that is the subject of such Permitted Sale. The Collateral Agent shall execute each and every appropriate financing statement and/or recording document reasonably requested by any Grantor in connection with the foregoing. Any expense or cost incurred by the Collateral Agent in connection with any such release shall be for the account of the applicable Grantor.

### **3.2. Equipment and Inventory.**

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) all of the Equipment and Inventory with a book value in excess of \$1,500,000 (other than goods in transit) which is located on property owned or leased by a Grantor included in the Collateral is kept only at the locations specified in Schedule 3.2 (as amended or supplemented from time to time);

(ii) any Goods now or hereafter produced by any Grantor included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended; and

(iii) other than any document, Inventory or Equipment in which the Collateral Agent has a valid, perfected first priority security interest, none of the Inventory or Equipment is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee.

(b) Covenants and Agreements. Each Grantor covenants and agrees that:

(i) it shall keep the Equipment and Inventory with a book value in excess of \$1,500,000 (other than goods in transit) which is located on property owned or leased by a Grantor in the locations specified on Schedule 3.2 (as amended or supplemented from time to time) unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, at least twenty (20) days prior to any change in locations, identifying such new locations and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory;

(ii) it shall keep correct and accurate records of the Inventory, itemizing and describing the kind, type and quantity of Inventory, such Grantor's cost therefor and (where applicable) the current list prices for the Inventory, in each case, in reasonable detail;

(iii) if any Equipment or Inventory with a book value in excess of \$1,500,000 (other than goods in transit) is in possession or control of any third party, each Grantor shall join with the Collateral Agent in notifying the third party of the Collateral Agent's security interest and obtaining an acknowledgment from the third party that it is holding the Equipment and Inventory for the benefit of the Collateral Agent; and

(iv) with respect to any item of Equipment which is covered by a certificate of title under a statute of any jurisdiction under the law of which indication of a security interest on such certificate is required as a condition of perfection thereof, upon the reasonable request of the Collateral Agent, execute and file with the registrar of motor vehicles or other appropriate authority in such jurisdiction an application or other document requesting the notation or other indication of the security interest created hereunder on such certificate of title, and upon the reasonable request of the Collateral Agent, deliver to the Collateral Agent copies of all such applications or other documents filed during such calendar quarter and copies of all such certificates of title issued during such calendar quarter indicating the security interest created hereunder in the items of Equipment covered thereby.

### 3.3. Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) to the best of each Grantor's knowledge and belief, each Receivable (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (d) is and will be in compliance with all applicable laws, whether federal, state, local or foreign;

(ii) none of the Account Debtors in respect of any Receivable is the government of the United States, any agency or instrumentality thereof, any state or municipality or any foreign sovereign. No Receivable requires the consent of the Account Debtor in respect thereof in connection with the pledge hereunder, except any consent which has been obtained; and

(iii) no Receivable is evidenced by, or constitutes, an Instrument or Chattel Paper which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 3.3(c).

(b) Covenants and Agreements: Each Grantor hereby covenants and agrees that:

(i) it shall keep and maintain at its own cost and expense satisfactory and complete records of the Receivables, including, but not limited to, the originals of all documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith;

(ii) it shall mark conspicuously, in form and manner reasonably satisfactory to the Collateral Agent, all Chattel Paper, Instruments and other evidence of Receivables (other than any delivered to the Collateral Agent as provided herein), as well as the Receivables Records (to the extent feasible) with an appropriate reference to the fact that the Collateral Agent has a security interest therein;

(iii) subject to the sentence set forth below, it shall not amend, modify, terminate or waive any provision of any Receivable in any manner which could reasonably

be expected to have a material adverse effect on the value of such Receivable as Collateral. Other than in the ordinary course of business as generally conducted by it on and prior to the date hereof (except with respect to recently incorporated Grantors), and except as otherwise provided in subsection (v) below, following an Event of Default, such Grantor shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon;

(iv) except as otherwise provided in subsection (iv) above and in this subsection, each Grantor shall continue to collect all amounts due or to become due to such Grantor under the Receivables and any Supporting Obligation and diligently exercise each material right it may have under any Receivable, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor may deem necessary or advisable. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time to notify, or require any Grantor to notify, any Account Debtor (other than, prior to the occurrence and continuance of an Event of Default, Sears Roebuck Corporation and the Home Depot) of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Collateral Agent; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in the maintained under the sole dominion and control of the Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(v) it shall use its best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(c) Delivery and Control of Receivables. With respect to any Receivables in excess of \$1,000,000 individually or \$5,000,000 in the aggregate that is evidenced by, or constitutes, Chattel Paper, each Grantor shall cause each originally executed copy thereof to be appropriately indorsed to the Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within twenty (20) days of such Grantor acquiring rights therein. With respect to any Receivables in excess of \$1,000,000 individually or \$5,000,000 in the aggregate which would constitute "electronic chattel paper" under Revised Article 9), each Grantor shall take all steps reasonably required to give the Collateral Agent control over such Receivables (within the meaning of Section 9-105 of Revised Article 9): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivable hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent.

### **3.4. Investment Related Property.**

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) Schedule 3.4 (as amended or supplemented from time to time) sets forth under the headings "Pledged Stock," "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(iii) without limiting the generality of Section 3.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or desirable in



connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof;

(iv) none of the Pledged LLC Interests nor Pledged Partnership Interests are or represent interests in issuers that are: (a) registered as investment companies, (b) are dealt in or traded on securities exchanges or markets or (c) have opted to be treated as securities under the uniform commercial code of any jurisdiction;

(v) Schedule 3.4 (as amended or supplemented from time to time) sets forth under the heading "Pledged Debt" all of the Pledged Debt owned by any Grantor and all of such Pledged Debt has to the best of each Grantor's knowledge and belief been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and constitutes all of the issued and outstanding inter-company Indebtedness for borrowed money evidenced by an instrument or certificated security of the respective issuers thereof owing to such Grantor;

(vi) Schedule 3.4(A) (as amended or supplemented from time to time) sets forth under the headings "Securities Accounts" and "Commodities Accounts," respectively, all of the Securities Accounts and Commodities Accounts in which each Grantor has an interest and each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant hereto) having "control" (as defined in Section 9-115(e) of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or any securities or other property credited thereto; and

(vii) Schedule 3.4(A) (as amended or supplemented from time to time) sets forth under the heading "Deposit Accounts" all of the Deposit Accounts in which each Grantor has an interest and each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person having either sole dominion and control or "control" (within the meaning of Section 9-104 of Revised Article 9) over, or any other interest in, any such Deposit Account or any money or other property deposited therein.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with

respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (b) other than as permitted under the Credit Agreement, permit any issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (c) other than as permitted under the Credit Agreement, permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (d) waive any material default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt, or (e) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the Uniform Commercial Code of any jurisdiction; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (e), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) in the event it acquires rights in any Investment Related Property after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, reflecting such new Investment Related Property and all other Investment Related Property. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property immediately upon any Grantor's acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 3.4 as required hereby;

(iii) except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Agent and shall be segregated from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all ordinary cash dividends

and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all scheduled payments of interest;

(iv) it shall comply with all of its obligations under any partnership agreement or limited liability company agreement relating to Pledged Partnership Interests or Pledged LLC Interests and shall enforce all of its rights with respect to any Investment Related Property;

(v) it shall notify the Collateral Agent of any default under any Pledged Debt that has caused, either in any case or in the aggregate, a Material Adverse Effect.

