

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Guarantee and Collateral Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Renfro Corporation		10/05/2006	CORPORATION: NORTH CAROLINA

RECEIVING PARTY DATA

Name:	Bear, Stearns & Co., Inc.
Street Address:	383 Madison Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10179
Entity Type:	CORPORATION:

PROPERTY NUMBERS Total: 27

Property Type	Number	Word Mark
Registration Number:	1102207	SPORTS TUFF
Registration Number:	1116097	BONNIE DOON
Registration Number:	1133184	BRIGADOON
Registration Number:	1142657	BONNIE DOON
Registration Number:	1320195	
Registration Number:	1322777	
Registration Number:	1332672	
Registration Number:	1677712	RENFRO
Registration Number:	1682081	
Registration Number:	1737690	FIT FIRST
Registration Number:	1836861	NATURAL CHOICE
Registration Number:	1905694	
Registration Number:	2304811	BLISTER TAMERS

OP \$690.00 1102207

Registration Number:	2309762	
Registration Number:	2386028	
Registration Number:	2402934	SMARTWEIGHTS
Registration Number:	2416400	RPL TECH
Registration Number:	2420314	COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES
Registration Number:	2428872	LIGHTSTYLE
Registration Number:	3030488	BONNIE DOON SINCE 1919
Registration Number:	0442634	BRIGADOON
Serial Number:	78460275	BARE SOLUTIONS
Serial Number:	78585758	COPPER SOLE
Serial Number:	78560042	FOOTCARE SOLUTIONS
Serial Number:	78560021	HEALTH STRIDES
Serial Number:	78473184	MOISTURE GUARD
Serial Number:	78158207	ON YOUR FEET

CORRESPONDENCE DATA

Fax Number: (714)755-8290
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 714-540-1235
Email: ipdocket@lw.com
Correspondent Name: Latham & Watkins LLP
Address Line 1: 650 Town Center Drive, Suite 2000
Address Line 4: Costa Mesa, CALIFORNIA 92626

ATTORNEY DOCKET NUMBER:	031935-0245
NAME OF SUBMITTER:	Anna T Kwan
Signature:	/Anna T Kwan/
Date:	10/09/2006

Total Attachments: 59
source=Renfro-GCA#page1.tif
source=Renfro-GCA#page2.tif
source=Renfro-GCA#page3.tif
source=Renfro-GCA#page4.tif
source=Renfro-GCA#page5.tif
source=Renfro-GCA#page6.tif
source=Renfro-GCA#page7.tif
source=Renfro-GCA#page8.tif
source=Renfro-GCA#page9.tif
source=Renfro-GCA#page10.tif

source=Renfro-GCA#page11.tif
source=Renfro-GCA#page12.tif
source=Renfro-GCA#page13.tif
source=Renfro-GCA#page14.tif
source=Renfro-GCA#page15.tif
source=Renfro-GCA#page16.tif
source=Renfro-GCA#page17.tif
source=Renfro-GCA#page18.tif
source=Renfro-GCA#page19.tif
source=Renfro-GCA#page20.tif
source=Renfro-GCA#page21.tif
source=Renfro-GCA#page22.tif
source=Renfro-GCA#page23.tif
source=Renfro-GCA#page24.tif
source=Renfro-GCA#page25.tif
source=Renfro-GCA#page26.tif
source=Renfro-GCA#page27.tif
source=Renfro-GCA#page28.tif
source=Renfro-GCA#page29.tif
source=Renfro-GCA#page30.tif
source=Renfro-GCA#page31.tif
source=Renfro-GCA#page32.tif
source=Renfro-GCA#page33.tif
source=Renfro-GCA#page34.tif
source=Renfro-GCA#page35.tif
source=Renfro-GCA#page36.tif
source=Renfro-GCA#page37.tif
source=Renfro-GCA#page38.tif
source=Renfro-GCA#page39.tif
source=Renfro-GCA#page40.tif
source=Renfro-GCA#page41.tif
source=Renfro-GCA#page42.tif
source=Renfro-GCA#page43.tif
source=Renfro-GCA#page44.tif
source=Renfro-GCA#page45.tif
source=Renfro-GCA#page46.tif
source=Renfro-GCA#page47.tif
source=Renfro-GCA#page48.tif
source=Renfro-GCA#page49.tif
source=Renfro-GCA#page50.tif
source=Renfro-GCA#page51.tif
source=Renfro-GCA#page52.tif
source=Renfro-GCA#page53.tif
source=Renfro-GCA#page54.tif
source=Renfro-GCA#page55.tif
source=Renfro-GCA#page56.tif
source=Renfro-GCA#page57.tif
source=Renfro-GCA#page58.tif
source=Renfro-GCA#page59.tif

GUARANTEE AND COLLATERAL AGREEMENT

made by

RENFRO ACQUISITION INC.

and

RC MERGER CORP.

and certain of its Subsidiaries

in favor of

BEAR STEARNS CORPORATE LENDING INC.,
as Administrative Agent

Dated as of October 5, 2006

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. DEFINED TERMS.....	2
1.1. Definitions.....	2
1.2. Other Definitional Provisions.....	7
SECTION 2. GUARANTEE.....	7
2.1. Guarantee	7
2.2. Reimbursement, Contribution and Subrogation.....	8
2.3. Amendments, etc. with respect to the Borrower Obligations.....	10
2.4. Guarantee Absolute and Unconditional	10
2.5. Reinstatement.....	11
2.6. Payments	11
SECTION 3. GRANT OF SECURITY INTEREST	11
3.1. Grant of Security	11
3.2. Intercreditor Relations.....	12
SECTION 4. REPRESENTATIONS AND WARRANTIES	13
4.1. Representations in Credit Agreement	13
4.2. Title; No Other Liens	13
4.3. Perfected First Priority Liens	13
4.4. Jurisdiction of Organization; Chief Executive Office.....	14
4.5. Inventory and Equipment	15
4.6. Farm Products	15
4.7. Pledged Stock and Pledged Notes.....	15
4.8. Receivables	15
4.9. Intellectual Property	16
SECTION 5. COVENANTS.....	17
5.1. Covenants in Credit Agreement	17
5.2. Delivery and Control of Instruments, Certificated Securities, Chattel Paper, Negotiable Documents and Investment Property	17
5.3. Maintenance of Insurance	19
5.4. Payment of Obligations.....	19
5.5. Maintenance of Perfected Security Interest; Further Documentation.....	19
5.6. Changes in Locations, Name, etc.....	20
5.7. Notices.....	20
5.8. Investment Property	20
5.9. Receivables	21
5.10. Intellectual Property	21
5.11. Vehicles.....	24
SECTION 6. REMEDIAL PROVISIONS.....	24
6.1. Certain Matters Relating to Receivables.....	24
6.2. Communications with Obligors; Grantors Remain Liable.....	24
6.3. Investment Property	25
6.4. Proceeds to be Turned Over to Administrative Agent	26
6.5. Application of Proceeds	26

6.6.	Code and Other Remedies.....	27
6.7.	Registration Rights.....	28
6.8.	Deficiency	28
SECTION 7. THE ADMINISTRATIVE AGENT.....		29
7.1.	Administrative Agent’s Appointment as Attorney-in-Fact, etc.	29
7.2.	Duty of Administrative Agent.....	30
7.3.	Financing Statements	31
7.4.	Authority, Immunities and Indemnities of Administrative Agent.....	31
SECTION 8. MISCELLANEOUS.....		31
8.1.	Amendments in Writing.....	31
8.2.	Notices.....	31
8.3.	No Waiver by Course of Conduct; Cumulative Remedies.....	31
8.4.	Enforcement Expenses; Indemnification.....	31
8.5.	Successors and Assigns.....	32
8.6.	Set-Off.....	32
8.7.	Counterparts	32
8.8.	Severability	33
8.9.	Section Headings.....	33
8.10.	Integration	33
8.11.	GOVERNING LAW	33
8.12.	Submission To Jurisdiction; Waivers.....	33
8.13.	Acknowledgements	33
8.14.	Additional Grantors.....	34
8.15.	Releases.....	34
8.16.	WAIVER OF JURY TRIAL	34
8.17.	Effectiveness of Obligations	35

SCHEDULES

Schedule 1	Notice Addresses
Schedule 2	Investment Property
Schedule 3	Jurisdictions of Organization and Chief Executive Offices
Schedule 4	Filings and Other Actions required for Perfection
Schedule 5	Inventory and Equipment Locations
Schedule 6	Intellectual Property
Schedule 7	Commercial Tort Claims

ANNEXES

Annex I	Form of Assumption Agreement
Annex II	Form of Acknowledgement and Consent
Annex III	Form of Intellectual Property Security Amendment

GUARANTEE AND COLLATERAL AGREEMENT, dated as of October 5, 2006, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of Bear Stearns Corporate Lending Inc., as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties, dated as of October 5, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Renfro Acquisition Inc., a Delaware corporation ("Holdings"), RC Merger Corp., a North Carolina corporation, Renfro Corporation, a North Carolina corporation (together with RC Merger Corp., the "Borrower"), the Lenders, Bear, Stearns & Co. Inc., as sole lead arranger and sole bookrunner, and the Administrative Agent.

RECITALS

A. Pursuant to the Credit Agreement, the banks, financial institutions and other entities (the "Lenders") from time to time party as Lenders to the Credit Agreement have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein and in connection therewith certain Qualified Counterparties have agreed to enter into certain Specified Hedge Agreements;

B. Upon the effectiveness of the Merger, the Borrower will be a member of an affiliated group of companies that includes each other Grantor;

C. The proceeds of the extensions of credit under the Credit Agreement and the entering into of the Specified Hedge Agreements will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

D. The Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and, to the extent applicable, from the Specified Hedge Agreements; and

E. It is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement and of the Qualified Counterparties to enter into the Specified Hedge Agreements that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the benefit of the Secured Parties.

