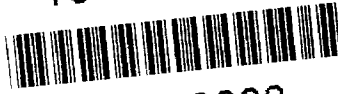


10-15-2004



102859983

Tab settings

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

10-13-04

1. Name of conveying party(ies): **AWI Acquisition Company (dba Allied International)**

- Individual(s)                       Association
- General Partnership               Limited Partnership
- XX** Corporation – State: **California**
- Other \_\_\_\_\_

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

3. Nature of conveyance:

- Assignment                               Merger
- XX** Security Agreement               Change of Name
- Other \_\_\_\_\_

Execution Date: **September 30, 2004**

2. Name and address of receiving party(ies)

Name: **Union Bank of California, N.A.**

Internal Address: \_\_\_\_\_  
Address: \_\_\_\_\_

Street Address: **445 S. Figueroa St., 10th Floor**

City: **Los Angeles** State: **CA** Zip: **90071**

Individual(s) citizenship \_\_\_\_\_

**XX** Association **National banking association.**

General Partnership \_\_\_\_\_

Limited Partnership \_\_\_\_\_

Corporation-State: \_\_\_\_\_

Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes **XX** No **N/A**  
(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached?  Yes **XX** No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) **76/533,312, et al.**

B. Trademark Registration No.(s)

Additional number(s) attached: **XX** Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: **Michele A. Eason**

Internal Address: **Paralegal, Bank & Finance**

Street Address: **Buchalter Nemer Fields & Younger**

**601 S. Figueroa St., 24th Floor**

City: **Los Angeles** State: **CA** Zip: **90017**

6. Total number of applications and registrations involved: **Ninety-Five (95)**

7. Total fee (37 CFR 3.41).....\$ **2390.00**

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

**20-0052**

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

**Michele A. Eason**  
Name of Person Signing

*Michele A. Eason*  
Signature

**October 8, 2004**  
Date

**DAVED ALEXANDER**

Total number of pages including cover sheet, attachments, and document: **Twenty (20)**

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

10/13/04 13:12:26  
DPT/PLM/JOE

7583312

0000302 20052

40.00 PA  
2350.00 PA

10/14/2004 WBT/TCHE 0000302 20052  
01 FC:AS21  
02 FC:US22

Schedule "A"

REGISTERED TRADEMARKS AND SERVICE MARKS

AWI ACQUISITION COMPANY

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
1.	76533312		LASERULE	LIVE
2.	76471613	2868495	E-Z CHUCK	LIVE
3.	76522360		DUALTOOL	LIVE
4.	76581544		LIGHTLINE	LIVE
5.	76581543		PIVOTPOINT	LIVE
6.	76546601		MAGIC TIES	LIVE
7.	76394255		LION	LIVE
8.	76573812		PRO-GRADE	LIVE
9.	76568387		ILEVEL	LIVE
10.	76497193		FAMILY CRAFT	LIVE
11.	76553393		PRECISION PRO	LIVE
12.	76376855		TOOLMASTER	LIVE
13.	76338090	2666081	JUNIOR TRUCKER	LIVE
14.	76316287		POWERULE	LIVE
15.	76244874	2748083	XLDRIVER	LIVE
16.	76244873	2748082	XLBLADE	LIVE
17.	76162156	2743130	XLRULE	LIVE
18.	76042847	2548345	SPEEDREEL	LIVE
19.	75257391	2194892	DOCKSIDE	LIVE

