

MAY 20 2005

06-03-2005

Form PTO-1594 (Rev. 03/05)
OMB Collection 0651-0027 (exp. 6/30/2005)

5-20-05

RECORDATION FORM COVER SHEET
TRADEMARKS ONL



103014312

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the

1. Name of conveying party(ies):

Central Purchasing, LLC

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other LLC

Citizenship (see guidelines) California

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) 07/15/2004

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Credit Suisse First Boston
 Internal
 Address: _____
 Street Address: Eleven Madison Avenue
 City: New York
 State: NY
 Country: USA Zip: 10010

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other Bank/Agent Citizenship _____

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

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
78/414,343

B. Trademark Registration No.(s)
2,779,361

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Deborah Taylor

Internal Address: c/o Latham & Watkins LLP

Street Address: 633 W. Fifth Street #4000

City: Los Angeles

State: CA Zip: 90071

Phone Number: 213/485-1234

Fax Number: 213/891-8763

Email Address: deborah.taylor@lw.com

6. Total number of applications and registrations involved:

54

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 1,365.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

- a. Credit Card Last 4 Numbers _____
Expiration Date _____
- b. Deposit Account Number _____
Authorized User Name _____

9. Signature:

Deborah Taylor
Signature

May 19, 2005

Date

Deborah E. Taylor

Name of Person Signing

Total number of pages including cover sheet, attachments, and document:

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

1365

40.00 DP
1325.00 DP

06/02/2005 11:11 AM 0000014 70414343

01 FC:6521
02 FC:6522

INTELLECTUAL PROPERTY

(a) Trademarks

CENTRAL PURCHASING, INC. (now CP LLC)Federal Trademark Registrations:

| | | |
|-------------------------------|---------------|------------|
| CENTRAL MACHINERY | 78/414,343 ✓ | |
| STOREHOUSE | 78/414,318 ✓ | |
| AMERICA'S FAVORITE TOOL STORE | 78/276,913 ✓ | |
| LIFETIME CARBIDE & Design | 76/298,442 ✓ | |
| RAPID PUMP | 76/472,125 ✓ | 2,779,361 |
| U.S. GENERAL | 76/378,535 ✓ | 2,710,979 |
| U.S. GENERAL (Stylized) | 76/378,532 ✓ | 2,807,203 |
| U.S. GENERAL | 76/378,531 ✓ | 2,807,202 |
| AKITSCRAFTSPANS.COM | 76/223,846 ✓ | 2,540,108 |
| ONESTOPGARDENS.COM | 76/095,373 ✓ | 2,469,750 |
| ONE STOP GARDENS | 76/090,427 ✓ | 2,467,936 |
| ESSEX BRASS | 76/063,611 ✓ | 2,566,695 |
| ESSEX BRASS | 76/034,141 ✓ | 2,471,426 |
| ESSEX BRASS | 76/034,137 ✓ | 2,437,230 |
| ESSEX BRASS | 76/034,094 ✓ | 2,435,408 |
| ESSEX BRASS | 76/033,674 ✓ | 2,435,405 |
| HARBOR FREIGHT & Design | 76/033,621 ✓ | 2,577,305 |
| LIFETIME CARBIDE & Design | 75/982,352 ✓ | 2,803,910 |
| HARBORFREIGHT.COM | 75/799,209 ✓ | 2,397,649 |
| HARBORFREIGHTTOOLS.COM | 75/796,398 ✓ | 2,372,871 |
| ESSEX BRASS | 75/669,025 ✓ | 2,420,638 |
| HARBOR FREIGHT & Design | 75/668,760 ✓ | 2,403,471 |
| HARBOR FREIGHT | 75/646,850 ✓ | 2,394,977 |
| HARBOR FREIGHT TOOLS | 75/492,058 ✓ | 2,264,787* |
| HARBOR FREIGHT TOOLS & Design | 75/491,939* ✓ | 2,262,968* |
| HARBOR FREIGHT USA | 75/479,186 ✓ | 2,441,298 |
| HARBOR FREIGHT TOOLS & Design | 75/479,185 ✓ | 2,476,123 |
| HARBOR FREIGHT TOOLS USA | 75/479,117 ✓ | 2,438,888 |
| HARBOR FREIGHT USA & Design | 75/479,116 ✓ | 2,574,045 |
| DIAMOND LIFE & Design | 75/453,676 ✓ | 2,414,392 |
| DIAMOND LIFE & Design | 75/290,488 ✓ | 2,195,090* |
| WINDSOR DESIGN & Design | 75/209,060 ✓ | 2,163,466* |
| FISHERMAN'S HABIT & Design | 75/208,815 ✓ | 2,142,233* |
| BUMBLE BEE & Design | 75/043,114 ✓ | 2,191,713* |
| PRO-KART & Design | 74/518,584 ✓ | 1,898,834* |