(vi) without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent company; provided that if the surviving or resulting company upon any such merger or consolidation involving an issuer which is a Controlled Foreign Corporation, then such grantor shall only be required to pledge equity interests having 65% of the voting power of all classes of capital stock of such issuer entitled to vote; and

(vii) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

(c) Delivery and Control. Except as permitted pursuant to Section 5.14 of the Credit Agreement, each Grantor agrees that with respect to any Investment Related Property in which it currently has rights it shall comply with the provisions of this Section 3.4(c) on or before the Closing Date and with respect to any Investment Related Property hereafter acquired by such Grantor it shall comply with the provisions of this Section 3.4(c) immediately upon acquiring rights therein, in each case in form and substance satisfactory to the Collateral Agent. With respect to any Investment Related Property that is represented by a certificate or that is an "instrument" (other than any Investment Related Property credited to a Securities Account) it shall cause such certificate or instrument to be delivered to the Collateral Agent, indorsed in blank by an "effective indorsement" (as defined in Section 8-107 of the UCC), regardless of whether such certificate constitutes a "certificated security" for purposes of the UCC; provided that so long as no Event of Default shall have occurred and be continuing, such Grantor may retain for collection in the ordinary course any Investment Related Property that is represented by a certificate or that is an "instrument" received

by such Grantor in the ordinary course of business and the Collateral Agent shall, promptly upon request of such Grantor, make appropriate arrangements for making such Investment Related Property pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal. With respect to any Investment Related Property that is an "uncertificated security" for purposes of the UCC (other than any "uncertificated securities" credited to a Securities Account), it shall cause the issuer of such uncertificated security to register the Collateral Agent as the registered owner thereof on the books and records of the issuer. In addition to the foregoing, if any issuer of any Investment Related Property is located in a jurisdiction outside of the United States, each Grantor shall take such additional actions, including, without limitation, causing the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary, under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right upon the occurrence and during the continuance of an Event of Default, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

(d) Voting and Distributions.

(i) So long as no Event of Default shall have occurred and be continuing:

(A) except as otherwise provided in Section 3.4(b)(i) of this Agreement or elsewhere herein or in the Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, no Grantor shall exercise or refrain from exercising any such right if the Collateral Agent shall have notified such Grantor that, in the Collateral Agent's reasonable judgment, such action would have a Material Adverse Effect on the value of the Investment Related Property or any part thereof; and provided further that following such notice, such Grantor shall give the Collateral Agent at least five (5) Business Days prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right; it being understood, however, that neither the voting by such Grantor of any Pledged Stock for, or such Grantor's consent to, the election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stockholders or with respect to incidental matters at any such meeting, nor such Grantor's consent to or approval of any action otherwise permitted under this Agreement and the Credit Agreement, shall be deemed inconsistent with the terms of this

Agreement or the Credit Agreement within the meaning of this Section 3.4(d)(i)(A), and no notice of any such voting or consent need be given to the Collateral Agent; and

- (B) the Collateral Agent shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (A) above;

(ii) Upon the occurrence and during the continuation of an Event of

Default:

- (A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

- (B) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 5.

### 3.5. Material Contracts.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) Schedule 3.5 (as amended or supplemented from time to time) sets forth all of the Material Contracts to which such Grantor has rights;

(ii) the Material Contracts, true and complete copies (including any amendments or supplements thereof) of which have been furnished to the Collateral Agent, have been duly authorized, executed and delivered by all parties thereto, to the best of each Grantor's knowledge and belief, are in full force and effect and are binding upon and

enforceable against all parties thereto in accordance with their respective terms. There exists no default under any Material Contract by any party thereto and neither such Grantor, nor to its best knowledge, any other Person party thereto is in default thereunder and no Person party thereto has any defenses, counterclaims or right of set-off with respect to any Material Contract. Other than as provided for in the Credit Agreement, each Person party to a Material Contract (other than any Grantor) has executed and delivered to the Company a consent to the assignment of such Material Contract to the Collateral Agent pursuant to this Agreement; and

(iii) other than as contemplated in the Credit Agreement, no Material Contract prohibits assignment or requires consent of or notice to any Person in connection with the assignment to the Collateral Agent hereunder, except such as has been given or made.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in addition to any rights under Section 3.3, the Collateral Agent may at any time notify, or require any Grantor to so notify, the counterparty on any Material Contract (other than those to which Sears Roebuck and Co. or The Home Depot are a party) of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent;

(ii) each Grantor shall deliver promptly to the Collateral Agent a copy of each material demand, notice or document received by it in connection with any Material Contract;

(iii) each Grantor shall deliver promptly to the Collateral Agent, and in any event within ten (10) Business Days, after (1) any Material Contract of such Grantor is terminated or amended in a manner that could be reasonably expected to be materially adverse to such Grantor or (2) any new Material Contract is entered into by such Grantor, a written statement describing such event;

(iv) it shall perform in all material respects all of its material obligations with respect to the Material Contracts with Sears Roebuck and Co., The Home Depot and any equivalent of such agreements;

(v) it shall promptly and diligently exercise each material right (except the right of termination) it may have under any Material Contract, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such

collections and exercise, such Grantor shall take such action as such Grantor may deem necessary or advisable; and

(vi) it shall use its best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Material Contract.

### **3.6. Letter of Credit Rights.**

(a) Representations and Warranties. Each Grantor hereby represents and warrants on the Closing Date and on each Credit Date, that each Grantor has obtained the consent of each issuer of any material letter of credit to the assignment of the proceeds of letters of credit to the Collateral Agent. On the Closing Date and at the end of each Fiscal Year all material letters of credit to which such Grantor has rights is listed on Schedule 3.6 (as amended or supplemented from time to time) hereto.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any material letter of credit hereafter arising it shall obtain the consent of the issuer thereof to the assignment of the proceeds of the letter of credit to the Collateral Agent and shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto.

### **3.7. Intellectual Property Collateral.**

(a) Representations and Warranties. Except as disclosed in Schedule 3.7(H) (as amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Closing Date (after giving effect to the consummation of the Acquisition) and on each Credit Date, that:

(i) Schedule 3.7 (as amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and foreign registrations of and applications for Patents, Trademarks, and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses and Copyright Licenses material to the business of such Grantor;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in and to all Intellectual Property Collateral on Schedule 3.7 (as amended or supplemented from time to time), and owns or has the valid right to use all other Intellectual Property

Collateral necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 3.7(B), (D), (F) and (G) (as each may be amended or supplemented from time to time) except as could not reasonably be expected to result in a Material Adverse Effect;

(iii) all Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Intellectual Property Collateral in full force and effect except as could not reasonably be expected to result in a Material Adverse Effect;

(iv) all material Intellectual Property Collateral is valid and enforceable; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, any Intellectual Property Collateral and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened in writing except as could not reasonably be expected to result in a Material Adverse Effect;

(v) all registrations and applications for Copyrights, Patents and Trademarks are standing in the name of each Grantor, and none of the Trademarks, Patents, Copyrights or Trade Secret Collateral has been licensed by any Grantor to any affiliate or third party, except as disclosed in Schedule 3.7(B), (D), (F), or (G)(as each may be amended or supplemented from time to time);

(vi) each Grantor has been using appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights material to the business of such Grantor except as could not reasonably be expected to result in a Material Adverse Effect;

(vii) to the best of each Grantor's knowledge and belief, the conduct of such Grantor's business does not infringe upon any trademark, patent, copyright, trade secret or similar intellectual property right owned or controlled by a third party; no claim has been made that the use of any Intellectual Property Collateral owned or used by Grantor (or any of its respective licensees) violates the asserted rights of any third party which could not be expected to result in a Material Adverse Effect;

(viii) to the best of each Grantor's knowledge, no third party is infringing upon any Intellectual Property Collateral owned or used by such Grantor, or any of its respective licensees (other than such infringements that are being contested in good faith);



(ix) no settlement or consents, covenants not to sue, non-assertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that materially adversely affect Grantor's rights to own or use any Intellectual Property Collateral; and

(x) each Grantor has not made a previous assignment, sale, transfer, or agreement constituting a present or future assignment sale, transfer, of any Intellectual Property Collateral that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property Collateral, other than in favor of the Collateral Agent.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) it shall not do any act or omit to do any act whereby any of the Intellectual Property Collateral which is material to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would materially adversely affect the validity, grant, or enforceability of the security interest granted therein;

(ii) it shall not, with respect to any Trademarks which are material to the business of any Grantor in its discretion, cease the use of any of such Trademarks;

(iii) it shall, within thirty (30) days of the creation or acquisition of any Copyrightable work which is material to the business of Grantor, apply to register the Copyright in the United States Copyright Office;