F. Pursuant to that certain Credit Agreement, dated as of the date hereof (as such agreement may be amended, supplemented or otherwise modified from time to time, the "ABL Credit Agreement"), by and among Renfro Corporation and certain of its subsidiaries, as borrower (in such capacity, the "ABL Borrower"), the financial institutions party from time to time thereto (such financial institutions, together with their successors, assigns and transferees, the "ABL Lenders") and Wachovia Bank, National Association ("Wachovia"), in its capacities as administrative agent and collateral agent (together with its successors and assigns in such capacity, the "ABL Collateral Agent"), the ABL Lenders have agreed to make certain loans and other financial accommodations to or for the benefit of the ABL Borrower and certain of its subsidiaries;

G. Pursuant to that certain [Security Agreement], dated as of the date hereof (as such agreement may be amended, supplemented or otherwise modified from time to time, the "ABL Security Agreement"), among the ABL Collateral Agent and the Loan Parties party thereto, the ABL Borrower and such other Loan Parties have granted a Lien to the ABL Collateral Agent for the benefit of the holders of ABL Obligations (as defined in the Intercreditor Agreement referred to below) on the Collateral, which security interest pursuant to the Intercreditor Agreement shall be a first priority Lien for

the benefit of the holders of the ABL Obligations on the Liquid Collateral (as defined in the Intercreditor Agreement) and a second priority Lien for the benefit of the holders of the ABL Obligations on the Fixed Collateral (as defined in the Intercreditor Agreement); and

H. The ABL Collateral Agent and the Administrative Agent have entered into an Intercreditor Agreement, acknowledged by the Borrower and the other Grantors, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the “Intercreditor Agreement”).

NOW, THEREFORE, in consideration of the premises and to induce the Agents and the Lenders to enter into the Credit Agreement, to induce the Lenders to make their respective extensions of credit to the Borrower thereunder and to induce the Qualified Counterparties to enter into Specified Hedge Agreements and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees with the Administrative Agent, for the benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms used herein are as defined in the New York UCC (and if defined in more than one Article of the New York UCC, shall have the meaning given in Article 8 or 9 thereof): Accessions, Accounts, Certificated Security, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Instruments, Inventory, Letter-of-Credit Rights, Money, Negotiable Documents, Securities Accounts, Securities Entitlements, Software, Supporting Obligations and Tangible Chattel Paper.

(b) The following terms shall have the following meanings:

“ABL Borrower”: as defined in the recitals hereto.

“ABL Collateral Agent”: as defined in the recitals hereto.

“ABL Credit Agreement”: as defined in the recitals hereto.

“ABL Lenders”: as defined in the recitals hereto.

“ABL Obligations”: as defined in the Intercreditor Agreement.

“ABL Security Agreement”: as defined in the recitals hereto.

“Agreement”: this Guarantee and Collateral Agreement.

“Borrower”: prior to the Merger, RC Merger Corp., a North Carolina corporation; and from and after the Merger, Renfro Corporation, a North Carolina corporation.

“Borrower Credit Agreement Obligations”: the unpaid principal of and interest on the Loans and all other obligations and liabilities of the Borrower to any Agent, Lender or Indemnitee, whether direct or indirect, absolute or contingent, due or to become due or now existing or hereafter

incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement or the other Loan Documents, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Credit Agreement after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any such case or proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

“Borrower Hedge Agreement Obligations”: all obligations and liabilities of the Borrower to any Qualified Counterparty, whether direct or indirect, absolute or contingent, due or to become due or now existing or hereafter incurred, which may arise under, out of, or in connection with, any Specified Hedge Agreement or any other material document made, delivered or given in connection therewith or pursuant thereto, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including interest accruing at the then applicable rate provided in such Specified Hedge Agreement after the maturity of the obligations thereof and interest accruing at the then applicable rate provided in any Specified Hedge Agreement after the commencement of any bankruptcy case or insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and all reasonable fees and disbursements of counsel to the Qualified Counterparty that are required to be paid by the Borrower pursuant to the terms of any Specified Hedge Agreement).

“Borrower Obligations”: the Borrower Credit Agreement Obligations and Borrower Hedge Agreement Obligations.

“Collateral”: as defined in Section 3.

“Collateral Account”: any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4.

“Copyrights”: (i) all United States and foreign copyrights, whether or not the underlying works of authorship have been published, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including each registration identified on Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements 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 accruing thereunder or pertaining thereto.

“Copyright Licenses”: with respect to any Grantor, all written agreements naming such Grantor as licensor or licensee (including those agreements listed in Schedule 6), granting any right under any Copyright, including the grant of rights to print, publish, copy, distribute, exploit and sell materials derived from any Copyright, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

“Excluded Perfection Assets”: (i) any Vehicle individually having a value less than \$100,000 individually or \$1,000,000 in the aggregate for all Vehicles; (ii) any foreign Intellectual Property; (iii) Goods included in Collateral received by any Person for “sale or return within the meaning of Section 2-326 of the Uniform Commercial Code of the applicable jurisdiction, to the extent of claims

of creditors of such Person; (iv) Money which has been deposited into any Deposit Account of any Grantor and is not subject to a control agreement as required by Section 5.2(d); and (v) other than any foreign Intellectual Property and any Pledged Stock, any Collateral the aggregate value of which shall not exceed at any time \$500,000 and for which the perfection of Liens thereon requires filings in or other actions under the laws of jurisdictions outside the United States.

“Foreign Entity”: means, with respect to any Grantor, any corporation, partnership, limited liability company or other business entity (i) which is organized under the laws of a jurisdiction other than a state of the United States or the District of Columbia and (ii) of which securities or other ownership interests representing more than 50% of the equity, more than 50% of the ordinary voting power, more than 50% of the general partnership interests or more than 50% of the limited liability company membership interests are, at the time any determination is being made, owned directly by such Grantor or one or more Grantors.

“Foreign Subsidiary Voting Stock”: the voting Capital Stock of any Foreign Subsidiary.

“Grantor”: as defined in the preamble hereto.

“Guarantor Obligations”: with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding, whether or not a claim for such obligations is allowed in such case or proceeding)

“Guarantors”: the collective reference to each Grantor other than the Borrower.

“Intellectual Property”: the collective reference to all intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note in a principal amount in excess of \$500,000, evidencing loans or other monetary obligations owing to any Grantor by any Group Member.

“Intercreditor Agreement”: as defined in the recitals hereto.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-102(a)(49) of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of “Pledged Stock”) and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes and all Pledged Stock.

“Issuers”: the collective reference to each issuer of any Investment Property purported to be pledged hereunder.

“Lockbox Accounts”: the collective reference to all lockbox accounts established in connection with the ABL Credit Agreement.

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations”: (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

“Ordinary Course Transferees”: (i) with respect to Goods only, buyers in the ordinary course of business and lessees in the ordinary course of business to the extent provided in Section 9-320(a) and 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction and (ii) with respect to General Intangibles only, licensees in the ordinary course of business to the extent provided in Section 9-321 of the Uniform Commercial Code as in effect from time to time in the relevant jurisdiction.

“Patents”: (i) all United States and foreign patents, patent applications, including, without limitation, each issued patent and patent application identified on Schedule 6, (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 thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including 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 accruing thereunder or pertaining thereto.

“Patent License”: with respect to any Grantor, all written agreements providing for the grant by or to such Grantor of any right to manufacture, use, import, export, distribute, offer for sale or sell any invention covered in whole or in part by a Patent (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

“Pledged Notes”: all Intercompany Notes at any time issued to any Grantor (including those listed on Schedule 2) and all other promissory notes in excess of \$500,000 in principal amount at any time issued to or owned, held or acquired by any Grantor (including those listed on Schedule 2), except promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business.

“Pledged Stock”: all shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person (including those listed on Schedule 2) at any time issued or granted to or owned, held or acquired by any Grantor; provided that in no event shall (i) more than 65% of the total outstanding voting Capital Stock of any Foreign Entity or any Foreign Subsidiary Holdco be subject to the security interests granted hereby.

“Proceeds”: all “proceeds” as such term is defined in Section 9-102(a)(64) of the New York UCC, including, in any event, all dividends, returns of capital and other distributions from Investment Property and all collections thereon and payments with respect thereto.

“Receivable”: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including all Accounts).

“Secured Parties”: the Agents, the Lenders and Indemnitees and, with respect to any Specified Hedge Agreement, the Qualified Counterparty, party thereto and each of their respective successors and transferees.

“Securities Act”: the Securities Act of 1933, as amended.

“Trademarks”: (i) all United States, state and foreign trademarks, service marks, trade names, domain names, corporate names, company names, business names, trade dress, trade styles, or logos, and all registrations of and applications to register the foregoing and any new renewals thereof, including each registration and application identified in Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and dilutions thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements and dilutions thereof), and (iv) all other rights of any kind whatsoever 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.

“Trademark License”: with respect to any Grantor, any written agreement providing for the grant by or to such Grantor of any right to use any Trademark (including those agreements listed on Schedule 6), subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

“Trade Secrets”: (i) all trade secrets and confidential and proprietary information, (ii) the right to sue or otherwise recover for any and all past, present and future misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including payments under all licenses entered into in connection therewith, and damages and payments for past, present or future misappropriations thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

“Trade Secret License”: with respect to any Grantor, any written agreement providing for the grant by or to such Grantor of any right to use any Trade Secret, including any of the foregoing agreements referred to in Schedule 6, subject in each case, to the terms of such agreements, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter covered by such agreements.

“UETA”: the Uniform Electronic Transaction Act, as in effect in the applicable jurisdiction.

“Unasserted Contingent Obligations”: at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) Obligations in respect of the principal of, and interest and premium (if any) on, and fees and expenses relating to, any Obligation and (b) contingent payments that may be payable upon termination of a Specified Hedge Agreement) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

“Vehicles”: all cars, trucks, trailers, vehicles which are used for construction, vehicles which can be considered earth moving equipment and other vehicles, vessels and aircrafts, each of which is covered by a certificate of title law of any jurisdiction and all appurtenances thereto.

“Wachovia Account”: the Renfro Lockbox Account, account number 2000013955917, established and maintained in the name of Wachovia Bank, National Association, at Wachovia Bank, National Association (or its successors and assigns).

1.2. Other Definitional Provisions.

(a) As used herein and in any certificate or other document made or delivered pursuant hereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), and (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties of every type and nature, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time (subject to any applicable restrictions hereunder).

(b) The words “hereof,” “herein”, “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

(e) The expressions “payment in full,” “paid in full” and any other similar terms or phrases when used herein with respect to any Obligation shall mean the payment in full of such Obligation in cash in immediately available funds.

SECTION 2. GUARANTEE

2.1. Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the benefit of the Secured Parties, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of each and all of the Borrower Obligations.