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
20.	75808097	2553431	DUOLOC	LIVE
21.	75665238	2435794	LEVERENCH	LIVE
22.	75648741	2579212	FLIPGRIP	LIVE
23.	75625316	2323870	Shape, style and overall appearance of TOOL BOX	LIVE
24.	75625315	2319026	Shape, style and overall appearance of TOOL BOX	LIVE
25.	75572636	2419782	RAZOR JAW	LIVE
26.	75553973	2402604	MULTIFIT	LIVE
27.	75553969	2455854	FAST-FIT	LIVE
28.	75515019	2430280	DYNA-DRIVE	LIVE
29.	75514819	2396296	VERSASHEAR	LIVE
30.	75514813	2527852	FARM&RANCH	LIVE
31.	75514809	2547657	HARVEST FORGE	LIVE
32.	75507961	2464203	QUADRO	LIVE
33.	75455180	2322986	Shape, style and overall appearance of TOOL BOX	LIVE
34.	75434172	2294040	CARGOLOC (and design)	LIVE
35.	75339247	2339029	STROKE SAVER	LIVE
36.	75326814	2248756	QWIK RULE	LIVE
37.	75107503	2155454	PROJECT PARTNERS	LIVE
38.	75084386	2257453	EXTREME	LIVE
39.	74736055	2278244	PRO-STOP	LIVE
40.	74687204	2371379	FORMULA 1	LIVE
41.	75808096		DURAWEB	LIVE

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
42.	73460437	1348908	ALLIED HYDRAULIC	LIVE
43.	73460477	1352428	CHICAGO POWER TOOLS	LIVE
44.	73482401	1348939	ERIK (and design)	LIVE
45.	75326814	2248756	QWIK RULE	LIVE
46.	76042847	2548345	SPEEDREEL	LIVE
47.	75868989	2495001	LUMIRATCHET	LIVE
48.	75717576	2713775	BLACK BELT	LIVE
49.	75702162	2396532	AUTOBLADE	LIVE
50.	75631569	2455987	AUTOCAM	LIVE
51.	75553501	2565549	UNIFIT	LIVE
52.	75309463	2578963	TOOL GEAR	LIVE
53.	75207488		AIRTECH	DEAD
54.	75404510		PRO GRADE	DEAD
55.	75468698		BRIGHT DRIVER	DEAD
56.	75493304		BRITE DRIVER	DEAD
57.	76019995		FORMULA 1	DEAD
58.	76146533		AUTOLOAD	DEAD
59.	76146534		BIG RIG	DEAD
60.	76261755		EDGE GUARD	DEAD
61.	76316288		SWITCH-GRIP	DEAD
62.	76341032		SAFE BLADE	DEAD
63.	76346114		PROMATE BY TRUECRAFT	DEAD
64.	76352609		GELGRIP	DEAD

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
65.	76384534		MASTER TRADESMAN	DEAD
66.	76455963		GRIZZLY GRIP	DEAD
67.	76455964		PYTHON	DEAD
68.	73782269	1609567	RELIANT	DEAD
69.	74103614	1674279	NEONTIES	DEAD
70.	74103615		EURO TECH	DEAD
71.	74103814	1737985	E-Z CHUCK	DEAD
72.	74108464	1891627	LEXOR	DEAD
73.	74108482	1759505	L	DEAD
74.	74124632		RELIANT HYDRAULIC	DEAD
75.	74225197		ALLIED AIR	DEAD
76.	74249599		NOCHEM	DEAD
77.	74249920		CHEM FREE	DEAD
78.	74352100	1944453	NIGHT CRAWLER	DEAD
79.	74353816		CARGO MASTER	DEAD
80.	74353817		LOADMAN	DEAD
81.	74354958		LOADMATE	DEAD
82.	74435392	1882974	STACK PAX	DEAD
83.	74800665		L	DEAD
84.	74800666	1807105	LEXOR	DEAD
85.	75404510		PRO GRADE	DEAD
86.	75404888		JUNIOR MECHANIC	DEAD
87.	75517312		LUMIDRIVER	DEAD
88.	75623492		SAFETY NET	DEAD

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
89.	75631568		DOUBLELOC	DEAD
90.	75631570		QWIKLOCK	DEAD
91.	75648738		DUALTOOL	DEAD
92.	75648743		PIVOTOOL	DEAD
93.	75654290		MULTI-TOOL	DEAD
94.	75702163		DUAL JAW MULTITOOL	DEAD
95.	75807590		AEROLOC	DEAD

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement"), dated as of September 30, 2004, is entered into by and between AWI ACQUISITION COMPANY, doing business as Allied International, a California corporation ("Debtor"), and UNION BANK OF CALIFORNIA, N.A. ("Secured Party"), in light of the following:

A. Debtor and Secured Party are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, and together with the Loan Agreement, the "Loan Documents"); and

B. Debtor is the owner of certain intellectual property, identified below, in which Debtor is granting a security interest to Secured Party.