(iv) it shall promptly notify the Collateral Agent if it knows that any item of the Intellectual Property Collateral that is material to the business of any Grantor could reasonably be expected to be (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, and state registry, any foreign counterpart of the foregoing, or any court;

(v) it shall take all reasonable steps in the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration of each material Trademark, Patent, and Copyright owned by any Grantor and material to its business which is now or shall become included in the Intellectual Property Collateral (except for such works with respect to which such Grantor has determined in the exercise of its commercially reasonable judgment that it shall not seek registration) including, but not

limited to, those items on Schedule 3.7(A), (C) and (E) (as each may be amended or supplemented from time to time);

(vi) in the event that any Intellectual Property Collateral owned by or exclusively licensed to any Grantor is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly take all reasonable actions to stop such infringement, misappropriation, or dilution and protect its exclusive rights in such Intellectual Property Collateral including, but not limited to, the initiation of a suit for injunctive relief and to recover damages;

(vii) it shall promptly (but in no event more than thirty (30) days after any Grantor obtains knowledge thereof) report to the Collateral Agent (i) the filing of any application to register any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry or foreign counterpart of the foregoing (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any Intellectual Property Collateral by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto;

(viii) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Intellectual Property Collateral, whether now owned or hereafter acquired;

(ix) except with the prior consent of the Collateral Agent or as permitted under the Credit Agreement, each Grantor shall not execute, and there will not be on file in any public office, any financing statement or other document or instruments, except financing statements or other documents or instruments filed or to be filed in favor of the Collateral Agent and each Grantor shall not sell, assign, transfer, license, grant any option, or create or suffer to exist any Lien upon or with respect to the Intellectual Property Collateral, except for the Permitted Liens (to the extent applicable) and the Lien created by and under this Security Agreement and the other Loan Documents;

(x) it shall hereafter use commercially reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or might in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property Collateral acquired under such contracts;

(xi) it shall take all steps reasonably necessary to protect the secrecy of all trade secrets relating to the products and services sold or delivered under or in connection

with the Intellectual Property Collateral, including, without limitation, entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents, in all respects consistent with its ordinary course of business practices;

(xii) it shall use proper statutory notice in connection with its use of any of the Intellectual Property Collateral, in all respects consistent with its ordinary course of business practices; and

(xiii) it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Intellectual Property Collateral or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action as such Grantor or the Collateral Agent may deem reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

#### **SECTION 4. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.**

**4.1. Access; Right of Inspection.** The Collateral Agent shall have access upon reasonable notice and at reasonable times during normal business hours and as often as may reasonably be requested, to all the books, correspondence and records of each Grantor relating to any Collateral, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall upon reasonable notice and at reasonable times also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Intellectual Property, Inventory or Equipment of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein and under the other Collateral Documents.

#### **4.2. Further Assurances.**

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights

and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) execute and file such financing or continuation statements, or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Intellectual Property Collateral with any intellectual property registry in which said Intellectual Property Collateral is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State, and the foreign counterparts on any of the foregoing;

(iii) on the earlier of (A) the date of effectiveness of Revised Article 9 in the State of New York or (B) the date of effectiveness of Revised Article 9 in any other material jurisdiction, furnish to the Collateral Agent an opinion of counsel either (x) stating that, in the opinion of such counsel, such action has been taken to maintain the validity, perfection and priority of the lien and security interest granted hereby, including, without limitation, with respect to the execution and filing of any financing statements and continuation statements as is necessary and reciting the details of such action or (y) stating that in the opinion of such counsel no such action is necessary to maintain the validity, perfection and priority of such lien and security interest under Revised 9; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) In addition, to the extent permitted by applicable law, each Grantor hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Grantor. Each Grantor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement signed by such Grantor shall be sufficient as a financing statement and may be filed as a financing statement in any and all jurisdictions. Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to file a record or records (as defined in Revised Article 9), including, without limitation, financing statements, in all jurisdictions and with all filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property."

(d) Each Grantor hereby authorizes the Collateral Agent to modify this Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 3.7 (as amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property Collateral or any Intellectual Property Collateral acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property Collateral in which any Grantor no longer has or claims any right, title or interest.

**4.3. Additional Grantors.** From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "**Additional Grantor**"), by executing a Counterpart Agreement. Upon delivery of any such Counterpart Agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

## **SECTION 5. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.**

**5.1. Power of Attorney.** Each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the Credit Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare, sign and file any UCC financing statements in the name of such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property Collateral in the name of Grantor as assignor;

(g) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Liens permitted under this Agreement or the Credit Agreement) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its reasonable discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) upon the occurrence and during the continuance of any Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

**5.2. No Duty on the Part of Collateral Agent or Secured Parties.** The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

## **SECTION 6. REMEDIES.**

### **6.1. Generally.**

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral), and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below, sell, assign, lease, license (on an exclusive or non-exclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as are commercially reasonable.

(b) The Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any such sale and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale,

to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral.

(d) If the Collateral Agent sells any of the Collateral on credit, the Secured Obligations will be credited only with payments actually made by the purchaser and received by the Collateral Agent and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral.

(e) The Collateral Agent shall have no obligation to marshal any of the Collateral.

**6.2. Investment Related Property.** Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent



may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

### **6.3. Intellectual Property Collateral.**

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property Collateral, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 10 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property Collateral as provided in this Section, each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent all of such Grantor's right, title and interest in and to the Intellectual Property Collateral (to the extent transferrable) and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Lender or any Lender Counterparty) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property Collateral;

(iv) within five (5) Business Days after written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be compensated by the Collateral Agent at such Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property Collateral, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

(1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 6.5; and

(2) Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Intellectual Property Collateral shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of all Liens other than Liens (if any) encumbering such rights, title and interest at the time of their assignment to the Collateral Agent and Permitted Liens.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 6 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property Collateral now owned or hereafter acquired by such Grantor, and wherever the same may be located.

**6.4. Cash Proceeds.** Except as otherwise permitted under the Credit Agreement and upon the occurrence and during the continuance of an Event of Default, in addition to the rights of the Collateral Agent specified in Section 3.3 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other near-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 3.4(b)(iii), be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Collateral Agent. Any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against, the Secured Obligations then due and owing.

**6.5. Application of Proceeds.** Except as expressly provided elsewhere in this Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection from, or other

realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against, the Secured Obligations in the following order of priority: first, to the payment of all reasonable costs and expenses of such sale, collection or other realization, including reasonable compensation to the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith, and all amounts for which the Collateral Agent is entitled to indemnification hereunder (in its capacity as the Collateral Agent and not as a Lender) and all advances made by the Collateral Agent hereunder for the account of the applicable Grantor, and to the payment of all reasonable costs and expenses paid or incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under the Credit Agreement, all in accordance with the terms hereof or thereof; second, to the extent of any excess, to the payment of all other Secured Obligations for the ratable benefit of the Lenders and the Lender Counterparties; and third, to the extent of any excess such proceeds, to the payment to or upon the order of such Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

## SECTION 7. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Lenders and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement; provided, the Collateral Agent shall, after payment in full of all Obligations under the Credit Agreement and the other Credit Documents, exercise, or refrain from exercising, any remedies provided for herein in accordance with the instructions of the holders of a majority of the aggregate notional amount (or, with respect to any Lender Hedge Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Lender Hedge Agreement) under all Lender Hedge Agreements (Requisite Lenders or, if applicable, such holders being referred to herein as "**Requisite Obligees**"). In furtherance of the foregoing provisions of this Section, each Lender Counterparty, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Lender Counterparty that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Lenders and Lender Counterparties in accordance with the terms of this Section. The Collateral Agent shall at all times be the same Person that is Administrative Agent under the Credit Agreement. Written notice of resignation by Administrative Agent pursuant to terms of the Credit Agreement shall also constitute notice of resignation as the Collateral Agent under this Agreement; removal of Administrative Agent pursuant to the terms of the Credit Agreement shall also constitute removal as the Collateral Agent under this Agreement; and appointment of a successor Administrative Agent pursuant to the terms of the Credit Agreement shall also constitute appointment of a successor Collateral Agent under this Agreement. Upon the

acceptance of any appointment as Administrative Agent under the terms of the Credit Agreement by a successor Administrative Agent, that successor Administrative Agent shall thereby also be deemed the successor Collateral Agent and such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent hereunder.

