

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
GOLDSMITH LLC		08/23/2001	LIMITED LIABILITY COMPANY: NEW YORK
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	FIFTH THIRD BANK (Chicago)		
<b>Street Address:</b>	233 South Wacker Drive		
<b>City:</b>	Chicago		
<b>State/Country:</b>	ILLINOIS		
<b>Postal Code:</b>	60606		
<b>Entity Type:</b>	Banking Corporation: MICHIGAN		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	3203594	GOLDSMITH	
Registration Number:	3203595	G	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(214)661-4691		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	214.953.6618		
<b>Email:</b>	b.k.drinkwater@bakerbotts.com		
<b>Correspondent Name:</b>	B. K. Drinkwater, c/o Baker Botts L.L.P.		
<b>Address Line 1:</b>	2001 Ross Avenue, Suite 600		
<b>Address Line 4:</b>	Dallas, TEXAS 75201		
<b>ATTORNEY DOCKET NUMBER:</b>	079670.0102		
<b>NAME OF SUBMITTER:</b>	B. K. Drinkwater		
<b>Signature:</b>	/B. K. Drinkwater/		

**CH \$65.00 3203594**

Date:

04/30/2009

**Total Attachments: 20**

source=Goldsmith Redacted Loan & Security Agreement#page1.tif  
source=Goldsmith Redacted Loan & Security Agreement#page2.tif  
source=Goldsmith Redacted Loan & Security Agreement#page3.tif  
source=Goldsmith Redacted Loan & Security Agreement#page4.tif  
source=Goldsmith Redacted Loan & Security Agreement#page5.tif  
source=Goldsmith Redacted Loan & Security Agreement#page6.tif  
source=Goldsmith Redacted Loan & Security Agreement#page7.tif  
source=Goldsmith Redacted Loan & Security Agreement#page8.tif  
source=Goldsmith Redacted Loan & Security Agreement#page9.tif  
source=Goldsmith Redacted Loan & Security Agreement#page10.tif  
source=Goldsmith Redacted Loan & Security Agreement#page11.tif  
source=Goldsmith Redacted Loan & Security Agreement#page12.tif  
source=Goldsmith Redacted Loan & Security Agreement#page13.tif  
source=Goldsmith Redacted Loan & Security Agreement#page14.tif  
source=Goldsmith Redacted Loan & Security Agreement#page15.tif  
source=Goldsmith Redacted Loan & Security Agreement#page16.tif  
source=Goldsmith Redacted Loan & Security Agreement#page17.tif  
source=Goldsmith Redacted Loan & Security Agreement#page18.tif  
source=Goldsmith Redacted Loan & Security Agreement#page19.tif  
source=Goldsmith Redacted Loan & Security Agreement#page20.tif

## LOAN AND SECURITY AGREEMENT

This **LOAN AND SECURITY AGREEMENT** (this "Agreement"), dated as of August 23, 2001, is by and between **GOLDSMITH LLC**, a New York limited liability company, with its principal place of business and chief executive office at 1009 43<sup>rd</sup> Avenue, Long Island City, New York 11101 (the "Borrower"), **GOLDSMITH HOLDINGS LLC**, a New York limited liability company, with its principal place of business and chief executive office at 10-09 43<sup>rd</sup> Avenue, Long Island City, New York 11101 (the "Holdco"), and **FIFTH THIRD BANK (Chicago)**, a Michigan banking corporation, with an office at 233 South Wacker Drive, Chicago, Illinois 60606-6396 (together with its successors and assigns, the "Lender").

### WITNESSETH:

**WHEREAS**, all of the membership interests or units of Holdco are owned solely by Mark Goldsmith ("Goldsmith"), Prairie Capital II, LP, a Delaware limited partnership ("Prairie") and Coastline Capital, LLC, a New York limited liability company, or one of its affiliates ("Coastline");

**WHEREAS**, all of the membership interests or units of the Borrower are owned by Holdco;

**WHEREAS**, the Borrower desires to acquire substantially all of the assets and business (the "Acquisition") of Goldsmith Incorporated, a New York corporation ("Goldsmith Incorporated"), and together with Goldsmith, the "Seller";

**WHEREAS**, Holdco will derive substantial direct and indirect benefits (financial and otherwise) from such loans to be made by the Lender as contemplated hereunder and Holdco desires to induce the Lender to make such loans; and

**WHEREAS**, the Lender is willing to make the loans contemplated hereby, upon the terms and provisions and subject to the conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and of any loans or other financial accommodations now or hereafter made to or for the benefit of the Borrower by the Lender, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto (intending to be legally bound) hereby agree as follows:

1. DEFINITIONS.

1.1 General Terms. When used herein, the following terms shall have the following meanings:

"Account Debtor" means the Person who is obligated on or under an Account.