| | | |
|------------------------------------|-------------|------------|
| CENTRAL PNEUMATIC & Design | 73/812,933✓ | 1,623,254* |
| HARBOR FREIGHT & Design | 73/739,403✓ | 1,530,291* |
| CENTRAL PNEUMATIC & Design | 73/738,600✓ | 1,564,171* |
| HARBOR FREIGHT TOOLS & Design | 73/738,282✓ | 1,558,534* |
| HARBOR FREIGHT SALVAGE COMPANY | 73/738,141✓ | 1,552,340* |
| "INSIDE TRACK" CLUB | 73/604,034✓ | 1,464,950* |
| BIG TOP | 73/503,807✓ | 1,351,733* |
| PITTSBURGH FORGE & Design | 73/492,210✓ | 1,392,153* |
| PITTSBURGH & Design | 73/486,694✓ | 1,337,579* |
| CENTRAL FLEX | 73/423,125✓ | 1,281,579* |
| CHICAGO ELECTRIC | 73/423,038✓ | 1,306,584* |
| DM DRILLMASTER | 73/422,925✓ | 1,280,530* |
| CENTRAL PNEUMATIC TOOL & Design | 73/376,738✓ | 1,264,742* |
| CENTRAL HYDRAULICS & Design | 73/376,377✓ | 1,307,657* |
| NUT AND BOLT STOREHOUSE (Stylized) | 73/373,254✓ | 1,340,028* |
| PITTSBURGH FORGE & Design | 73/373,253✓ | 1,347,269* |
| CENTRAL MACHINERY | 73/365,284✓ | 1,250,962* |
| CENTRAL FORGE & Design | 73/365,283✓ | 1,317,682* |
| LIFETIME CARBIDE SAWS & Design | 73/011,265 | 1,005,236 |

* Security interest recorded from Central Purchasing, Inc. to Fleet Capital Corporation executed on August 26, 1999 and recorded on September , 1999 at R/F 1958/0260.

(b) Patents

| <u>Patent</u> | <u>Owner</u> | <u>Patent No.</u> | <u>Issue Date</u> |
|---|--|-------------------|-------------------|
| DIGITAL MEASURING SYSTEM W/ A MULTI-ROW ENCODER DISK | Central Purchasing, Inc. (now CP LLC) | 6,279,248 | 8/28/2001 |
| CPI BED EXTENDER | Central Purchasing, Inc. (now CP LLC) | 5,458,389 | 6/24/1998 |
| PUTTY CHASER | Central Purchasing, Inc. (now CP LLC) | 5,593,257 | 1/14/1997 |
| IGNITION TRACKER | Central Purchasing, Inc. (now CP LLC) | 5,652,381 | 7/29/1997 |