#### **SECTION 8. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS.**

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations and the cancellation or termination of the Commitments, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the Credit Agreement, any Lender may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations and the cancellation or termination of the Commitments, the security interest granted hereby shall terminate hereunder and of record and all rights to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors such documents as Grantors shall reasonably request to evidence such termination.

#### **SECTION 9. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.**

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any

other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. Following and during the continuance of an Event of Default, if any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the Credit Agreement.

## **SECTION 10. INDEMNITY AND EXPENSES.**

(a) Each Grantor agrees:

(i) to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless each Indemnitee, from and against any and all claims, losses and liabilities in any way relating to, growing out of or resulting from this Agreement and the transactions contemplated hereby (including without limitation enforcement of this Agreement), except to the extent such claims, losses or liabilities result from such Indemnitee's gross negligence or willful misconduct; and

(ii) to pay to the Collateral Agent promptly following written demand the amount of any and all reasonable costs and reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents in accordance with the terms and conditions of the Credit Agreement.

(b) The obligations of each Grantor in this Section 10 shall survive the termination of this Agreement and the discharge of such Grantor's other obligations under this Agreement, the Lender Hedge Agreements, the Credit Agreement and any other Credit Documents.

## **SECTION 11. MISCELLANEOUS.**

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 10.1 of the Credit Agreement. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Credit Documents are cumulative to, and not

exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Agent, assign any right, duty or obligation hereunder. This Agreement and the other Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

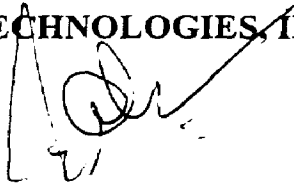
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**IN WITNESS WHEREOF**, each Grantor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.


**ONE WORLD TECHNOLOGIES INC.**, as a Grantor

By:   
Name: CHAN CHI CHUNG  
Title: CHIEF FINANCIAL OFFICER

**RYOBI TECHNOLOGIES, INC.**, as a Grantor

By:   
Name: CHAN CHI CHUNG  
Title: CHIEF FINANCIAL OFFICER

**OWT INDUSTRIES, INC.**, as a Grantor

By:   
Name: CHAN CHI CHUNG  
Title: CHIEF FINANCIAL OFFICER

**HSBC BANK USA,**  
as the Collateral Agent

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



**IN WITNESS WHEREOF**, each Grantor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**ONE WORLD TECHNOLOGIES INC.**, as a Grantor

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

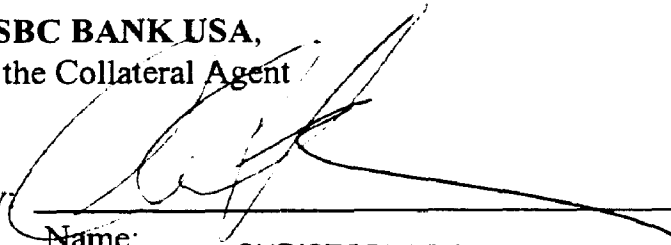
**RYOBI TECHNOLOGIES, INC.**, as a Grantor

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

**OWT INDUSTRIES, INC.**, as a Grantor

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

**HSBC BANK USA,**  
as the Collateral Agent

By:   
Name: CHRISTOPHER F. FRENCH  
Title: AUTHORIZED SIGNATORY

SCHEDULE 3.1  
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

(A) Full Legal Name and Chief Executive Office of each Grantor:

ONE WORLD TECHNOLOGIES, INC.	1424 Pearman Dairy Road, Anderson, SC 29625
OWT INDUSTRIES, INC.	P.O. Box 35, 225 Pumpkintown Highway (Hwy. 8), Pickens, SC 29671
RYOBI TECHNOLOGIES, INC.	1424 Pearman Dairy Road, Anderson, SC 29625

(B) Jurisdiction of Organization of each Grantor:

ONE WORLD TECHNOLOGIES, INC.	Delaware
OWT INDUSTRIES, INC.	Delaware
RYOBI TECHNOLOGIES, INC.	Delaware

(C) Other Names (including any Trade-Name or Fictitious Business Name) under which each Grantor has conducted Business for the past (5) Years:

None.

(D) Financing Statements:

<u>Name of Grantor:</u>	<u>Filing Jurisdiction(s):</u>
ONE WORLD TECHNOLOGIES, INC.	Secretary of State, Delaware Secretary of State, South Carolina Register of Deeds, Anderson County, South Carolina Register of Deeds, Pickens County, South Carolina

OWT INDUSTRIES, INC.

Secretary of State, Delaware  
Secretary of State, South  
Carolina

RYOBI TECHNOLOGIES, INC.

Secretary of State, Delaware  
Secretary of State, South  
Carolina  
Secretary of State, Arizona  
Secretary of State, California

SCHEDULE 3.2  
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor:

Location of Equipment and Inventory:

ONE WORLD TECHNOLOGIES, INC.

1424 Pearman Dairy Road,  
Anderson, SC 29625 (Anderson County)

OWT INDUSTRIES, INC.

225 Pumpkintown Highway (Hwy. 8),  
Pickens, SC 29671 (Pickens County)

RYOBI TECHNOLOGIES, INC.

1424 Pearman Dairy Road,  
Anderson, SC 29625 (Anderson County)

Jacob Warehouse  
2626 S. 7<sup>th</sup> Street  
General Commodities Warehouse  
Phoenix, Arizona 85034

United Warehouse & Distribution  
Corporation  
2417 E. Carson St.  
Long Beach, California 90810-1231

**INVESTMENT RELATED PROPERTY**

Pledged Stock:

<u>Grantor</u>	<u>Stock Issuer</u>	<u>Class of Stock</u>	<u>Certificated (Y/N)</u>	<u>Stock Certificate No.</u>	<u>Par Value</u>	<u>No. of Pledged Stock</u>	<u>% of Outstanding Stock of the Stock Issuer</u>
One World Technologies, Inc.	OWT Industries, Inc.	Common	Y	1	\$0.01	1,000	1,000
One World Technologies, Inc.	Ryobi Technologies, Inc.	Common	Y	1	\$0.01	1,000	1,000
One World Technologies, Inc.	Ryobi Canada, Inc. (to be renamed Ryobi Technologies of Canada, Inc. post-closing)	Common	Y	1	\$0.01	100	100

Pledged Partnership Interests:

None.

Pledged LLC Interests:

None.

Pledged Trust Interests:

None.

Pledged Debt:

None.

Securities Accounts:

None.

Commodities Accounts:

None.

Deposit Accounts:

None.