"Accounts" means "accounts" as defined in the Code, including, without limitation, all present and future accounts receivable and other rights of the Borrower to payment for goods sold or leased or for services rendered, which are not evidenced by instruments or chattel paper, and whether or not they have been earned by performance.

"Acquisition" has the meaning contained in the Recitals to this Agreement.

"Acquisition Agreement" means that certain Asset Purchase Agreement of even date herewith by and among the Borrower, Holdco and the Seller.

"Acquisition Documents" means, collectively, the Acquisition Agreement, the Seller Note, any management agreement with Coastline, and the documents, instruments and agreements executed or delivered in connection therewith or otherwise in connection with the Acquisition, in each case as the same may be amended or modified in conformity with Section 9.16 of this Agreement.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling (including, without limitation, all shareholders, members, directors, managers, and officers of such Person), controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Loan and Security Agreement as the same may be modified, supplemented or amended from time to time.

"Applicable Base Rate Margin" means, (a) with respect to Base Rate Loans that are Revolving Loans, an amount equal to zero (0) basis points; and (b) with respect to any part of the Term Loan that is a Base Rate Loan, an amount equal to zero (0) basis points, in each case, subject to adjustment as set forth in Section 2.7(a) hereof.

"Applicable Libor Margin" means, (a) with respect to Libor Loans that are Revolving Loans, an amount equal to two hundred seventy-five (275) basis points; and (b) with respect to any part of the Term Loan that is a Libor Loan, an amount equal to two hundred seventy-five (275) basis points, in each case, subject to adjustment as set forth in Section 2.7(a) hereof.

"Base Rate" means the corporate base rate of interest per annum publicly identified from time to time by the Lender, as its base or prime rate, which rate shall not necessarily be the lowest rate of interest which the Lender charges its customers. Any change in the Base Rate shall be effective as of the effective date stated in the announcement by the Lender of such change.

"Base Rate Loan" means a Loan that bears interest at an interest rate based on the Base Rate.

"Borrowing Base" means, at any time, without duplication, an amount equal to the sum of (a) and (b) below:

(a) an amount equal to up to eighty percent (80%) of the face amount (less discounts, credits and allowances which have knowingly been taken by or granted to Account Debtors in connection therewith) of all existing Eligible Accounts that are set forth in the Schedule of Accounts then most recently delivered by the Borrower to the Lender, which amount shall be reduced by one hundred percent (100%) of the face amount of all payments which the Borrower has received on or in connection with its Eligible Accounts since the date of such Schedule of Accounts; plus

(b) an amount equal to the lesser of (i) the Inventory Advance Rate, or (ii) the Inventory Sublimit.

"Borrowing Date" means a date on which a Libor Loan is made hereunder.

"Borrowing Notice" shall have the meaning ascribed to such term in Section 2.12 hereof.

"Business Day" means (a) with respect to any borrowing, payment or rate selection of Libor Loans, a day other than Saturday or Sunday on which banks are open for business in Chicago, Illinois and on which dealings in United States dollars are carried on in the London interbank market, and (b) for all other purposes, a day other than Saturday or Sunday on which banks are open for business in Chicago, Illinois.

"Capital Expenditures" means, as to any Person, any and all expenditures of such Person for fixed or capital assets, including, without limitation, the incurrence of Capitalized Lease Obligations, all as determined in accordance with GAAP, except that Capital Expenditures shall not include expenditures for fixed or capital assets to the extent such expenditures are paid for or reimbursed from the proceeds of insurance.