(b) Each Guarantor shall be liable under its guarantee set forth in Section 2.1(a), without any limitation as to amount, for all present and future Borrower Obligations, including specifically all future increases in the outstanding amount of the Loans or Reimbursement Obligations and other future increases in the Borrower Obligations, whether or not any such increase is committed, contemplated or provided for by the Loan Documents on the date hereof; provided, that (i) enforcement of such guarantee against such Guarantor will be limited as necessary to limit the recovery under such guarantee to the maximum amount which may be recovered without causing such enforcement or recovery to constitute a fraudulent transfer or fraudulent conveyance under any applicable law, including

any applicable federal or state fraudulent transfer or fraudulent conveyance law (giving effect, to the fullest extent permitted by law, to the reimbursement and contribution rights set forth in Section 2.2) and (ii) to the fullest extent permitted by applicable law, the foregoing clause (i) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any equity interest in such Guarantor.

(c) The guarantee contained in this Section 2.1 (i) shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2.1 have been paid in full, and all commitments to extend credit under the Loan Documents have terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations, (ii) unless released as provided in clause (iii) below, shall survive the repayment of the Loans and Reimbursement Obligations, the termination of commitments to extend credit under the Loan Documents, and the release of the Collateral and remain enforceable as to all Borrower Obligations that survive such repayment, termination and release and (iii) shall be released when and as set forth in Section 8.15.

(d) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder in respect of any other Borrower Obligations then outstanding or thereafter incurred, other than as set forth in Section 8.15.

2.2. Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Borrower Obligations by any Grantor or is received or collected on account of the Borrower Obligations from any Grantor or its property:

(a) If such payment is made by the Borrower or from its property, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any other Grantor or its property.

(b) If such payment is made by Holdings or from its property or if any payment is made by Holdings or from its property in satisfaction of the reimbursement right of any Subsidiary Guarantor set forth in Section 2.2(c), such payment shall constitute a contribution by Holdings to the common equity capital of the Borrower and Holdings shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Grantor or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other Person, including any other Grantor or its property.

(c) If such payment is made by a Subsidiary Guarantor or from its property, such Subsidiary Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, and termination of all commitments to extend credit under the Loan Documents, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and from Holdings and (ii) to demand and enforce contribution in respect of such payment from each other Subsidiary Guarantor which has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Subsidiary Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Subsidiary Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all

Subsidiary Guarantors based on the relative value of their assets (net of their liabilities, other than Obligations) and any other equitable considerations deemed appropriate by the court.

(d) If and whenever any right of reimbursement or contribution becomes enforceable by any Subsidiary Guarantor against any other Grantor under Section 2.2(c), such Subsidiary Guarantor shall be entitled, subject to and upon payment in full of all outstanding Obligations, and termination of all commitments to extend credit under the Loan Documents to be subrogated (equally and ratably with all other Subsidiary Guarantors entitled to reimbursement or contribution from any other Grantor under Section 2.2(c)) to any security interest that may then be held by the Administrative Agent upon any Collateral granted to it in this Agreement. To the fullest extent permitted under applicable law, such right of subrogation shall be enforceable solely against the Grantors, and not against the Secured Parties, and neither the Administrative Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded in writing by any Grantor, then (subject to and upon payment in full of all outstanding Obligations, and termination of all commitments to extend credit under the Loan Documents) the Administrative Agent shall deliver to the Grantor making such demand, or to a representative of such Grantor or of the Grantors generally, an instrument reasonably satisfactory to the Administrative Agent transferring, on a quitclaim basis without (to the fullest extent permitted under applicable law) any recourse, representation, warranty or obligation whatsoever, whatever security interest the Administrative Agent then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Administrative Agent.

(e) All rights and claims arising under this Section 2.2 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Grantor as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until payment in full of the Obligations and termination of all commitments to extend credit under the Loan Documents, no Grantor shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Grantor in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Administrative Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Grantor, it shall be held by such Grantor in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Grantor to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(f) The obligations of the Grantors under the Loan Documents, including their liability for the Obligations and the enforceability of the security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.2. To the fullest extent permitted under applicable law, the invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Guarantor or its property. The Secured Parties make no representations or warranties in respect of any such right and shall, to the fullest extent permitted under applicable law, have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(g) Each Grantor reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Grantor, but (i) the exercise and enforcement of such rights shall be subject to this Section 2.2 and (ii) to the fullest extent permitted by applicable law, neither the Administrative Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right.

2.3. Amendments, etc. with respect to the Borrower Obligations. To the fullest extent permitted by applicable law, each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Secured Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the requisite Lenders or, in the case of Specified Hedge Agreements, the relevant Qualified Counterparty) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto, except to the extent required by applicable law.

2.4. Guarantee Absolute and Unconditional. To the fullest extent permitted by applicable law, each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2. The Borrower Obligations, and each of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. To the fullest extent permitted by applicable law, each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed, to the fullest extent permitted by applicable law, as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement, any other Loan Document or any Specified Hedge Agreement, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or

to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.5. Reinstatement. The guarantee contained in this Section 2 shall be reinstated and shall remain in all respects enforceable to the extent that, at any time, any payment of any of the Borrower Obligations is set aside, avoided or rescinded or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, in whole or in part, and such reinstatement and enforceability shall, to the fullest extent permitted by applicable law, be effective as fully as if such payment had not been made.

2.6. Payments. Each Guarantor hereby agrees to pay all amounts payable by it under this Section 2 to the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Administrative Agent specified in Section 10.2 of the Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST

3.1. Grant of Security. Each Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "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) all Accounts;
- (b) all cash and Cash Equivalents
- (c) all Chattel Paper;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Equipment
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Instruments, including Pledged Notes;
- (j) all Intellectual Property, to the extent of each Grantor's right, title or interest therein (except for "intent-to-use" applications for trademark or service mark registrations filed

pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed and accepted);

- (k) all Inventory;
 - (l) all Investment Property;
 - (m) all Letter-of-Credit Rights;
 - (n) all Lockbox Accounts and the Wachovia Account, and any replacement or successor accounts relating thereto;
 - (o) all Vehicles and certificates of title with respect to Vehicles;
 - (p) all Commercial Tort Claims identified on Schedule 7;
 - (q) all Capital Stock, Goods, insurance and other personal property not otherwise described above;
 - (r) all Software
 - (s) all Supporting Obligations and products of any and all of the foregoing and all Guarantee Obligations, Liens and claims supporting, securing or in any respect relating to any of the foregoing;
 - (t) all books and records (regardless of medium) pertaining to any of the foregoing;
- and
- (u) all Proceeds of any of the foregoing;

provided, that (i) this Agreement shall not constitute a grant of a security interest in any property to the extent that and for as long as such grant of a security interest (A) is prohibited by any applicable law, (B) requires a filing with or consent from any entity or person pursuant to any applicable law that has not been made or obtained, or (C) constitutes a breach or default under or results in the termination of, or requires any consent not obtained under, any lease, license or agreement, except to the extent that such applicable law or provisions of any such lease, license or agreement is ineffective under applicable law or would be ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC to prevent the attachment of the security interest granted hereunder or (D) is in Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition and (ii) the security interest granted hereby (A) shall attach at all times to all proceeds of such property, (B) shall attach to such property immediately and automatically (without need for any further grant or act) at such time as the condition described in clause (i) ceases to exist and (C) to the extent severable shall in any event attach to all rights in respect of such property that are not subject to the applicable condition described in clause (i).

3.2. Intercreditor Relations. Notwithstanding anything herein to the contrary, it is the understanding of the parties that the Liens granted pursuant to Section 3.1 herein shall, with respect to all Collateral other than Fixed Collateral, prior to the Discharge of ABL Obligations (as defined in the Intercreditor Agreement) be subject and subordinate to the Liens granted to the ABL Collateral Agent for the benefit of the holders of the ABL Obligations to secure the ABL Obligations pursuant to the ABL

Security Agreement. Notwithstanding anything herein to the contrary, the Liens and security interest granted to the Administrative Agent pursuant to this Agreement and the exercise of any right or remedy by the Administrative Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control. Notwithstanding any other provision hereof, for so long as any ABL Obligations remain outstanding, any obligation hereunder to physically deliver to the Administrative Agent any Collateral constituting Liquid Collateral shall be satisfied by causing such Liquid Collateral to be physically delivered to the ABL Collateral Agent to be held in accordance with the Intercreditor Agreement.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder and to induce the Qualified Counterparties to enter into the Specified Hedge Agreements, each Grantor hereby represents and warrants to each Secured Party that:

4.1. Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 4 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects, and each Secured Party shall be entitled to rely on each of them as if they were fully set forth herein; provided that each reference in each such representation and warranty to the Borrower's knowledge or Holdings' knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Guarantor's knowledge.

4.2. Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on such Grantor's Collateral by the Credit Agreement and subject to Section 3.2 above, such Grantor owns each item of Collateral granted by it free and clear of any and all Liens. No effective financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the benefit of the Secured Parties, pursuant to this Agreement or in respect of Liens that are permitted by the Credit Agreement or any other Loan Document or for which duly authorized termination statements will be delivered on the Closing Date.

4.3. Perfected First Priority Liens.

(a) Upon the completion of the filings in the United States and other actions specified on Schedule 4 (which, in the case of all filings in the United States and other documents referred to on said Schedule (to the extent applicable), have been delivered to the Administrative Agent in completed and, where required, duly executed form), the payment of all applicable fees, the delivery to and continuing possession by the Administrative Agent of all Certificated Securities, all Instruments, all Tangible Chattel Paper and all Documents a security interest in which is perfected by possession, and the obtaining and maintenance of "control" (as described in the Uniform Commercial Code as in effect in the applicable jurisdiction) by the Administrative Agent of all Deposit Accounts, the Collateral Accounts, all Electronic Chattel Paper, Letter of Credit Rights, all Uncertificated Securities and all Securities Accounts, in each case a security interest in which is perfected by such "control", the security interests granted in Section 3 will constitute valid perfected security interests in all of the Collateral (except for Excluded Perfection Assets) in favor of the Administrative Agent, for the benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any such Collateral from

such Grantor other than Ordinary Course Transferees, except as (x) enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) or by an implied covenant of good faith and fair dealing, and (y) to the extent that the recording of an assignment or other transfer of title to the Administrative Agent or the recording of other applicable documents in the United States Patent and Trademark Office or the United States Copyright Office (and the taking of appropriate actions with respect to Intellectual Property which is the subject of a registration or application outside the United States under applicable local law to perfect such Lien) may be necessary for enforceability, and is and will be prior to all other Liens on such Collateral except for Permitted Liens. Notwithstanding the foregoing, in the event Collateral of any Grantor having a fair market value in excess of \$1,000,000 (excluding the value solely attributable to registered, issued or applied for Copyrights, Patents or Trademarks in any office anywhere in the world excluding the United States) is located outside the United States, the Grantor will use commercially reasonable efforts to cause the Administrative Agent to obtain, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in such Collateral under the applicable foreign law; provided that the foregoing shall not require the creation or perfection of security interests in such Collateral located outside of the United States if in the reasonable discretion of the Administrative Agent the cost of creating and perfecting such security interests is excessive in view of the benefits to be obtained by the Secured Parties therefrom.