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**DESCRIPTION OF MATERIAL CONTRACTS**

Name of Grantor	Description of Material Contract
One World Technologies, Inc.	Patent Cross License Agreement dated as of July 31, 2000 by and among Ryobi Limited, Ryobi North America, Inc., Ryobi Motor Products Corp. and Techtronics Industries Co., Ltd.
One World Technologies, Inc.	Trademark License Agreement dated as of July 31, 2000 by and between Ryobi Limited and Techtronics Industries Co., Ltd.
Ryobi Technologies, Inc.	Supply Agreement, dated as of October 30, 1998, by and between Ryobi Motor Products Corp. and Chang Type Industrial Corp. (Bench Top Products)
Ryobi Technologies, Inc.	Supply Agreement, dated as of October 30, 1998, by and between Ryobi Motor Products Corp. and Mao Shan (Tablesaw and Scrollsaw)
Ryobi Technologies, Inc.	Supply Agreement, dated as of October 30, 1998, by and between Ryobi Motor Products Corp. and China Ting (Bench Top Products).
Ryobi Technologies, Inc.	Import Vendor Buying Agreement, dated June 16, 1997, between Ryobi America Corporation and Home Depot and related documents.
Ryobi Technologies, Inc.	Manufacturing and Supply Agreement, undated, between Ryobi America Corporation and Rexon Industrial Corp., Ltd.
Ryobi Technologies, Inc.	a) Home Depot Canadian Marketing Agreement dated October 19, 1999, between Ryobi Outdoor Products and Home Depot; (b) Canadian Rebate Agreement dated October 19, 1999 between Ryobi Outdoor Products and Home Depot; (c) Canadian Rebate Agreement dated October 19, 1999 between Ryobi Outdoor Products and Home Depot; (d) Canadian Rebate Agreement dated December 13, 1999; (e) Canadian Rebate Agreement dated December 13, 1999; (f) Canadian Marketing Agreement dated December 13, 1999; (g) Canadian Rebate Agreement dated December 13, 1999 between Ryobi Canada, Inc. and Home Depot; (h) Canadian Rebate Agreement dated December 13, 1999 between Ryobi Canada, Inc. and Home Depot; (i) Canadian Marketing Agreement dated December 13, 1999 between Ryobi Canada, Inc. and Home Depot; (j) USA Rebate Agreement.
Ryobi Technologies, Inc.	Master Agreement dated as of 01/01/1998 between Sears Roebuck and Co. and Ryobi Motor Products Corp.
Ryobi Technologies, Inc.	Sears Rebate Program 2000 Agreement, dated January 17, 2000, between Sears and Ryobi Canada, Inc.

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**TRADEMARK**  
**REEL: 002153 FRAME: 0307**



SCHEDULE 3.6  
TO PLEDGE AND SECURITY AGREEMENT

**LETTERS OF CREDIT**

None.

SCHEDULE 3.7  
TO PLEDGE AND SECURITY AGREEMENT

**INTELLECTUAL PROPERTY**

(A) Patents

RNA File No.	Description	Filing No.	Filing Date	Issue No.	Issue Date	Status
PTG 0401	Sander	1944-1842	09/23/94	76286	04/27/95	Issued
PTG 0188	Belt Sander	190,544	09/24/80	4,334,390	06/15/82	Issued
PTG 0238	Joiner-Planer Fence Mounting	211,489	12/01/80	4,356,851	11/02/82	Issued
PTG 0186	Joiner-Planer In-Feed Table	204,406	11/06/80	4,372,358	02/08/83	Issued
PTG 0190	Drill Chuck and Methods of Chucking and Unchucking	179,359	08/18/80	4,395,170	07/26/83	Issued
PTG 0266	Belt Sander	259,300	04/30/81	4,403,454	09/13/83	Issued
PTG 0266	Belt Sander	392,105	12/11/81	1,175,235	10/02/84	Issued
PTG 0267	Feed Rate Indication for Power Tool	426,274	04/20/83	1,201,792	03/11/86	Issued
PTG 0151	Sabre Saw Blade Clamp	690,220	01/10/85	4,601,477	07/22/86	Issued
PTG 0122	Self Correcting Belt Tracking Mechanism	-	-	1,249,128	01/24/89	Issued
PTG 0154	Belt Sander	051,116	05/18/87	Des.303,206	09/05/89	Issued
PTG 0124	Collet Lock for Power Tool	276,066	11/21/88	4,878,405	11/07/89	Issued
PTG 0123	Motor Field Winding with Intermediate Tap	258,884	10/17/88	4,926,079	05/15/90	Issued
PTG 0160	Depth of Cut Adjusting Mechanism	534,381	04/10/87	1,269,592	05/29/90	Issued
PTG 0157	Motor Housing and Handle for a Portable Power Sander	128,540	12/02/87	Des.314,124	01/29/91	Issued
PTG 0159	Unitized Tool Construction	565,251	08/09/90	5,023,999	06/18/91	Issued

PTG	0129	D	CA		Pad Sander	13-07-90-7	07/13/90	68,805	07/02/91	Issued
PTG	0169	P	US		Wrench Storage Arrangement for a Power Tool	617,141	11/23/90	5,029,706	07/09/91	Issued
PTG	0149	D	US		Right Angle Sander/Grinder	327,580	03/23/89	Des.322,016	12/03/91	Issued
PTG	0164	P	US		Sander with Removable Auxiliary Handle	713,502	06/12/90	5,074,081	12/24/91	Issued
PTG	0142	P	US		Support Structure for a Table Saw Blade Assembly	672,175	03/20/91	5,123,317	06/23/92	Issued
PTG	0128	D	US		Circular Saw	476,291	02/07/90	Des. 327,828	07/14/92	Issued
PTG	0126	D	US		Portable Electric Drill	431,321	11/03/89	Des. 328,411	08/04/92	Issued
PTG	0129	D	US		Sander or the Like	478,975	02/12/90	Des.328,695	08/18/92	Issued
PTG	0127	D	US		Sabre Saw or the Like	476,290	02/07/90	Des.329,005	09/01/92	Issued
PTG	0139	P	US		Depth of Cut Lock Mechanism for a Plunge Type Router	07779,073	10/18/91	5,143,494	09/01/92	Issued
PTG	0131	P	US		Motor Field Assembly	608,805	11/05/90	5,160,867	11/03/92	Issued
PTG	0132	D	US		Drill Chuck	526,323	05/21/90	Des.332,040	12/29/92	Issued
PTG	0134	D	US		Sander	565,323	08/09/90	Des.332,558	01/19/93	Issued
PTG	0133	D	US		Sabre Saw	559,885	07/30/90	Des.332,902	02/02/93	Issued
PTG	0138	P	US		Adjustable Depth of Cut Stop Mechanism for a Plunge Type Router	779,074	10/18/91	5,191,921	03/09/93	Issued
PTG	0136	D	US		Circular Saw	569,163	08/17/90	Des.334,523	04/06/93	Issued
PTG	0110	P	US		Miter Table Assembly for a Table Saw	844,462	03/02/92	5,201,863	04/13/93	Issued
PTG	0117	P	US		Plunge Router	855,863	03/20/92	5,207,253	05/04/93	Issued
PTG	0437	P	US		Cutting Facility with Air Float Table	937,984	08/28/92	5,211,092	05/18/93	Issued
PTG	0141	D	US		Auxiliary Drill Handle	666,675	03/11/91	Des.337,712	07/27/93	Issued
PTG	0118	D	US		Plunge Router	818,170	01/02/92	Des.340,174	10/12/93	Issued
PTG	0251	D	US		Detail Pad Sander	920,145	07/24/92	Des.343,104	01/11/94	Issued
PTG	0260	P	US		Plate Joiner	054,640	04/27/93	5,291,928	03/08/94	Issued
PTG	0236	D	US		Random Orbital Sander	000,460	10/15/92	Des.345,089	03/15/94	Issued

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PTG	0269	P	US		Plunge Router with an Elastically Mounted Bushing	063,494	05/18/93	5,310,296	05/10/94	Issued
PTG	0253	P	US		Depth Stop for a Plunge Router	066,483	05/24/93	5,320,463	06/14/94	Issued
PTG	0284	D	US		Oscillating Spindle Sander	006,709	04/05/93	Des.349,292	08/02/94	Issued
PTG	0277	D	US		Plunge Router	006,708	04/05/93	Des.349,637	08/16/94	Issued
PTG	0270	P	US		Shaft Lock Arrangement for a Power Tool	034,547	03/19/93	5,346,342	09/13/94	Issued
PTG	0261	D	US		Plate Joiner	006,401	03/26/93	Des.350,468	09/13/94	Issued
PTG	0249	P	US		Chuck Utilizing Cam	083,369	06/25/93	5,348,319	09/20/94	Issued
PTG	0394	P	US		Scroll Saw Clamp and Method for Making the Same	125,346	09/22/93	5,351,590	10/04/94	Issued
PTG	0279	P	US		Depth of Cut Locking Mechanism for a Plunge-Type Router	122,390	09/16/93	5,353,852	10/11/94	Issued
PTG	0281	D	US		Sander	006,665	03/23/93	Des.352,437	11/15/94	Issued
PTG	0258	P	US		System and Method for Permanent Magnet DC Motor Reversing Circuit	020,566	02/22/93	5,369,343	11/29/94	Issued
PTG	0276	D	US		Single Reduction Drill	006,710	04/05/93	Des.353,526	12/20/94	Issued
PTG	0297	P	US		Plate Joiner	116,285	09/03/93	5,381,595	01/17/95	Issued
PTG	0285	D	US		Abrasive Pad	007,338	04/20/93	Des.355,105	02/07/95	Issued
PTG	0282	P	US		Oscillating Spindle Sander	048,326	03/17/93	5,402,604	04/04/95	Issued
PTG	0235	P	US		Speed Control Mechanism for a Power Tool	054,774	04/27/93	5,414,793	05/09/95	Issued
PTG	0255	P	US		Random Orbital Sanding machine Having a Removable Debris Container	145,801	10/29/93	5,419,737	05/30/95	Issued
PTG	0286	P	US		Armature for an Electric Motor Having a Core Face Insulation Disc	083,370	06/25/93	5,428,258	06/27/95	Issued
PTG	0317	P	US		Detail Sander	240,386	05/10/94	5,437,571	08/01/95	Issued
PTG	0309	P	US		Router Sub-Base	299,207	08/31/94	5,445,198	08/29/95	Issued