C. Pursuant to Section 6.1 of the Loan Agreement, Debtor and Secured Party are entering into this Agreement as additional security for the Obligations (as such term is defined below).

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

## 1. DEFINITIONS AND CONSTRUCTION.

**1.1 Definitions.** The following terms, as used in this Agreement, have the following meanings:

"Code" means the Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute as presently in effect in California.

"Collateral" means:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and

proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) Each of the copyrights and rights and interests capable of being protected as copyrights, which are presently, or in the future may be, owned, authored, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all copyright rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and all tangible property embodying the copyrights (including books, records, films, computer tapes or disks, photographs, specification sheets, source codes, object codes, and other physical manifestations of the foregoing);

(iv) All of Debtor's right, title, and interest in and to the trademarks and trademark registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(v) All of Debtor's right, title, and interest, in and to the patents and patent applications listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time;

(vi) All of Debtor's right, title, and interest, in and to the copyrights and copyright registrations listed on Schedule C, attached hereto, as the same may be updated hereafter from time to time;

(vii) All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(viii) All of Debtor's right, title, and interest in all patentable inventions, and rights to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(ix) All of Debtor's rights to register copyright claims under any federal copyright law or regulation of any foreign country and to apply for registrations on original works, compilations, derivative works, collective works, and works for hire, the right (without obligation) to sue in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the copyrights, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;



(x) All general intangibles relating to the foregoing; and

(xi) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

“Obligations” means all obligations, liabilities, and indebtedness of Debtor to Secured Party, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 11.8 hereof.

**1.2 Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term “including” is not limiting. The words “hereof,” “herein,” “hereby,” “hereunder,” and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, Secured Party, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Secured Party and Debtor.

## **2. GRANT OF SECURITY INTEREST.**

Debtor hereby grants to Secured Party a first-priority security interest in all of Debtor’s right, title, and interest in and to the Collateral to secure the Obligations.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Debtor hereby represents, warrants, and covenants that:

### **3.1 Copyrights; Trademarks; Service Marks; Patents.**

(i) A true and complete schedule setting forth all federal and state trademark and service mark registrations owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(ii) A true and complete schedule setting forth all patent and patent applications owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule B; and

(iii) A true and complete schedule setting forth all federal copyright registrations owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule C.

**3.2 Validity; Enforceability.** Each of Debtor's copyrights, patents, service marks and trademarks is valid and enforceable, and Debtor is not presently aware of any past, present, or prospective claim by any third party that any of its copyrights, patents, service marks or trademarks are invalid or unenforceable, or that its use of any copyrights, patents, service marks or trademarks violates the rights of any third person, or of any basis for any such claims;

**3.3 Title.** Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the copyrights, copyright registrations, patents, patent applications, service marks, service mark registrations, trademarks, and trademark registrations set forth on Schedules A, B and C, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Debtor not to sue third persons;

**3.4 Notice.** Debtor has used and will continue to use proper statutory notice in connection with its use of each of its copyrights, patents, service marks and trademarks;

**3.5 Quality.** Debtor has used and will continue to use consistent standards of high quality (which may be consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with its service marks and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of its service marks and trademarks;

**3.6 Perfection of Security Interest.** Except for the filing of a financing statement with the Secretary of State of the State of California and filings with the United States Patent and Trademark Office and the United States Copyright Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

#### **4. AFTER-ACQUIRED COPYRIGHT, PATENT, SERVICE MARK OR TRADEMARK RIGHTS.**

If Debtor shall obtain rights to any new copyrights, service marks, trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new service marks, trademarks or patents, or renewal or extension of any service mark or trademark registration. Debtor shall bear any expenses incurred in connection with future patent applications or service mark or trademark registrations.