(b) Without limiting the foregoing and except as otherwise permitted or provided in Section 5 or with respect to any Excluded Perfection Assets, each Grantor has taken all actions necessary or desirable to: (i) establish the Administrative Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the UCC), (ii) establish the Administrative Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Deposit Accounts of such Grantor, (iii) establish the Administrative Agent's "control" (within the meaning of Section 9-107 of the UCC) over all Letter of Credit Rights of such Grantor and (iv) establish the Administrative Agent's control (within the meaning of Section 9-105 of the UCC) over all Electronic Chattel Paper of such Grantor.

(c) Each Grantor consents to the grant by each other Grantor of the security interests granted hereby and the transfer of any Capital Stock or Investment Property to the Administrative Agent or its designee following an Event of Default and to the substitution of the Administrative Agent or its designee or the purchaser upon any foreclosure sale as the holder and beneficial owner of the interest represented thereby.

4.4. Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's exact legal name, jurisdiction of organization, identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 3. On the date hereof, such Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. Except as otherwise indicated on Schedule 3, the jurisdiction of such Grantor's organization or formation is required to maintain a public record showing the Grantor to have been organized or formed. On the date hereof, except as specified on Schedule 3, such Grantor has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate or organizational form in any way (e.g. by merger, consolidation, change in corporate form or otherwise) within the past five years and has not within the last five years become bound (whether as a result of merger or otherwise) as grantor under a security agreement entered into by another person, which (x) has not heretofore been terminated or (y) is in respect of a Lien that is

not permitted by the Credit Agreement. Such Grantor has furnished to the Administrative Agent its Organizational Documents as in effect as of the Closing Date.

4.5. Inventory and Equipment.

(a) On the date hereof Schedule 5 sets forth all locations where any Inventory and Equipment (other than mobile goods) in excess of \$100,000 in value are kept.

(b) All Inventory now or hereafter produced by any Grantor included in the Collateral has been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended.

(c) Except as specifically indicated on Schedule 5, to the knowledge of such Grantor none of the Inventory or Equipment of such Grantor with a value in excess of \$100,000 is in possession of a bailee.

4.6. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.7. Pledged Stock and Pledged Notes.

(a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor or, in the case of Foreign Subsidiary Voting Stock, 65% of the outstanding Foreign Subsidiary Voting Stock of each relevant Issuer.

(b) All the shares of the Pledged Stock pledged by such Grantor hereunder have been duly and validly issued and are fully paid and nonassessable.

(c) To such Grantor's knowledge, each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

(d) Such Grantor is the record and beneficial owner of, and has good and valid title to, the Pledged Stock and Pledged Notes pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement and Liens permitted by the Credit Agreement.

(e) The Organizational Documents applicable to each interest in any domestic partnership or limited liability company included in the Collateral shall not expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code and any such interests shall not be certificated; provided, that, if any such interests become certificated, such Grantor will ensure that the Organizational Documents applicable to such interest shall expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code and immediately deliver all such certificates to the Administrative Agent for continued possession.

4.8. Receivables. The amounts represented by such Grantor to the Administrative Agent or the other Secured Parties from time to time as owing to such Grantor in respect of such Grantor's Receivables will at such time be the correct amount, in all material respects, actually owing

thereunder, except to the extent that appropriate reserves therefor have been established on the books of such Grantor in accordance with GAAP.

4.9. Intellectual Property.

(a) Schedule 6 lists all issued Patents and pending published patent applications, and all registrations and applications to register Trademarks and registered Copyrights owned by such Grantor in its own name on the date hereof. Except as set forth in Schedule 6 or as permitted to exist on such Grantor's Collateral by the Credit Agreement, such Grantor is the exclusive owner of the entire right, title and interest in and to such applications, registrations and issuances free and clear of any and all Liens (except Permitted Liens).

(b) On the date hereof, all Intellectual Property of such Grantor described on Schedule 6 is subsisting and unexpired and, to the knowledge of such Grantor, has not been abandoned and is valid and enforceable. Except as would not reasonably be expected to have a Material Adverse Effect, to the knowledge of such Grantor, neither the operation of such Grantor's business as currently conducted nor the use of the Intellectual Property in connection therewith conflicts with, infringes, misappropriates, dilutes, misuses or otherwise violates the Intellectual Property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, (i) none of the material patents, trademarks, copyrights and trade secrets owned by any Grantor is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor and (ii) there are no other material agreements, obligations, orders or judgments to which such Grantor is subject which adversely affect the use of any Intellectual Property owned by such Grantor.

(d) The rights of such Grantor in or to the Patents, Trademarks, Copyrights and Trade Secrets owned by such Grantor do not conflict with or infringe upon the rights of any third party, and no claim has been asserted that the use of such Intellectual Property does or may infringe upon the rights of any third party, in either case, which conflict or infringement would reasonably be expected to have a Material Adverse Effect. There is currently no infringement or unauthorized use of any item of such Intellectual Property owned by such Grantor that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(e) No holding, decision or judgment has been rendered by any Governmental Authority which would limit or cancel or render invalid or unenforceable such Grantor's rights in, any Patent, Trademark, Copyright or Trade Secret owned by such Grantor in any respect that would reasonably be expected to have a Material Adverse Effect. Such Grantor is not aware of any uses of any material item of Intellectual Property owned by such Grantor that could reasonably be expected to lead to such item becoming invalid or unenforceable including uses which would reasonably be expected to damage the goodwill of the business connected with Trademarks owned by such Grantor and Trademark Licenses, which uses, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(f) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof seeking to limit or cancel or render invalid any material Patent, Trademark, Copyright or Trade Secret owned by such Grantor or such Grantor's ownership interest therein, which, if adversely determined, would have a Material Adverse Effect. Except as would not reasonably be expected to have a Material Adverse Effect, the consummation of the transactions contemplated by this Agreement will not result in the termination or impairment of any of the Intellectual Property owned or licensed by such Grantor.

(g) With respect to each Copyright License, Trademark License and Patent License, except as would not reasonably be expected to have a Material Adverse Effect: (i) such license is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license; (ii) such Grantor has not received any notice of termination or cancellation under such license; (iii) such Grantor has not received any notice of a breach or default under such license, which breach or default has not been cured; and (iv) such Grantor is not in breach or default in any material respect, and no event has occurred that, with notice and/or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under such license.

(h) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor has used proper statutory notice in connection with its use of each material Patent, Trademark and Copyright owned by such Grantor.

(i) Such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets.

(j) Such Grantor has made all material filings and recordations and paid all fees necessary in its reasonable business judgment to adequately protect its interest in its United States Patents, Trademarks and Copyrights and material non-United States Patents, Trademarks and Copyrights owned by such Grantor.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Collateral is released pursuant to Section 8.15(a):

5.1. Covenants in Credit Agreement. Such Grantor shall take, or refrain from taking, as the case may be, each action that is necessary to be taken or not taken, so that no breach of the covenants in the Credit Agreement pertaining to actions to be taken, or not taken, by such Grantor will result.

5.2. Delivery and Control of Instruments, Certificated Securities, Chattel Paper, Negotiable Documents, Investment Property and Letter of Credit Rights.

(a) If any of the Collateral of such Grantor is or shall become evidenced or represented by any Instrument, Negotiable Document or Tangible Chattel Paper (excluding any certificate of title of any Vehicle which is an Excluded Perfection Asset), upon the request of the Administrative Agent such Instrument, Negotiable Documents or Tangible Chattel Paper (excluding any certificate of title of any Vehicle which is an Excluded Perfection Asset) shall be immediately delivered to the Administrative Agent, duly indorsed in a manner reasonably satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement, except in each case, to the extent such Instrument, Tangible Chattel Paper or Electronic Chattel Papers constitutes Liquid Collateral and pursuant to the Intercreditor Agreement, the ABL Collateral Agent has possession of such Instruments or Tangible Chattel Paper or has control of such Electronic Chattel Paper.

(b) If any of the Collateral of such Grantor is or shall become "Electronic Chattel Paper" such Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Administrative Agent as the assignee and is communicated to and maintained by the Administrative Agent or its designee, (iii) copies or revisions that add or change the assignee of the

authoritative copy can only be made with the participation of the Administrative Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any of the Collateral of such Grantor is or shall become evidenced or represented by an Uncertificated Security in excess of \$500,000, upon the request of the Administrative Agent, such Grantor shall cause the issuer thereof either (i) to register the Administrative Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to promptly (but in any event within 60 days of such request) agree in writing with such Grantor and the Administrative Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Administrative Agent without further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Administrative Agent.

(d) Each such Grantor shall at all times thereafter, maintain its Securities Entitlements, Securities Accounts and Deposit Accounts (other than (i) collection accounts that are swept (either directly or indirectly) on a daily basis, as and when good and collected funds are available, to an account that is subject to a control agreement, (ii) disbursement accounts that are funded only as and when payment demands are received, and (iii) other Deposit Accounts and Securities Accounts in which the aggregate amount on deposit at any time does not exceed \$750,000) such that all cash and cash equivalents of the Loan Parties are maintained with financial institutions that have agreed to comply with entitlement orders and instructions issued or originated by the Administrative Agent without further consent of such Grantor, such agreement to be in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent hereby agrees to issue such entitlement orders and instructions only if an Event of Default under Section 8(a), 8(f)(i) or 8(f)(ii) of the Credit Agreement has occurred and is continuing.