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PTG	0283	P	US		Drill Adjustment Mechanism for a Hammer Drill	173,827	12/27/93	5,447,205	09/05/95	Issued
PTG	0302	P	US		Removable Working Tool Assembly	191,515	02/03/94	5,470,272	11/28/95	Issued
PTG	0321	D	US		Plate Joiner Fence	027,643	08/26/94	Des.364,545	11/28/95	Issued
PTG	0407	D	US		Sander	035,427	02/27/95	Des.366,406	01/23/96	Issued
PTG	0296	P	US		Attachment and Accessory Scraper Blades for Detail Sander	169,773	12/17/93	5,491,896	02/20/96	Issued
PTG	0116	D	US		Circular Saw	016,538	12/17/93	Des.370,162	05/28/96	Issued
PTG	0288	P	US		Drywall Screw Driver Depth Adjustment	212,240	03/11/94	5,524,512	06/11/96	Issued
PTG	0301	P	US		Portable Electric Power Tool Housing	322,221	10/13/94	5,531,538	07/02/96	Issued
PTG	0341	P	US		Sandpaper Pad And Pad Support For a Detail Sander	08/384,149	02/06/95	5,533,926	07/09/96	Issued
PTG	0336	P	US		Oscillating Spindle Sander	08/366,977	12/30/94	5,558,566	09/24/96	Issued
PTG	0327	D	US		Electric Chisel	033,609	01/17/95	Des.374,159	10/01/96	Issued
PTG	0409	D	US		T-Handle Driver Drill	041,830	07/25/95	Des.377,442	01/21/97	Issued
PTG	0342	P	US		Random Orbit Sander Having Speed Limiter	08/507,109	07/26/95	5,595,531	01/21/97	Issued
PTG	0274	P	US		Reciprocating Drive Saw Mechanism	08/291,441	08/17/94	5,598,636	02/04/97	Issued
PTG	0325	P	US		Sander Vibration Stabilizer	08/294,107	08/22/94	5,607,343	03/04/97	Issued
PTG	0397	P	US		Tilting Router Table	08/588,900	01/19/96	5,611,378	03/18/97	Issued
PTG	0350	P	US		Router Adjustment Ring	08/614,181	03/12/96	5,613,813	03/25/97	Issued
PTG	0408	D	US		Rotary Tool	29/041,877	07/25/95	Des.378,727	04/08/97	Issued
PTG	0349	P	US		Router Collet	08/555,266	11/08/95	5,620,188	04/15/97	Issued
PTG	0339	P	US		Oscillating Spindle Sander	08/368,031	12/30/94	5,624,302	04/29/97	Issued
PTG	0366	P	US		Exhaust Stator and Fan for a Power Tool	08/605,907	02/23/96	5,632,578	05/27/97	Issued
PTG	0264	P	US	C	Detail Sander	08/387,829	04/10/95	5,637,034	06/10/97	Issued

PTG	0395	P	US	I	Fence Adjustment Mechanism	08/219,775	03/30/94	5,647,258	07/15/97	Issued
PTG	0459	P	US		Impact Mechanism for a Hammer Drill	08/692,572	08/06/96	5,653,294	08/05/97	Issued
PTG	0473	P	US		Router Attachment	08/689,332	08/08/96	5,662,440	09/02/97	Issued
PTG	0326	P	US		Depth of Cut Locking Mechanism for a Plunge-Type Router	08/321,149	10/11/94	5,671,789	09/30/97	Issued
PTG	0328	P	US		Depth Stop Assembly for a Portable Electric Drill	08/509,463	07/31/95	5,690,451	11/25/97	Issued
PTG	0406	P	US		Combination Router	08/773,390	12/26/96	5,694,992	12/09/97	Issued
PTG	0412	P	US		Biscuit Joiner	08/794,119	02/03/97	5,706,874	01/13/98	Issued
PTG	0370	P	US		Ergonomically Profiled Hand Grip for a Hand Held Tool Having a Pivotal Pommel	08/589,410	01/22/96	5,709,596	01/20/98	Issued
PTG	0358	P	US		On/Off Switch within a Lockable Housing	08/678,574	07/05/96	5,723,833	03/03/98	Issued
PTG	0453	P	US		Wood Joining Biscuits with Centering Feature	08/692,617	08/06/96	5,730,544	03/24/98	Issued
PTG	0375	P	US		Flywheel Assembly and Method of Forming	08/688,718	07/31/96	5,735,669	04/07/98	Issued
PTG	0416	P	US		Universal Joint for a Motorized Implement	08/675,957	07/05/96	5,765,652	06/16/98	Issued
PTG	0441	P	US		Rotary Drum Sander	08/571,525	12/13/95	5,842,913	12/01/98	Issued
PTG	0478	P	US		Portable Electric Power Tool Having a Rare Earth Permanent Magnet Motor (Circular Saw)	08/766,747	12/13/96	5,856,715	01/05/99	Issued
PTG	0504	P	US		Router Table Assembly with Microset Throat Plate	08/893,604	07/14/97	5,855,234	01/05/99	Issued
PTG	0458	P	US		Field Retaining Mechanism for a Permanent Magnet D.C.	08/671,007	06/28/96	5,861,694	01/19/99	Issued

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PTG	0488	P	US		Motor		08/717,925	09/23/96	5,860,852	01/19/99	Issued
PTG	0343	P	US		Oscillating Spindle Sander		08/678,332	07/11/96	5,874,794	02/23/99	Issued
PTG	0479	P	US		Method of Securing Magnets to a Permanent Magnet Motor Housing		08/684,173	07/19/96	5,881,784	03/16/99	Issued
PTG	0472	P	US		Biscuit Cutter		08/895,771	07/17/97	5,882,016	03/16/99	Issued
PTG	0502	P	US		Soft Grip Keyless Chuck		08/966,151	11/07/97	5,907,207	05/25/99	Issued
PTG	0505	P	US		Constant Force Brush Spring Arrangement		08/927,309	09/10/97	5,929,386	07/27/99	Issued
PTG	0514	P	US		Power Cord Set for an Electric Tool		09/067,109	04/27/98	5,947,804	09/07/99	Issued
PTG	0531	P	US		Adjustable Eccentricity Orbital Tool		09/163,522	09/30/98	5,969,450	10/19/99	Issued
PTG	0471	P	US		Armature Assembly with Creepage Shield		08/959,155	10/28/97	5,987,758	11/23/99	Issued
PTG	0569	D	US		Quick-Change Blade Clamp		29/092,246	08/14/98	Des. 418,032	12/28/99	Issued
PTG	0566	D	US		Trim Saw		29/092,249	08/14/98	Des. 420,879	02/22/00	Issued
PTG	0568	D	US		Handle Grip Portion of a Power Tool		29/092,248	08/14/98	Des. 421,883	03/28/00	Issued
PTG	0550	D	US		Cordless Electric Drill (Lowe's Industrial)		29/103,306	04/13/99	Des. 423,022	04/18/00	Issued
PTG	0545	D	US		1998 Craftsman Band Saw (3 Wheel 11")		29/103,307	04/13/99	Des. 423,526	04/25/00	Issued
PTG	0551	D	US		1998 Craftsman Miter Saw (8 1/4")		29/103,304	04/13/99	Des. 423,525	04/25/00	Issued
PTG	0541	P	US		1998 Craftsman Scroll Saw (16" Variable Speed)		09/262,189	03/04/99	6,055,734	05/02/00	Issued
PTG	0460	P	US		Circular Saw with Blade Viewing Window		09/067,108	04/27/98	6,062,960	05/16/00	Issued
PTG	0267	P	US		Orbital Tool		385,634	06/07/82	-	-	Filed
					Feed Rate Indication for Power Tool						