(e) Copyrights

NONE

(d) Trade Secrets

NONE

(f) License Agreements

| Name of License | Nature of License | Royalty Licensor | Term of License |
|-------------------|--|---------------------------------------|-----------------|
| LICENSE AGREEMENT | Exclusive License for HFT to use all of CPI's trademarks, trade manes, service marks, logos and other proprietary rights | Central Purchasing, Inc. (now CP LLC) | 10 years |

| Name of License | Nature of License | Royalty Licensor | Term of License |
|-------------------|---|-----------------------------|--|
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #719) to patented item | A & E Manufacturing Company | As long as patent valid, renewable annually |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #1706) to patented item | A & E Manufacturing Company | As long as patent valid, Company renewable annually |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #1706) to patented item | A & E Manufacturing Company | As long as patent valid, renewable annually |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #42739) to patented item | Adrian Pendergrass | As long as patent is valid |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #4286) to patented item | Car Mate, Inc. | Annual, as long as patent valid, with renewal rights |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #36142) to patented item | Elcontrol, Inc. of Houston | Annual, as long as patent valid, with renewal rights |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #37786) to patented item | ICC Innovative Concepts | As long as patent is valid |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #5145) to patented item | Kushlan | Through 2/24/2008 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #90123) to patented item | Kushlan | Through 2/24/2008 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #91338) to patented item | Kushlan | Through 2/24/2008 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #91339) to patented item | Kushlan | Through 2/24/2008 |

| Name of License | Nature of License | Royalty Licensor | Term of License |
|------------------------|---|-------------------------|--|
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #5411) to patented item | Mag Instruments, Inc. | Through 2005 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #5412) to patented item | Mag Instruments, Inc. | Through 2005 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #5413) to patented item | Mag Instruments, Inc. | Through 2005 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #37345) to patented item | Matthews Engineering | Annual, as long as patent valid, with renewal rights |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #3371) to patented item | Pippin Corporation | Through 2000, renewable annually thereafter |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #1566) to patented item | Pippin Corporation | Through 2000, renewable annually thereafter |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #33576) to patented item | Pippin Corporation | Through 2000, renewable annually thereafter |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #3370) to patented item | Pippin Corporation | Through 2000, renewable annually thereafter |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU 2628) to patented item | Raul Gutierrez | Through 5/6/2008 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #45729) to patented item | Rory Wagner | Through 4/9/2006 |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #47591) to patented item | Sandy Ochoa | As long as patent valid |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #1745) to patented item | Stone Quality Tools | As long as patent valid, renewable annually |
| LICENSE AGREEMENT | License to sell like products (i.e., SKU #47552) to patented item | Work Tools, Inc. | Through remaining inventory. |

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of July 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Intellectual Property Security Agreement"), is made by each of the signatories hereto (collectively, the "Grantors") in favor of CREDIT SUISSE FIRST BOSTON, as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

WHEREAS, CENTRAL PURCHASING, LLC, a California limited liability company ("CP LLC"), HARBOR FREIGHT TOOLS USA, INC., a Delaware corporation, ("HFT" and, together with CP LLC, jointly and severally, the "Borrowers"), have entered into a Credit Agreement, dated as of July 15, 2004 (as amended, supplemented, replaced or otherwise modified from time to time, the "Credit Agreement"), with CREDIT SUISSE FIRST BOSTON, as Joint Administrative Agent, Sole Collateral Agent, Joint Syndication Agent, Sole Funding Agent, Joint Lead Arranger and Joint Bookrunning Manager, UBS AG STAMFORD BRANCH, as Joint Administrative Agent, and UBS SECURITIES LLC, as Joint Syndication Agent, Joint Lead Arranger and Joint Bookrunning Manager, and UNION BANK OF CALIFORNIA, N.A., as Revolving Loan Agent and Documentation Agent and the lenders from time to time party thereto (the "Lenders"). Capitalized terms used and not defined herein have the meanings given such terms in the Credit Agreement.

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrowers under the Credit Agreement that the Grantors shall have executed and delivered that certain Pledge and Security Agreement, dated as of July 15, 2004, in favor of the Collateral Agent (as amended, supplemented, replaced or otherwise modified from time to time, the "Pledge and Security Agreement").