(e) if any of the Collateral of such Grantor is or shall become evidenced or represented by any Certificated Security (other than any Capital Stock which is specifically excluded from the definition of Pledged Stock by virtue of the proviso to such definition and any promissory note that does not qualify as a Pledged Note pursuant to the definition thereof), such Certificated Security shall be promptly delivered to the Administrative Agent, duly indorsed in a manner reasonably satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement, except to the extent such Certificated Security constitutes Liquid Collateral and pursuant to the Intercreditor Agreement, the ABL Collateral Agent has possession of such Certificated Security.

(f) In addition to and not in lieu of the foregoing, if any issuer of any Investment Property is organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, each Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as may be reasonably requested by the Administrative Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Administrative Agent.

(g) In the case of any Letter-of-Credit Rights in any letter of credit exceeding \$250,000 in value, upon the reasonable request of the Administrative Agent, each Grantor shall promptly (but in any event within 60 days of such request or such later date to which the Administrative Agent may consent in writing) make commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related letter of credit in accordance with Section 5-114(c) of the New York UCC, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent.

(h) If any of the Collateral of such Grantor is or shall become “transferable records” as defined in UETA, such Grantor shall promptly notify the Administrative Agent thereof and, at the request of the Administrative Agent, shall take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent “control” under Section 16 of UETA over such transferable records. The Administrative Agent agrees with such Grantor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent’s loss of control, for the Grantor to make alterations to the transferable records permitted under Section 16 of UETA for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such transferable records.

5.3. Maintenance of Insurance.

(a) Such Grantor will maintain, with reputable companies, insurance policies (i) insuring the Collateral against loss by fire, explosion, theft or other risks as may be required by the Credit Agreement and (ii) naming the Administrative Agent on behalf of the Secured Parties as additional insureds under liability insurance policies to the extent reasonably requested by the Administrative Agent.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage (other than materially proportionate reductions in amounts or coverage to reflect any disposition of property by such Grantor) thereof shall be effective until at least 30 days, or such earlier time with the consent of the Administrative Agent, after receipt by the Administrative Agent of written notice thereof and (ii) name the Administrative Agent as additional insured party and/or loss payee in respect of property insurance. All proceeds of business and interruption insurance received by the Administrative Agent shall be released by the Administrative Agent to the Borrower for account of the Grantor entitled thereto.

5.4. Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all material taxes and other material assessments and governmental charges or levies imposed upon such Grantor’s Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies) against or with respect to such Grantor’s Collateral, except such claims as to which the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

5.5. Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement in such Grantor’s Collateral as a security interest having at least the perfection and priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the assets and property of such Grantor in reasonable detail and such other reports in connection therewith as the Administrative Agent may reasonably request.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of creating, perfecting, ensuring the priority

of, protecting or enforcing the Administrative Agent's security interest in the Collateral to the extent provided herein or otherwise conferring or preserving the full benefits of this Agreement and of the interests, rights and powers herein granted subject to the proviso in Section 4.19(a) of the Credit Agreement and Section 4.3(a) of this Agreement..

5.6. Changes in Locations, Name, etc. Such Grantor will not, except upon not less than 10 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional financing statements and other documents (executed where appropriate) reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) change its jurisdiction of organization or the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.4;

(ii) change its name; or

(iii) permit any Inventory or Equipment (other than mobile goods) in excess of \$250,000 in value to be kept at a location other than those listed on Schedule 5.

5.7. Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(i) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(ii) the occurrence of any other event which would reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.8. Investment Property.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power or equivalents covering such certificate duly executed in blank by such Grantor, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations; provided, that in no event shall there be pledged more than 65% of any of the outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary. Unless permitted to be retained pursuant to the Credit Agreement, any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent (unless otherwise agreed in the Credit Agreement) to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or

reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, subject to the terms of the Intercreditor Agreement, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not, except as permitted by the Credit Agreement, (i) vote to enable, or take any other action to permit, any Issuer of Pledged Stock to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof, (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or Liens permitted by the Credit Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof (unless such restriction is permitted by the Credit Agreement).

(c) In the case of each Grantor which is an Issuer, such Grantor agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) with respect to the Investment Property issued by it and (iii) it will take all actions required or reasonably requested by the Administrative Agent to enable or permit each Grantor to comply with Sections 6.3(c) and 6.7 as to all Investment Property issued by it.

5.9. Receivables.

(a) Other than in the ordinary course of business or as permitted by the Loan Documents, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that would materially adversely affect the value of the Receivables constituting Collateral taken as a whole.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.10. Intellectual Property.

(a) Except as permitted in the Credit Agreement:

(i) With respect to each material Trademark owned by such Grantor, such Grantor (either itself or through licensees) will take all reasonably necessary steps to (i) continue to use such Trademark consistent with its current use of such Trademark or as otherwise determined by such Grantor, in its reasonable business judgment, in

connection with such Grantor's businesses or goods and services offered by such Grantor, in order to maintain such Trademark in full force free from any valid claim of abandonment for non-use, (ii) maintain the quality of products and services offered under such Trademark and take all reasonably necessary steps to ensure that all licensed users of such Trademark maintain such quality and (iii) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the benefit of the Secured Parties, shall have notice thereof and the opportunity to obtain a perfected security interest in such mark (if a United States mark) pursuant to this Agreement, and (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way, except in the ordinary course of business consistent with such Grantor's past conduct and pursuant to the exercise of its reasonable business judgment.

(ii) Such Grantor (either itself or through licensees) will not forfeit, abandon or dedicate to the public any material Patent, except in the ordinary course of business consistent with such Grantor's past conduct and pursuant to the exercise of its reasonable business judgment.

(iii) Such Grantor (either itself or through licensees) will not (and will not permit any licensee or sublicensee thereof to) by any act or omission, forfeit, abandon, or dedicate to the public any material Copyright owned by such Grantor, except in the ordinary course of business, consistent with such Grantor's past conduct and pursuant to the exercise of its reasonable business judgment.

(iv) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to knowingly infringe the intellectual property rights of any other Person.

(v) To the extent such Grantor has reasonably determined that it is commercially practicable to do so, such Grantor (either itself or through licensees) will use any proper statutory notice necessary or appropriate in connection with the use of each material Patent, Trademark and Copyright owned by such Grantor.

(vi) Such Grantor will notify the Administrative Agent and the Lenders promptly if it knows or has reason to believe that any application or registration relating to any material Patent, Trademark or Copyright of such Grantor has been or may imminently become forfeited, abandoned or dedicated to the public, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Patent, Trademark or Copyright owned by such Grantor or such Grantor's right to register the same or to own and maintain the same.

(vii) Such Grantor will take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or group of countries or any political subdivision of any of the foregoing, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Patents, Trademarks and Copyrights owned by such Grantor, including the

payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(viii) Such Grantor (either itself or through licensees) will not, without the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld or delayed, discontinue use of or otherwise abandon any Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, such Grantor shall give prompt notice of any such abandonment of (i) material Intellectual Property or (ii) registered or issued Intellectual Property or pending applications therefore to the Administrative Agent in accordance herewith.

(ix) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and, following consultation with the Administrative Agent, shall take such actions as it deems reasonable, which may include suing for infringement, misappropriation or dilution, seeking injunctive relief where appropriate and seeking to recover any and all damages for such infringement, misappropriation or dilution.

(x) Such Grantor shall take all steps reasonably necessary to protect the secrecy of all material Trade Secrets of such Grantor.

(b) After the date hereof, whenever such Grantor (i) shall acquire any registered, issued or applied for Patent, Trademark or Copyright or (ii) either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent, Trademark or Copyright owned by such Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such acquisition or filing to the Administrative Agent within 45 days after the last day of the fiscal quarter in which such acquisition or filing occurs. Such Grantor agrees that the provisions of Section 3 shall automatically apply to such Intellectual Property.

(c) Such Grantor agrees to provide to the Administrative Agent, within 45 days after the last day of the fiscal quarter in which any Intellectual Property registered with the United States Patent and Trademark Office or the United States Copyright Office is acquired or registered by such Grantor, all documents necessary to record the security interest of the Administrative Agent in such Intellectual Property with such offices, including an Intellectual Property Security Amendment, substantially in the form set forth on Annex III.

(d) Upon the reasonable request of the Administrative Agent, such Grantor shall execute and deliver, and use its commercially reasonable efforts to cause to be filed, registered or

recorded, any and all agreements, instruments, documents, and papers which the Administrative Agent may reasonably request to evidence, register, record or perfect the Administrative Agent's security interest in any registered, issued or applied for Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, in any office anywhere in the world in which filing, registration or recordation may be necessary or appropriate, except that (so long as no Default has occurred and is continuing) the Administrative Agent shall not request such filing, registration or recording in any office in any jurisdiction outside of the United States in which the Group Members had, during the preceding 12-month period, net sales constituting less than 15% of the consolidated worldwide net sales of the Group Members.

5.11. Vehicles. Grantor will cause the Administrative Agent's security interest in each Vehicle having a value greater than \$100,000 to be duly perfected, by notation on the certificate of title or as otherwise required by applicable law, within 30 days after such security interest attaches to such Vehicle.

SECTION 6. REMEDIAL PROVISIONS

6.1. Certain Matters Relating to Receivables.

(a) The Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may reasonably require in connection with such test verifications. At any time and from time to time, upon the Administrative Agent's reasonable request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others reasonably satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables; provided, that unless a Default or Event of Default shall be continuing, the Administrative Agent shall request no more than four such reports during any calendar year.

(b) Subject to the terms of the Intercreditor Agreement, the Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent and subject to the terms of the Intercreditor Agreement at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days of receipt by such Grantor) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Secured Parties only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Secured Parties, segregated from other funds of such Grantor. If so requested by the Administrative Agent, each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) Subject to the terms of the Intercreditor Agreement, at any time and from time to time after the occurrence and during the continuation of an Event of Default, if so requested by the Administrative Agent, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including all original orders, invoices and shipping receipts.

6.2. Communications with Obligors; Grantors Remain Liable.

(a) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables.

(b) At any time after the occurrence and during the continuance of an Event of Default, the Administrative Agent may, subject to the terms of the Intercreditor Agreement (and each Grantor at the request of the Administrative Agent shall), notify obligors on the Receivables that the Receivables have been assigned to the Administrative Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of such Grantor's Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3. Investment Property.