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PTG	0323	P	US		DC Motor In-Rush Current Limiter	488,994	06/08/95	-	-	Filed
PTG	0350	P	CA		Router Adjusting Ring	2,227,759	08/09/96	-	-	Filed
PTG	0441	P	CA		Rotary Drum Sander	2,192,888	12/13/96	-	-	Filed
PTG	0264	P	US	C 2	Detail Sander	08/871,808	06/09/97	-	-	Filed
PTG	0459	P	CA		Impact Mechanism for a Hammer Drill	2,260,013	07/11/97	-	-	Filed
PTG	0264	P	US	C 3	Detail Sander	09/001,121	12/30/97	-	-	Filed
PTG	0527	P	US		Table Saw with Convertible Dust Collection System	09/124,176	07/27/98	-	-	Filed
PTG	0567	D	US		Cordless Electric Drill (Lowe's Consumer)	29/092,247	08/14/98	-	-	Filed
PTG	0570	P	US		Battery Powered Circular Saw (Lower Housing Battery Projection)	09/134,016	08/14/98	-	-	Filed
PTG	0571	P	US		Disc Sander (Having a Direction Fins)	09/134,017	08/14/98	-	-	Filed
PTG	0530	P	US		Vacuum Cleaner Motor Assembly	09/164,175	09/30/98	-	-	Filed
PTG	0592	P	US		Oscillating Spindle Sander	09/232,549	01/18/99	-	-	Filed
PTG	0562	P	US		Table Saw Throat Plate Blade with Height Scale	09/249,030	02/12/99	-	-	Filed
PTG	0546	D	US		1998 Craftsman Miter Saw (10" Cast Iron)	29/103,309	04/13/99	-	-	Filed
PTG	0549	D	US		1998 Craftsman Band Saw (2 Wheel 9")	29/103,305	04/13/99	-	-	Filed
PTG	0552	D	US		1998 Craftsman Scroll Saw (24")	29/103,308	04/13/99	-	-	Filed
PTG	0556	D	US		Radial Arm Saw	29/104,807	05/12/99	-	-	Filed
PTG	0610	P	US		Spindle Lock and Chipping	09/325,443	06/03/99	-	-	Filed

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FP	0481					07/965,806	10/23/92	5,295,524	03/22/94	Issued
				Locking Mechanism for Planing Block of Planing Machine						
FP	0531					069,364	06/01/93	5,421,228	06/06/95	Issued
				Desk-top Slide Type Circular Power Saw						
FP	0554					192,037	02/04/94	5,533,925	07/09/96	Issued
				Structure of Drive Section of Power Tool						
FP	0606					539,675	10/05/95	5,669,453	09/23/97	Issued
				Power Carving Tool						
FP	0694					08/293,755	08/22/94	5,833,524	11/10/98	Issued
				Dust Collection System for a Power Tool						
FP	0534					061,156	05/12/93	5,398,739	03/21/95	Issued
				Rotary Cutting Head Assembly						
FP	0508					08/065,252	05/19/93	5,634,748	06/03/97	Issued
				Drill Press Having a Movable Head and a Tilt Table						
FD	0218					736,903	05/22/85	D.295,824	05/24/88	Issued
				Portable Electric Grinder						
FD	0276					046,493	05/06/87	D.307,104	04/10/90	Issued
				Electric Router						
FD	0375					443,410	11/30/89	D.321,338	11/05/91	Issued
				Storage Battery for Electric Tools						
FD	0330					308,693	02/10/89	D.322,258	12/10/91	Issued
				Electric Planer						
FD	0338					504,754	03/30/90	D.326,666	06/02/92	Issued
				Electric Saw						
FD	0393					513,513	04/23/90	D.329,362	09/15/92	Issued
				Portable Electric Sander						
PTG	0613	P	US			09/515,903	02/29/00	-	-	Filed
				Desk-Top Cutting Machine						
				Table Saw				5,230,269	07/27/93	Issued
PTG	0239	P	US			442,488	11/17/82	4,451,865	05/28/84	Issued
				Electrical Cutout for Under Voltage or Power Loss Conditions						
PTG	0162	D	US			044,279	04/30/87	Des.305,606	01/23/90	Issued
				Power Planer						
PTG	0125	P	US			450,273	12/13/89	4,967,516	11/06/90	Issued
				Debris Collection System for a Surface Treating Tool						
PTG	0123	P	CA			601,448	06/01/89	1,312,113	12/29/92	Issued
				Motor Field Winding with Intermediate Tap						
PTG	0140	P	US			764,239	09/23/91	5,191,968	03/09/93	Issued
				Shaft Lock Arrangement for a Power Tool						

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PTG	0247	P	US		Bidirectional Brush Holder Assembly	055,738	04/30/93	5,315,199	05/24/94	Issued
PTG	0125	P	CA		Debris Collection System for a Surface Treating Tool	2,015,129	04/23/90	2,015,129	12/13/94	Issued
PTG	0138	P	CA		Adjustable Depth of Cut Stop Mechanism for a Plunge Type Router	2,121,590	10/14/92	2121590	03/04/97	Issued
PTG	0248	P	US		Electric Motor Braking Circuit Arrangement	578,617	01/11/96	5,757,154	05/26/98	Issued
PTG	0139	P	CA		Depth of Cut Lock Mechanism for a Plunge-Type Router	2,121,589	10/14/92	2,121,589	04/13/99	Issued
PTG	0140	P	CA		Shaft Lock Arrangement for a Power Tool	2,119,374	04/09/92	2,119,374	05/11/99	Issued
PTG	0248	P	CA		Electric Motor Braking	2,166,610	07/09/93	-	-	Filed
PTG	0297	P	CA		Plate Joiner	2,161,539	04/22/94	-	-	Filed
PTG	0116	D	CA		Circular Saw	1994-1075	06/06/94	76407	05/18/95	Issued
PTG	0134	D	CA		Sander	09-01-91-1	01/09/91	69327	10/08/91	Issued
PTG	0132	D	CA		Drill Chuck	01-11-90-4	11/01/90	69450	10/29/91	Issued
PTG	0309	P	CA		Router Sub-Base	2,195,977	08/25/95	-	-	Filed

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## (B) Patent Licenses

RNA File No.	Description	Assignee	Filing No.	Filing Date	Issue No.	Issue Date	Status	Designation	Comment
PTG 0127D FR	Sabre Saw	RMP	904635	07/18/90	290071	11/30/90	Issued		-
PTG 0129D FR	Pad Sander	-	904635	07/18/90	290072	11/30/90	Issued		-
PTG 0134D FR	Sander	RMP	910362	01/21/91	296089	05/30/91	Issued		
PTG 0134D A U	Sander	RMP	0065/91	01/09/91	112483	10/21/91	Issued		-
PTG 0118D DE	Plunge Router	RMP	M9204754.8	07/01/92	M9204754.8	07/29/92	Issued		-
PTG 0284D DE	Oscillating Spindle Sander	RMP	M9305724.5	07/22/93	M9305724.5	09/22/93	Issued		-
PTG 0401D FR	Sander	ROP	945311	09/28/94	945311	12/30/94	Issued		-
PTG 0327D DE	Electric Chisel	RNA	M9503499.4	04/27/95	M9503499.4	07/25/95	Issued		-
PTG 0401D G B	Sander	ROP	GB 2042123	09/27/95	GB 2042123	02/13/96	Issued		-
PTG 0401D A U	Sander	ROP	3138/94	09/26/95	126927	06/03/96	Issued		-
PTG 0248P EP	Electric Motor Braking	RMP	EP 93 917 078.3	07/09/96	EP 0707756	05/07/97	Issued	DE,GB	-
PTG 0302P JP	Removable Working Tool Assembly	RMP	H07-009628	01/25/97	2706224	10/09/97	Issued		-
PTG 0282P JP	Oscillating Spindle Sander	RMP	H06-037168	03/08/97	2747418	02/13/98	Issued		-
PTG 0264P JP	Detail Sander	RMP	H05-184759	07/23/97	2829224	09/18/98	Issued		-