## **5. LITIGATION AND PROCEEDINGS.**

Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Secured Party any information with respect thereto requested by Secured Party. Secured Party shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Secured Party of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the patents, copyrights, service marks or trademarks, its right to apply for the same, or its right to keep and maintain such copyright, patent, service mark or trademark rights.

## **6. POWER OF ATTORNEY.**

Debtor grants Secured Party power of attorney, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time following an Event of Default in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: (a) to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Secured Party to use or maintain the Collateral; (b) to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; (c) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Secured Party's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

## **7. RIGHT TO INSPECT.**

Debtor grants to Secured Party and its employees and Secured Party's the right to visit Debtor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

## **8. EVENTS OF DEFAULT.**

Any of the following events shall be an Event of Default:

**8.1 Loan Agreement.** An Event of Default shall occur as defined in the Loan Agreement;

**8.2 Misrepresentation.** Any representation or warranty made herein by Debtor or in any document furnished to Secured Party by Debtor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

**8.3 Breach.** Debtor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof which materially and adversely affects Secured Party.

## **9. SPECIFIC REMEDIES.**

Upon the occurrence of any Event of Default, Secured Party shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

**9.1 Notification.** Secured Party may notify licensees to make royalty payments on license agreements directly to Secured Party;

**9.2 Sale.** Secured Party may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Secured Party deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor five days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Secured Party shall also give notice of the time and place by publishing a notice one time at least five days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Secured Party may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and 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 public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Secured Party at such sale.

## **10. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICTS OF LAWS, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. DEBTOR HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN LOS ANGELES COUNTY, CALIFORNIA SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN DEBTOR AND SECURED PARTY PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT; PROVIDED, THAT SECURED PARTY AND DEBTOR ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF LOS ANGELES COUNTY, CALIFORNIA; AND FURTHER PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE SECURED PARTY

FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO COLLECT THE OBLIGATIONS, TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SECURED PARTY. DEBTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND DEBTOR HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. DEBTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO DEBTOR AT THE ADDRESS SET FORTH IN SECTION 11.7 OF THE LOAN AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF DEBTOR'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE U.S. MAILED, PROPER POSTAGE PREPAID.

AS SET FORTH IN THE ALTERNATIVE DISPUTE RESOLUTION AGREEMENT, DEBTOR WAIVES ITS RIGHT TO A TRIAL BY JURY AND AGREES TO HAVE ANY DISPUTE BETWEEN IT AND SECURED PARTY RESOLVED PURSUANT TO THE TERMS OF THE ALTERNATIVE DISPUTE RESOLUTION AGREEMENT.

## **11. GENERAL PROVISIONS.**

**11.1 Effectiveness.** This Agreement shall be binding and deemed effective when executed by Debtor and Secured Party.

**11.2 Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Debtor may not assign this Agreement or any rights or duties hereunder without Secured Party's prior written consent and any prohibited assignment shall be absolutely void. Secured Party may assign this Agreement and its rights and duties hereunder and no consent or approval by Debtor is required in connection with any such assignment.

**11.3 Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

**11.4 Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

**11.5 Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

**11.6 Amendments in Writing.** This Agreement can only be amended by a writing signed by both Secured Party and Debtor.

**11.7 Counterparts; Telefacsimile Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

**11.8 Fees and Expenses.** Debtor shall pay to Secured Party on demand all costs and expenses that Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Secured Party; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against Secured Party arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

**11.9 Notices.** Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of Section 10.7 of the Loan Agreement.

**11.10 Termination By Lender.** After termination of the Loan Agreement and when the Secured Party has received payment and performance, in full, of all Obligations,

Secured Party shall execute and deliver to Debtor a termination of all of the security interests granted by Debtor hereunder.

**11.11 Integration.** This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

UNION BANK OF CALIFORNIA, N.A.