(a) Unless an Event of Default has occurred and is continuing and the Administrative Agent has given notice to the relevant Grantor of the Administrative Agent's intent to exercise its rights pursuant to Section 6.3(b), each Grantor may receive all cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer, to the extent permitted in the Credit Agreement, and may exercise all voting and corporate or other organizational rights with respect to Investment Property; provided, that no vote shall be cast or corporate or other organizational right exercised or other action taken (other than in connection with a transaction permitted by the Credit Agreement) which would impair the Collateral or be inconsistent with or result in any violation of any provision of any Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right, subject to the terms of the Intercreditor Agreement, to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (A) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative

Agent may reasonably determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing; provided, that the Administrative Agent shall not exercise any voting or other consensual rights pertaining to any such Investment in a manner that constitutes an exercise of the remedies described in Section 6.6 other than in accordance with Section 6.6.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) after receipt by an Issuer or obligor of any instructions pursuant to Section 6.3(c)(i) hereof, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

6.4. Proceeds to be Turned Over to Administrative Agent. In addition to the rights of the Agents and the Secured Parties specified in Section 6.1 with respect to payments of Receivables, if an Event of Default under Sections 8(a), 8(f)(i) or 8(f)(ii) of the Credit Agreement shall occur and be continuing or an exercise of remedies by the Administrative Agent or the Lenders with respect to any Event of Default shall occur and the Administrative Agent has instructed any Grantor to do so, subject to the terms of the Intercreditor Agreement, all Proceeds received by such Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Agents and the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5. Application of Proceeds. All cash proceeds received by the Administrative Agent during the continuance of an Event of Default from the enforcement of the Guarantees in Section 2 or as proceeds of Collateral from the exercise of any of the remedies set forth or referred to in Section 6.6 or elsewhere in this Agreement shall be applied, to the payment of the Obligations in the following order:

First, to pay incurred and unpaid fees and expenses of the Agents under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, any balance of such Proceeds remaining after the Obligations (other than Unasserted Contingent Obligations) shall have been paid in full, the Commitments shall have terminated and shall be paid over to the ABL Collateral Agent for application by it in accordance with the ABL Loan Documents; and

Fourth, any balance of such Proceeds remaining after the ABL Obligations shall have been paid in full shall be paid over to the Borrower or to whomever may be lawfully entitled to receive the same.

For purposes of this Section, to the extent that any Obligation is unmatured, unliquidated or contingent (other than Unasserted Contingent Obligations) at the time any distribution is to be made pursuant to clause Second above, the Administrative Agent shall allocate a portion of the amount to be distributed pursuant to such clause for the benefit of the Secured Parties holding such Obligations and shall hold such amounts for the benefit of such Secured Parties until such time as such Obligations become matured, liquidated and/or payable at which time such amounts shall be distributed to the holders of such Obligations to the extent necessary to pay such Obligations in full (with any excess to be distributed in accordance with this Section as if distributed at such time). In making determinations and allocations required by this Section, the Administrative Agent may conclusively rely upon information provided to it by the holder of the relevant Obligations (which, in the case of the immediately preceding sentence) shall be a reasonable estimate of the amount of the Obligations) and shall not be required to, or be responsible for, ascertaining the existence of or amount of any Obligations.

6.6. Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other Loan Document, all rights and remedies of a secured party under the New York UCC or any other applicable law or in equity. Without limiting the generality of the foregoing, to the fullest extent permitted by applicable law, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith, subject to pre-existing rights and licenses, sell, lease, assign, license, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Any Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as may be required by the Credit Agreement and otherwise as required by Section 6.5 above, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise of any rights hereunder other than any such claims, damages and demands that may arise from the gross negligence or willful misconduct of such Secured Party. If any notice of a proposed sale or other disposition of

Collateral is required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7. Registration Rights.

(a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 6.6, and if in the reasonable opinion of the Administrative Agent it is necessary or reasonably advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will use its commercially reasonable efforts to cause the Issuer thereof to (i) execute and deliver, and use its commercially reasonable efforts to cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the reasonable opinion of the Administrative Agent, necessary or reasonably advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its commercially reasonable efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the reasonable opinion of the Administrative Agent, are necessary or reasonably advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to use its commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall reasonably designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that the Secured Parties may seek to have each and every covenant contained in this Section 6.7 be specifically enforced against such Grantor, and to the fullest extent permitted by applicable law, 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 Event of Default has occurred or is continuing under the Credit Agreement.

6.8. Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable

fees and disbursements of any attorneys employed by the Administrative Agent or any Secured Party to collect such deficiency.

SECTION 7. THE ADMINISTRATIVE AGENT

7.1. Administrative Agent's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable of such Grantor or with respect to any other Collateral of such Grantor whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may reasonably request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, to the extent provided herein;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral of such Grantor; (C) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral of such Grantor; (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral of such Grantor; (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral;

(F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (G) subject to any permitted licenses and reserved rights permitted under the Loan Documents, assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral of such Grantor as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral of such Grantor and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

The Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default has occurred and is continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply with, or cause performance or compliance with, such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Term Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable as to each Grantor until all security interests created hereby with respect to the Collateral of such Grantor are released.

7.2. Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any 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 any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Parties to exercise any such powers. 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, in the case of the Administrative Agent only in respect of its own gross negligence or willful misconduct, to the extent required by applicable law (subject to Sections 9.3 and 10.5 of the Credit Agreement and other applicable provisions of the Loan Documents).

7.3. Financing Statements. Each Grantor hereby authorizes the filing of any financing statements or continuation statements, and amendments to financing statements, or any similar document in any jurisdictions and with any filing offices as the Administrative Agent may determine, in its reasonable discretion, are necessary or advisable to perfect or otherwise protect the security interest granted to the Administrative 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 Administrative 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 Administrative Agent herein, including describing such property as “all assets” or “all personal property” and may (but need not) add thereto “whether now owned or hereafter acquired.” Each Grantor hereby ratifies and authorizes the filing by the Administrative Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.4. Authority, Immunities and Indemnities of Administrative Agent. Each Grantor acknowledges, and, by acceptance of the benefits hereof, each Secured Party agrees, that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as among the Secured Parties, be governed by the Credit Agreement and that the Administrative Agent shall have, in respect thereof, all rights, remedies, immunities and indemnities granted to it in the Credit Agreement. By acceptance of the benefits of the Loan Documents, each Qualified Counterparty agrees to be bound by all of the applicable provisions thereof. The Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

8.2. Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 10.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1 or to such other address as such Guarantor may notify the Administrative Agent in writing.

8.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4. Enforcement Expenses; Indemnification.

(a) Each Guarantor agrees to pay, or reimburse each Secured Party for, all its reasonable costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to the Administrative Agent and counsel to the Lenders.

(b) Each Guarantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Secured Parties harmless from, any and all liabilities, obligations, losses (other than lost profits), damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement on the terms set forth in Section 10.5 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and, unless so consented to, each such assignment, transfer or delegation by any Grantor shall be void.

8.6. Set-Off. Each Grantor hereby irrevocably authorizes each Agent and each Lender at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as such Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to such Agent or such Lender hereunder and claims of every nature and description of such Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement or any other Loan Document, as such Agent or such Lender may elect, whether or not any Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Agent or each Lender shall notify such Grantor promptly of any such set-off and the application made by such Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Agent and each Lender under this Section are in addition to other rights and remedies (including other rights of set-off) which such Agent or such Lender may have.

8.7. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or electronic pdf), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors and the Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

8.12. Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13. Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

8.14. Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 6.10 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1.

8.15. Releases.

(a) At such time as the Loans and all other Obligations (other than contingent surviving indemnity obligations in respect of which no claim or demand has been made and Borrower Hedge Agreement Obligations) have been paid in full, all commitments to extend credit under the Loan Documents have terminated, and the net termination liability under or in respect of, and other amounts due and payable under, Specified Hedge Agreements at such time shall have been paid or secured by a collateral arrangement satisfactory to the Qualified Counterparties as determined in its sole discretion, the Collateral shall immediately and automatically be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder and execute and deliver to such Grantor such documents (in form and substance reasonably satisfactory to such Grantor and the Administrative Agent) as such Grantor may reasonably request to evidence such termination.

(b) If any of the Collateral is sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Lien created pursuant to this Agreement in such Collateral shall be immediately and automatically released, and the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable to evidence the release of such Collateral (not including Proceeds thereof) from the security interests created hereby. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least five Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

8.16. **WAIVER OF JURY TRIAL.** EACH GRANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE ADMINISTRATIVE AGENT AND EACH OTHER SECURED PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.17. Effectiveness of Obligations. The covenants, agreements and other obligations hereunder of the Grantors will become effective concurrently with (but not prior to) the effectiveness of the Merger pursuant to the filing and acceptance of a certificate of merger with the Secretary of State of the State of North Carolina (which the parties hereto intend to occur substantially concurrently with the funding of the Term Loans under the Credit Agreement), and thereupon such covenants, agreements and other obligations shall become fully effective and operative without any further grant, act, confirmation or consent by the Grantors.

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

RENFRO ACQUISITION INC.

By: *[Signature]*
Title: Vice President

RC MERGER CORP.

By: *[Signature]*
Title: Vice President

Accepted as of the day and year first above written
(EFFECTIVE AS OF THE EFFECTIVE TIME,
AS DEFINED IN THE MERGER AGREEMENT):

RENFRO CORPORATION

By: _____
Title:

RENFRO SERVICES CO., INC.

By: _____
Title:

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

RENFRO ACQUISITION INC.

By: _____
Title:

RC MERGER CORP.

By: _____
Title:

Accepted as of the day and year first above written
(EFFECTIVE AS OF THE EFFECTIVE TIME,
AS DEFINED IN THE MERGER AGREEMENT):

RENFRO CORPORATION

By: *Andrew Kelly*
Title: SENIOR VP & CFO

RENFRO SERVICES CO., INC.