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PTG 0309	P A U		Router Sub-Base	RMP	35392/95	08/25/9 5	3	707035	07/01/99	Issued		-
PTG 0350	P A U		Router Adjustment Ring	RNA	67700/95	08/09/9 6		707499	07/08/99	Issued		-
PTG 0271	P JP		Electric Tool Actuator Switch	RMP	H06-136286	03/18/9 4		-	-	Filed		-
PTG 0260	P JP		Plate Joiner	RMP	H06-088192	04/26/9 4		-	-	Filed		-
PTG 0269	P DE		Plunge Router with an Elastically Mounted Bushing	RMP	P4417062.9	05/14/9 4		-	-	Filed		-
PTG 0253	P DE		Depth Stop for a Plunge Router	RMP	P4417511.6	05/19/9 4		-	-	Filed		-
PTG 0249	P JP		Chuck Utilizing Cam	RMP	H06-135274	06/17/9 4		-	-	Filed		-
PTG 0249	P DE		Chuck Utilizing Cam	RMP	P4421890.7	06/23/9 4		-	-	Filed		-
PTG 0279	P JP		Depth of Cut Locking Mechanism for a Plunge-Type Router	RMP	H06-164544	06/23/9 4		-	-	Filed		-
PTG 0283	P JP		Drill Adjustment Mechanism for a Hammer Drill	RMP	H06-193932	08/18/9 4		-	-	Filed		-
PTG 0255	P JP		Random Orbital Sanding machine Having a Removable Debris Container	RMP	H06-289188	10/28/9 4		-	-	Filed		-
PTG 0309	P DE		Router Sub-Base	RMP	19581752.4	08/25/9 5		-	-	Filed		-
PTG 0309	P JP		Router Sub-Base	RNA	8-509528	08/25/9 5		-	-	Filed		-
PTG 0342	P A U		Random Orbit Sander Having Speed Limiter	RNA	66817/96	07/24/9 6		-	-	Filed		-
PTG 0342	P JP		Random Orbit Sander Having	RNA	H09-507816	07/24/9		-	-	Filed		-

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## (C) Trademarks

		RNA File No.		Description	Class	Filing No.	Filing Date	Reg. No.	Reg. Date	Status
TM	0102	P	US	RAPID SET		7	74/257/615	1,763,608	04/06/93	Registered
TM	0103	P	US	MAXI-FORCE		6	73,632,221	1,444,863	06/30/87	Registered
TM	0104	P	US	POWER PLUS		6	75,581,317	1,434,476	03/31/87	Registered
TM	0105	P	US	QUICKSTAND		20	74-307,108	1,818,485	01/25/94	Registered
TM	0106	P	US	TRACKLOCK		7	74/476,889	1,875,050	01/24/95	Registered
TM	0107	P	US	ACCU-STOP		7	74,628,677	1,942,879	12/19/95	Registered
TM	0108	P	US	VERSATABLE		7	74,500,069	2,087,963	08/12/97	Registered
TM	0111	P	US	POWER PEN		7	75/044,498	2,155,298	05/05/98	Registered
TM	0112	P	US	CHARGE PLUS (+Stylized)		7	75/073,638	2,243,029	05/04/99	Registered
TM	0113	P	US	ACCU-BISCUIT		7	75/073/709	2,189,668	09/15/98	Registered
TM	0129	P	US	CONTROL-CUT (+Design)		7	74,439,500	1,926,945	10/17/95	Registered
TM	0105	P	CL	QUICKSTAND		7	419316	-	-	Filed
TM	0105	P	CL	2QUICKSTAND		7	419322	529,620	12/11/98	Registered
TM	0106	P	CL	TRACKLOCK		7	419325	527,294	11/13/98	Registered
TM	0106	P	CL	2TRACKLOCK		8	419324	527,293	11/13/98	Registered
TM	0107	P	CL	ACCU-STOP		7	419323	527,671	11/19/98	Registered
TM	0107	P	CL	2ACCU-STOP		8	419321	527,292	11/13/98	Registered
TM	0108	P	CL	VERSATABLE		7	419317	527,290	11/13/98	Registered
TM	0108	P	CL	2VERSATABLE		8	419318	527,291	11/13/98	Registered
TM	0111	P	CL	POWER PEN		7	419328	-	-	Filed
TM	0111	P	CL	2POWER PEN		8	419327	529,597	12/11/98	Registered
TM	0113	P	CL	ACCU-BISCUIT		7	419313	527,289	11/13/98	Registered
TM	0113	P	CL	2ACCU-BISCUIT		8	419326	527,670	11/19/98	Registered

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TM	0116	P	US		JOBSITE (+Design)	6 & 7	75/567,112	10/09/98	-	-	Filed
TM	0119	P	US		CONTINUOUS DUTY TOOLS	7	75/529,956	08/03/98	-	-	Filed
TM	0120	P	US		CDT	7	75/529,955	08/03/98	-	-	Filed
TM	0124	P	US		KODAMA	7	74/672,893	05/12/95	2,127,581	01/06/98	Registered
TM	0135	P	US		STEEL SITE	7	75/633,537	02/04/99	-	-	Filed
TM	0138	P	US		SILENT VAC	7	75/633,541	02/04/99	-	-	Filed
TM	0147	P	US		MIXMAX	-	75/779,967	08/20/99	-	-	Filed
TM	0148	P	US		MIXMAX (Stylized)	-	75/779,966	08/20/99	-	-	Filed
TM	0121	P	US		FILTER-FLO	7	74/080,265	07/20/90	1,695,200	06/16/92	Registered
TM	0122	P	US		ACCUCLEAR	7	74/076,043	07/06/90	1,687,562	05/19/92	Registered
TM	0123	P	US		TORQUE FORCE	7	74/040,306	03/20/90	1,684,800	04/28/92	Registered
TM	0101	P	US		V-MAG	28	73/411,267	01/28/83	1,290,283	08/14/84	Registered
TM	0115	P	US		JOBSITE	7	75/302,286	06/02/97	2,237,598	04/06/99	Registered

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(D) Trademark Licenses

<u>Trademark</u>	<u>Country</u>	<u>Application No./ Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Status</u>
Ryobi	USA	74-681601	05/30/95	1,995,042	08/20/96	Reg.
Ryobi (New Logo)	CANADA	872777	3/19/80			
Ryobi (New Logo)	MEXICO	355232	11/24/98			Reg.

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EXHIBIT A  
TO PLEDGE AND SECURITY AGREEMENT

**PLEDGE SUPPLEMENT**

This **PLEDGE SUPPLEMENT**, dated [mm/dd/yy], is delivered pursuant to the Pledge and Security Agreement, dated as of [mm/dd/yy] (as it may be from time to time amended, modified or supplemented, the "**Security Agreement**"), among **ONE WORLD TECHNOLOGIES, INC.**, the other Grantors named therein, and **HSBC BANK USA**, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Security Agreement of a security interest in all of Grantor's right, title and interest in and to all Collateral, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such Supplements to Schedules shall constitute part of the Schedules to the Security Agreement.

**IN WITNESS WHEREOF**, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of [mm/dd/yy].

[NAME OF GRANTOR]

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

EXHIBIT A-1