By: JK

Name: John Kase

Title: Vice President

AWI ACQUISITION COMPANY,  
d/b/a Allied International  
a California corporation

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

Name: R.G. "Skip" Sorenson

Title: Chief Financial Officer & Assistant Secretary

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Intellectual Property Security Agreement

TRADEMARK  
REEL: 003064 FRAME: 0476



IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

UNION BANK OF CALIFORNIA, N.A.

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

Name: John Kase

Title: Vice President

AWI ACQUISITION COMPANY,  
d/b/a Allied International  
a California corporation

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

Name: R.G. "Skip" Sorenson

Title: Chief Financial Officer & Assistant Secretary

Schedule "A"

REGISTERED TRADEMARKS AND SERVICE MARKS

AWI ACQUISITION COMPANY

	<b>Serial Number</b>	<b>Reg. Number</b>	<b>Word Mark</b>	<b>Live/Dead</b>
1.	76533312		LASERULE	LIVE
2.	76471613	2868495	E-Z CHUCK	LIVE
3.	76522360		DUALTOOL	LIVE
4.	76581544		LIGHTLINE	LIVE
5.	76581543		PIVOTPOINT	LIVE
6.	76546601		MAGIC TIES	LIVE
7.	76394255		LION	LIVE
8.	76573812		PRO-GRADE	LIVE
9.	76568387		I LEVEL	LIVE
10.	76497193		FAMILY CRAFT	LIVE
11.	76553393		PRECISION PRO	LIVE
12.	76376855		TOOLMASTER	LIVE
13.	76338090	2666081	JUNIOR TRUCKER	LIVE
14.	76316287		POWERULE	LIVE
15.	76244874	2748083	XLDRIVER	LIVE
16.	76244873	2748082	XLBLADE	LIVE
17.	76162156	2743130	XLRULE	LIVE
18.	76042847	2548345	SPEEDREEL	LIVE
19.	75257391	2194892	DOCKSIDE	LIVE

**Schedule "B"**

**PATENTS**

**AWI ACQUISITION COMPANY**

	<b>Patent No.</b>	<b>Title</b>
1.	6,789,452	Increased torque applying pliers
2.	6,786,117	Versatile use pliers
3.	6,725,748	Collapsible pliers
4.	6,685,018	Display case, carry case and storage stand for a plurality of elongated tools
5.	6,678,958	Utility knife with blade storage
6.	6,647,835	Pliers with replaceable jaws
7.	6,575,060	Reversible ratchet wrench
8.	6,553,674	Utility knife that protrudes a blade from a stored stack of blades
9.	6,105,256	Cutting shear
10.	6,186,638	Wrench which includes flashlight
11.	5,368,164	Tool set apparatus
12.	5,570,784	Tool organizer and deployment apparatus
13.	6,023,805	Tool combination having easily changeable tool members
14.	D470,734	Pliers with dual sets of operating jaws
15.	D465,920	Toolbox for children
16.	D458,526	Utility knife
17.	D455,060	Pliers head

	<b>Patent No.</b>	<b>Title</b>
18.	D454,082	Retractable tape measure
19.	D447,069	Tape rule end hook
20.	D410,776	Toolbox case
21.	D424,900	Double jawed pliers
22.	D416,452	Cutting shear
23.	D414,401	Cam tie down buckle
24.	D329,367	Screwdriver handle
25.	D321,072	Mechanic's creeper
26.	D410,378	Stretch cord hook
27.	D399,149	Tape measure case
28.	D387,457	Dual light for a bench grinder
29.	D373,090	Tape measure case
30.	D358,257	Tool case
31.	D294,396	Combined air compressor, flashlight and signal lamp

**Schedule "C"**

**REGISTERED COPYRIGHTS**

**ALLIED INTERNATIONAL**

	<b>Reg. Number</b>	<b>Reg. Date</b>	<b>Class</b>	<b>Copyright</b>
1.	VA421649	November 13, 1990	Visual arts	Allied 53 pc. ratcheting screwdriver and power bit set: no. 64-RS53
2.	VAu97272	December 12, 1985	Visual arts	Allied International Locking grip plier set with wire cutter: ser. LG-3