By: *Andrew Kelly*
Title:

NOTICE ADDRESSES OF GUARANTORS

Renfro Acquisition Inc.
c/o Kelso & Company
320 Park Avenue, 24th Floor
New York, NY 10022
Attention: David I. Wahrhaftig
Telecopy: (212) 223-2379
Telephone: (212) 751-3939

Renfro Services Co., Inc.
P.O. Box 908
661 Linville Road
Mount Airy, NC 27030
Attention: Andrew Kilby
Telecopy: (336) 719-8225
Telephone: (336) 719-8221

DESCRIPTION OF INVESTMENT PROPERTY

Pledged Stock:

1. Stock certificates representing equity interests owned by any Grantor in Borrower and its Subsidiaries, including the following:

Issuer	Record Owner	Certificate Number	No. Shares/Interest
RC Merger Corp.	Renfro Acquisition Inc. (prior to closing of merger)	Certificate No. 1	1,000 shares
Renfro Corporation	Renfro Acquisition Inc. (after closing of merger)	Certificate No. 1	1,000 shares
Renfro Services Co., Inc.	Renfro Corporation	Certificate No. 1	100 shares
Renfro Mexico Holdings, LLC	Renfro Corporation	Certificate No. 1	100 units
Renfro Canada, Inc.	Renfro Corporation	Certificate No. C-1 Certificate No. C-2	10,000 shares* 4,329,270 shares*
Renfro Mexico SA de CV	Renfro Corporation	Certificate No. 3	32,500 shares
Renfro Campeche SA de CV	Renfro Corporation	Certificate No. 3	32,500 shares
Renfro Servicios S de RL	Renfro Corporation	Certificate No. 3	1,950 shares
Renfro Asia Limited	Renfro Corporation	Certificate No. 001	1,000 shares*
Renfro China Holdings Company Limited	Renfro Corporation	Certificate No. N2	1 share*
Renfro Honduras, S.A.	Renfro Corporation	Certificate No. 5	89,996 shares*

* Certificates representing 100% of the Grantors' ownership interest will be delivered to the Agent; however, only 65% of that ownership interest is pledged pursuant to the terms of the Agreement.

2. Uncertificated equity interest owned by Renfro Corporation in Renfro Europe, B.V.

3. Equity interests owned by any Grantor in Existing Joint Ventures, including the following:

Issuer	Record Owner	No. Shares/Interest
Renfro China Holdings Company Limited	Renfro Corporation	100%**
Zhejiang Renfro Knitting Co., Ltd	Renfro Corporation	50%**
Renfro & Cary Holdings Limited	Renfro Corporation	50%
Renfro Crescent (Pvt.) Limited	Renfro Corporation	50%
Renfro Corap Sanayii Ve Ticaret Limited Sirketi	Renfro Corporation	60.87%
Renfro India Private Limited	Renfro Corporation	50% of ordinary shares

** Pursuant to the terms of a Formation Agreement, Renfro Corporation's joint venture partner intends to contribute its 50% interest in Zhejiang Renfro Knitting Co., Ltd. ("ZRK") to Renfro China Holdings Company Limited ("RCH") in exchange for a 58% equity interest in RCH. As a result of that transfer, ZRK will become a wholly-owned subsidiary of RCH and RCH will be owned 42% by Renfro Corporation and 58% by Renfro's joint venture partner.

Pledged Notes:

1. Promissory Note dated 3/31/04 for \$686,300 made by Renfro Europe B.V. to Renfro Corporation
2. Promissory Note dated 12/15/05 for \$300,000 made by Renfro & Cary Holdings Limited to Renfro Corporation
3. Promissory Note dated 12/8/05 for \$325,000 made by Renfro & Cary Holdings Limited to Renfro Corporation
4. Promissory Note dated 11/28/05 for \$325,500 made by Renfro & Cary Holdings Limited to Renfro Corporation
5. Promissory Note dated 7/11/05 for \$250,200 made by Renfro & Cary Holdings Limited to Renfro Corporation
6. Promissory Note dated 5/25/06 for \$200,000 made by Renfro & Cary Holdings Limited to Renfro Corporation
7. Promissory Note dated 6/30/06 for \$165,250 made by Renfro & Cary Holdings Limited to Renfro Corporation
8. Promissory Note dated 4/10/06 for \$100,000 made by Renfro & Cary Holdings Limited to Renfro Corporation
9. Promissory Note dated 8/8/06 for \$100,000 made by Renfro & Cary Holdings Limited to Renfro Corporation

EXACT LEGAL NAME; LOCATION OF JURISDICTION OF ORGANIZATION; CHIEF EXECUTIVE OFFICE

<u>Exact Legal Name of Grantor</u>	<u>Jurisdiction of Organization</u>	<u>Organizational ID Number</u>	<u>Location of Chief Executive Office</u>
Renfro Acquisition Inc.	Delaware	4197089	c/o Kelso & Company 320 Park Avenue, 24 th Floor New York, NY 10022
RC Merger Corp. (pre merger)	North Carolina	860513	c/o Kelso & Company 320 Park Avenue, 24 th Floor New York, NY 10022
Renfro Corporation (as successor to RC Merger Corp. after merger)	North Carolina	0122807	661 Linville Road Mount Airy, NC 27030
Renfro Services Co., Inc.	North Carolina	0854628	661 Linville Road Mount Airy, NC 27030

1. Renfro Corporation is qualified to business in the State of Alabama under the name "Renfro Hosiery Mills Corporation."
2. Renfro Corporation is the successor by merger to Renfro FL, Inc., which merger was effective February 1, 2003.
3. Renfro Corporation is the successor by merger to Pittsburg Knitting Mills, Inc., which merger was effective July 31, 2004.
4. Renfro Corporation is to be the successor by merger to RC Merger Corp., which merger is to be effective on or about the date hereof.

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filing Offices

North Carolina Secretary of State
(for RC Merger Corp., Renfro Corporation, and Renfro Services Co., Inc.)

Delaware Secretary of State
(for Renfro Acquisition Inc.)

U.S. Copyright, Patent and Trademark Filing Offices

North Carolina Secretary of State

U.S. Copyright Office (for copyrights)

U.S. Patent & Trademark Office (for patents and trademarks)

LOCATIONS OF INVENTORY AND EQUIPMENT

Riverside Plant/Main Office
661 Linville Road
Mount Airy, NC 27030 (Surry County)

Personnel Office
137 Riverside Drive
Mount Airy, NC 27030 (Surry County)

Whitmire Plant
22514 Highway 121
Whitmire, SC 29178 (Newberry County)

Mount Airy Annex
640 Riverside Drive
Mount Airy, NC 27030 (Surry County)

Mount Airy Distribution Center
1310 Boggs Drive
Mount Airy, NC 27030 (Surry County)

Sock Shop
229 North Main Street
Mount Airy, NC 27030 (Surry County)

Fort Payne Plant
3398 Winn Avenue
Fort Payne, AL 35967 (DeKalb County)

Clinton Distribution Center
Hwy 76 & Springdale Rd.
Clinton, SC 29325 (Laurens County)

Jefferson Avenue Plant
28 South Jefferson Avenue
Pulaski, VA 24301 (Pulaski County)

Michigan Sales Office
1155 Welch Rd., Suite D
Walled Lake, MI 48390 (Oakland County)

Carter Plant
504 Granite Street
Mount Airy, NC 27030 (Surry County)

New York Sales Office
1359 Broadway, Suite 1000
New York, NY 10018 (New York County)

Barber Plant
1078 South Main Street
Mount Airy, NC 27030 (Surry County)

Bentonville Sales Office
208 N. Walton Blvd.
Bentonville, AR 72712 (Benton County)

INTELLECTUAL PROPERTY

1. See patent, trademark, and copyright information contained on Attachment 6 attached hereto, which is incorporated herein by reference
2. Non-Exclusive Supply and Trademark License Agreement dated 6/25/04 between Renfro Corporation and Friction Free Technologies, Inc., as amended by the Renfro/Friction Free License Agreement Addendum dated 6/29/04
3. License Agreement dated 6/1/03 between Ducks Unlimited Canada and Renfro Corporation
4. License Agreement dated 11/1/04 between Renfro Corporation and The Cupron Corporation
5. License Agreement dated 9/30/04 between Renfro Corporation and Dickies Canada Co.
6. License Agreement dated 6/1/00 between Renfro Corporation and Official Starter Properties LLC, as amended by Amendment #1 to License Agreement dated 1/1/04
7. License Agreement dated 7/1/01 between Danskin, Inc. and Renfro Corporation
8. License Agreement dated 1/1/04 between Renfro Corporation and Vanity Fair, Inc.
9. License Agreement dated 11/15/96 between Renfro Corporation (as successor in interest to Renfro FL, Inc.) and Fruit of the Loom, Inc., as amended
10. Letter Agreement dated 2/22/05 between Renfro Corporation and Outlast Technologies, Inc.
11. Distribution Agreement dated 11/1/04 between Renfro Corporation and Best Manufacturing Group, LLC
12. Distribution and Co-Branding Agreement dated 6/1/06 between Renfro Corporation and Aetrex Worldwide, Inc.
13. Domain names:
 - renfro.com
 - buy.renfro.com
 - coppersole.renfro.com
 - RxComfortSocks.renfro.com
 - fruitsocks.com
 - healthstridessocks.com
 - cupronsocks.com
 - coppersole.com
 - coppersolesocks.com
 - renfroc.com
 - footcaresocks.com

Renfro Corporation Copyright Portfolio

COUNTRY	TITLE	CREATED	REGISTRATION NUMBER	REGISTRATION DATE	STATUS
United States of America	SOCK SIZE GROWTH CHART	1990	TXU-422-445	May 25, 1990	Registered







Renfro Corporation Patent Portfolio







COUNTRY	TITLE	APPLICATION NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	STATUS
United States of America	ARTICLE HOLDER	29/099,510	December 31, 1998	D424814	May 16, 2000	Issued and in Force
United States of America	SOCK DISPLAY	29/122,557	April 28, 2000	D442803	May 29, 2001	Issued and in Force
United States of America	SOCK DISPLAY	29/122,630	May 1, 2000	D434649	December 5, 2000	Issued and in Force
United States of America	TRI-CUSHIONING SOCK	29/164,869	August 2, 2002	D484302	December 30, 2003	Issued and in Force
United States of America	PARTIAL SOCK	09/888,723	June 25, 2001	6393620	May 28, 2002	Issued and in Force