WHEREAS, under the terms of the Pledge and Security Agreement, the Grantors have granted a security interest in certain Property, including, without limitation, certain Intellectual Property of the Grantors to the Collateral Agent for the ratable benefit of the Secured Parties, and have agreed as a condition thereof to execute this Intellectual Property Security Agreement for recording with the United States Patent and Trademark Office, the United States Copyright Office, and other applicable Governmental Authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantors agree as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties a security interest in and to all of such Grantor's right, title and interest in and to the following (the "Intellectual Property Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(a) (i) all trademarks, service marks, trade names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source identification, trademark and service mark registrations, and applications for trademark or

service mark registrations and any new renewals thereof, including, without limitation, each registration and application identified in Schedule 1, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above (collectively, the "Trademarks");

(b) (i) all patents, patent applications and patentable inventions, including, without limitation, each issued patent and patent application identified in Schedule 1, (ii) all inventions and improvements described and claimed therein, (iii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Patents");

(c) (i) all copyrights, whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each registration and application identified in Schedule 1, (ii) the rights to print, publish and distribute any of the foregoing, (iv) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto ("Copyrights");

(d) (i) all trade secrets and all confidential and proprietary information, including know-how, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, and customer and supplier lists and information, including, without limitation, any of the foregoing identified in Schedule 1, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto (collectively, the "Trade Secrets");

(e) (i) all licenses or agreements, whether written or oral, providing for the grant by or to any Grantor of: (A) any right to use any Trademark or Trade Secret, (B) any right to manufacture, use or sell any invention covered in whole or in part by a Patent, and (C) any right under any Copyright including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright including, without limitation, any of the foregoing identified in Schedule 1, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations of any of the foregoing, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto; and

(f) any and all proceeds of the foregoing.

SECTION 2. Recordation. Each Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Intellectual Property Security Agreement.

SECTION 3. Execution in Counterparts. This Agreement may be executed in any number of counterparts (including by telecopy), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 4. Governing Law. This Intellectual Property Security Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.


SECTION 5. Conflict Provision. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Pledge and Security Agreement and the Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Pledge and Security Agreement and the Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are in conflict with the Pledge and Security Agreement or the Credit Agreement, the provisions of the Pledge and Security Agreement or the Credit Agreement shall govern.

[Signature page to follow]


IN WITNESS WHEREOF, each of the undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

CENTRAL PURCHASING, LLC,
a California limited liability company

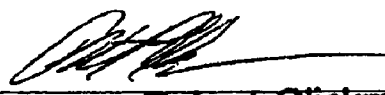
By: 
Name: Robert Glickman
Title: Chief Financial Officer

HARBOR FREIGHT TOOLS USA, INC.,
a Delaware corporation

By: 
Name: Robert Glickman
Title: Chief Financial Officer

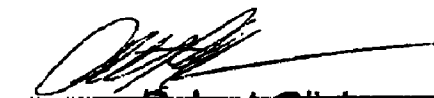
HARBOR FREIGHT TOOLS INCENTIVES, LLC, a New Hampshire limited liability company

By: Harbor Freight Tools USA, Inc.
Its: Sole Managing Member

By: 
Name: Robert Glickman
Title: Chief Financial Officer

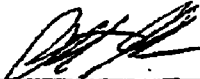
TEXAS MANAGEMENT SERVICES, LLC,
a California limited liability company

By: Harbor Freight Tools USA, Inc.
Its: Sole Managing Member

By: 
Name: Robert Glickman
Title: Chief Financial Officer

HARBOR FREIGHT TOOLS TEXAS, LP,
a Delaware limited partnership

By: Harbor Freight Tools USA, Inc.
Its: General Partner

By: 
Name: Robert Glickman
Title: Chief Financial Officer

"COLLATERAL AGENT"

CREDIT SUISSE FIRST BOSTON,
as Collateral Agent for the benefit of itself
and the Lenders

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____


HARBOR FREIGHT TOOLS TEXAS, LP,
a Delaware limited partnership

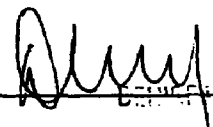
By: Harbor Freight Tools USA, Inc.
Its: General Partner

By: _____
Name: _____
Title: _____

“COLLATERAL AGENT”

CREDIT SUISSE FIRST BOSTON,
as Collateral Agent for the benefit of itself
and the Lenders

By: 
Name: JAMES P. MORAN
Title: DIRECTOR

By: 
Name: DENISE ALVAREZ
Title: ASSOCIATE