Ref r o C o r p o at. r a m a r k P o r t f o l i o
I n t e r n a t i o n a l







COUNTRY	TRADEMARK	APPLICATION NUMBER	FILING DATE	REGISTRATION NUMBER	REGISTRATION DATE	STATUS
Australia	Bonnie Doon	Z1230756	April 12, 2004	828752	April 12, 2004	Registered
Brazil	COPPER SOLE BONNIE DOON	828297056	April 25, 2006	062	April 25, 2006	Pending
Canada	PE (and design)	511,682	November 2, 1983	298,530	December 28, 1984	Registered
Canada	PE (and design)	1,270,537	August 31, 2005	572659	February 13, 2003	Registered
Canada	PE (and design)	1,096,514	March 20, 2001	598639	December 5, 2003	Registered
Denmark	BONNIE DOON	VA-2008 1978	May 10, 1978	VR 2827 1981	October 18, 1981	Pending
Denmark	Bonnie Doon	Z1 756	September 1, 2005			Pending
European Community	COPPER SOLE	A0002454	September 1, 2005	8496	April 20, 1993	Pending
Finland	BONNIE DOON	222081	May 21, 2004	7	April 20, 1993	Pending
Finland	Bonnie Doon	Z1230756	March 29, 2004			Pending
Hong Kong	BONNIE DOON	3 38/81	November 1, 1991	974/1983	November 19, 1992	Pending
Hungary	DO	Z1230756	March 29, 2004			Pending
Hungary	Bonnie Doon					Pending
India	COPPER SOLE	1381702	September 1, 2005			Pending







Country	Trademark Name	Registration No.	Registration Date	Priority No.	Priority Date	Registration Date	Status
India	RENERO	1129898	August 29, 2002			August 29, 2002	Registered
Italy	BONNIE DOON	781893	September 18, 1998			June 5, 2001	Registered
Italy	BONNIE DOON	781893	March 29, 2004			June 19, 1987	Registered
Japan	BONNIE DOON	3533	January 20, 1967			July 11, 1968	Registered
Japan	CEPPER SOLE	A0002454	September 1, 2005				Pending
Japan	RENERO	658980	April 6, 2004			May 28, 2004	Registered
Mexico	RENERO	702282	February 15, 2005			August 25, 2005	Registered
Norway	BONNIE DOON	19781281	May 8, 1978			November 22, 1979	Registered
Norway	BONNIE DOON	833418	October 24, 1983			January 9, 1986	Registered
Norway	BONNIE DOON	833418	March 29, 2004				Pending
Portugal	BONNIE DOON	265023	June 8, 1990			October 30, 1992	Registered
Portugal	BONNIE DOON	265023	March 29, 2004				Pending
Spain	BONNIE DOON	795296	July 16, 1975			March 8, 1978	Registered
Spain	BONNIE DOON	795296	March 29, 2004				Pending
Sweden	BONNIE DOON	81-2688	May 20, 1981			September 25, 1991	Registered
Sweden	BONNIE DOON	Z1230756	March 29, 2004				Pending
Switzerland	BONNIE DOON	P-297413	January 31, 1979			January 31, 1979	Registered
Switzerland	BONNIE DOON	P-297413	January 31, 1979				Registered

United Kingdom		door	design	1025770	October 24, 1983	1205770	April 2, 1986	Registered
United States of America		door	design	73186873	April 17, 1978	1116097	April 3, 1979	Registered
United States of America		door	design	78489275	August 2, 2000	2209417	December 9, 1999	Registered
United States of America		door	design	74211553	October 9, 1981	1737690	December 1, 1992	Registered
United States of America		door	design	78560042	February 3, 200			Allowed
United States of America		door	design	78560021	February 3, 2005			Allowed

United States of America		BRIGADOON (STYLED)	71524293	June 17, 1947	442634	May 3, 1949	Registered
United States of America		BRIGADOON (STYLED)	73186873	April 17, 1978	1116097	April 3, 1979	Registered
United States of America		BRIGADOON (STYLED)	78489275	August 2, 2000	2209417	December 9, 1999	Registered
United States of America		BRIGADOON (STYLED)	74211553	October 9, 1981	1737690	December 1, 1992	Registered
United States of America		BRIGADOON (STYLED)	78560042	February 3, 200			Allowed
United States of America		BRIGADOON (STYLED)	78560021	February 3, 2005			Allowed

United States of America		BARE SOLUTIONS (word mark)	78489275	August 2, 2000	2209417	December 9, 1999	Registered
United States of America		BARE SOLUTIONS (word mark)	73186873	April 17, 1978	1116097	April 3, 1979	Registered
United States of America		BARE SOLUTIONS (word mark)	74211553	October 9, 1981	1737690	December 1, 1992	Registered
United States of America		BARE SOLUTIONS (word mark)	78560042	February 3, 200			Allowed
United States of America		BARE SOLUTIONS (word mark)	78560021	February 3, 2005			Allowed

United States of America		BRIDAL SHOES (TY)	71524293	June 17, 1947	442634	May 3, 1949	Registered
United States of America		BRIDAL SHOES (TY)	73186873	April 17, 1978	1116097	April 3, 1979	Registered
United States of America		BRIDAL SHOES (TY)	78489275	August 2, 2000	2209417	December 9, 1999	Registered
United States of America		BRIDAL SHOES (TY)	74211553	October 9, 1981	1737690	December 1, 1992	Registered
United States of America		BRIDAL SHOES (TY)	78560042	February 3, 200			Allowed
United States of America		BRIDAL SHOES (TY)	78560021	February 3, 2005			Allowed

United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	75839456	November 2, 1999	2420314	January 9, 2001	Registered
United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	73186873	April 17, 1978	1116097	April 3, 1979	Registered
United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	78489275	August 2, 2000	2209417	December 9, 1999	Registered
United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	74211553	October 9, 1981	1737690	December 1, 1992	Registered
United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	78560042	February 3, 200			Allowed
United States of America		COMFORT ON YOUR TOES! EXTRA COMFORT FOR OPEN-BACK SHOES	78560021	February 3, 2005			Allowed

United States of America	LIGHTSTYLE	75/670,439	March 30, 1999	2428872	February 13, 2001	Registered
United States of America	MISCELLANEOUS DESIGN (blue toe sock)	73/417,456	March 16, 1983	1332672	April 23, 1985	Registered
United States of America	MISCELLANEOUS DESIGN (foot warrow)	75/393,676	November 20, 1997	2309762	January 18, 2000	Registered
United States of America	MISCELLANEOUS DESIGN (Orange line located at toe of sock)	74/064,626	June 1, 1990	1682081	April 7, 1992	Registered
United States of America	MISCELLANEOUS DESIGN (Orange Toe Thread Across Toe)	73/393,226	September 29, 1982	1320195	February 12, 1985	Registered
United States of America	MISCELLANEOUS DESIGN (secundt sock)	75/393,677	November 20, 1997	2366028	September 12, 2000	Registered
United States of America	MISCELLANEOUS DESIGN (Sock with Blue Toe)	74/375,428	April 5, 1993	1905694	July 18, 1995	Registered
United States of America	MISCELLANEOUS DESIGN (Sock with Highlighted Heel and Toe)	73/417,481	March 16, 1993	1322777	February 26, 1985	Registered
United States of America	MOISTURE GUARD	78/473,184	August 25, 2004			Allowed
United States of America	NATURAL CHOICE	74/364,375	March 2, 1993	1836861	May 17, 1994	Registered
United States of America	RENEFRO	74/112,944	November 5, 1990	1677712	March 3, 1992	Registered
United States of America	RPL TECH	75/633,791	February 3, 1999	2416400	December 26, 2000	Registered
United States of America	SMARTWEIGHTS	75/805,859	September 21, 1999	2402934	November 7, 2000	Registered
United States of America	SPORTS TUFF	73/122,907	April 15, 1977	1102207	September 12, 1978	Registered
United States of America	ON YOUR FEET	78/158,207	August 27, 2002			Suspended

COMMERCIAL TORT CLAIMS

None.

Annex I
to
Guarantee and Collateral Agreement

ASSUMPTION AGREEMENT, dated as of _____, 200_, made by _____, a _____ corporation (the "Additional Grantor"), in favor of Bear Stearns Corporate Lending Inc., as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

RECITALS

A. Renfro Acquisition Inc. and RC Merger Corp., the Lenders and the Administrative Agent have entered into a Credit Agreement, dated as of October 5, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

B. In connection with the Credit Agreement, Renfro Acquisition Inc., Renfro Corporation (formerly known as RC Merger Corp.) and certain of its Affiliates (other than the Additional Grantor) have entered into the Guarantee and Collateral Agreement, dated as of October 5, 2006 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") in favor of the Administrative Agent for the benefit of the Secured Parties;

C. The Credit Agreement requires the Additional Grantor to become a party to the Guarantee and Collateral Agreement; and

D. The Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement.

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.14 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Guarantor and Grantor thereunder with the same force and effect as if originally named therein as a Guarantor and Grantor and, without limiting the generality of the foregoing, hereby expressly guarantees the Borrower Obligations (as defined in the Guarantee and Collateral Agreement) as set forth in Section 2 thereof, grants the Administrative Agent, for the benefit of the Secured Parties, a security interest in its property as set forth in Section 3 thereof, and assumes all other obligations and liabilities of a Guarantor and Grantor set forth therein. The information set forth in Annex 1-A hereto is hereby added to the information set forth in Schedules _____* to the Guarantee and Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Guarantee and Collateral Agreement, as they relate to such Additional Grantor, is true and correct in all material respects on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. **GOVERNING LAW**. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PROVISIONS OF SECTIONS 8.1, 8.3, 8.4, 8.5, 8.7,

* Refer to each Schedule which needs to be supplemented.

8.8, 8.9, 8.10, 8.12, 8.13 AND 8.16 OF THE GUARANTEE AND COLLATERAL AGREEMENT SHALL APPLY WITH LIKE EFFECT TO THIS ASSUMPTION AGREEMENT, AS FULLY AS IF SET FORTH AT LENGTH HEREIN.

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

[ADDITIONAL GRANTOR]

By: _____

Name:

Title:

ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Guarantee and Collateral Agreement dated as of October 5, 2006 (the "Agreement"), made by the Grantors parties thereto for the benefit of Bear Stearns Corporate Lending Inc., as Administrative Agent. The undersigned agrees for the benefit of the Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.
2. The undersigned will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) of the Agreement.
3. The terms of Sections 6.3(a) and 6.7 of the Agreement shall apply to it with respect to all actions that may be required of it pursuant to Section 6.3(a) or 6.7 of the Agreement.

[NAME OF ISSUER]

By _____

Title _____

Address for Notices:

Fax:

Annex III
to
Guarantee and Collateral Agreement

FORM OF INTELLECTUAL PROPERTY SECURITY AMENDMENT

[See attached.]