"Capitalized Lease Obligations" means any amount payable with respect to any lease of any tangible or intangible property (whether real, personal or mixed), however denoted, which either (i) is required by GAAP to be reflected as a liability on the face of the balance sheet of the lessee thereunder, or (ii) based on actual circumstances existing and ascertainable, either at the commencement of the term of such lease or at any subsequent time at which any property

becomes subject thereto, can reasonably be anticipated to impose on such lessee substantially the same economic risks and burdens, having regard to such lessee's obligations and the lessor's rights thereunder both during and at the termination of such lease, as would be imposed on such lessee by any lease which is required to be so reflected or by the ownership of the leased property.

"Cash Collateral Account" shall have the meaning ascribed to such term in Section 4.4 hereof.

"CERCLA" means the Comprehensive Environmental Release Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended.

"Closing Date" means August 23, 2001.

"Closing Fee" shall have the meaning ascribed to such term in Section 2.16 hereof.

"Coastline" has the meaning ascribed to such term in the Recitals hereto.

"Code" means Revised Article 9 of the Uniform Commercial Code, in substantially the form approved in 1998 by the American Law Institute and the National Conference of Commissioners on Uniform State Law and as adopted in the State of Illinois.

"Collateral" shall have the meaning ascribed to such term in Section 6.1 hereof.

"Collateral Assignment of Acquisition Agreement" means that certain Collateral Assignment of Acquisition Agreement of even date herewith by and among the Borrower, the Seller, and the Lender, in form and substance acceptable to the Lender, which shall provide for an assignment of the Borrower's rights under the Acquisition Agreement in favor of the Lender.

"Collateral Report" shall have the meaning contained in Section 8.1(g) hereof.

"Commitments" means, collectively, the Revolving Loan Commitment and the Term Loan Commitment.

"Credit Termination Date" means the earlier of (i) the Stated Maturity Date, (ii) such other date on which the Commitments shall terminate pursuant to Section 10.2 hereof, or (iii) such other date as is mutually agreed in writing between the Borrower and the Lender.

"Debt Service Coverage Ratio" means, for any year-to-date period, an amount equal to the following ratio for such period: (a) (i) EBITDA during the applicable period minus (ii) the sum of the following amounts: (A) dividends paid in cash for income taxes and as otherwise expressly permitted to be paid pursuant to the terms hereof, (B) Capital Expenditures paid or incurred by the Borrower during such period that are not financed by long term debt but are financed by cash from day-to-day operations generated during the applicable testing period, and

(C) taxes or distributions for taxes paid in cash during such period; to (b) Fixed Charges for such period all as determined in accordance with GAAP.

"Default" means an event which through the passage of time or the service of notice or both would (assuming no action is taken to cure the same) mature into an Event of Default.

"Default Rate" shall have the meaning ascribed to such term in Section 2.7(a) hereof.

"Demand Deposit Account" shall have the meaning ascribed to such term in Section 4.4 hereof.

"Deposit Accounts" means any deposit, securities, operating, lockbox or cash collateral account (including, without limitation, the Cash Collateral Account and the Lock Box Account), together with any funds, instruments or other items credited to any such account from time to time; and all interest earned thereon.

"Duly Authorized Officer" means the manager of the Borrower and the President, any Vice-President, the Chief Financial Officer, the Treasurer, and the Secretary of the Borrower.

"EBITDA" means with respect to the Borrower, for any period of determination, the net earnings of the Borrower before nonrecurring items (in accordance with GAAP and as reasonably agreed to by the Lender), cash interest, taxes, depreciation, and amortization (including amortized transaction expense), all as determined in accordance with GAAP, consistently applied.

"Eligible Accounts" means those Accounts of Borrower as to which the Lender has a first priority perfected Lien and that comply with all of the representations and warranties made to the Lender under this Agreement and the Financing Agreements; provided, that the following Accounts of the Borrower are not Eligible Accounts: (a) Accounts which remain unpaid more than the later of (i) ninety (90) calendar days from the invoice date, or (ii) sixty (60) calendar days from due date ; (b) all Accounts owing by a single Account Debtor to the Borrower, including, without limitation, currently scheduled Accounts, if fifty percent (50%) or more of the balance owing by such Account Debtor to the Borrower do not constitute Eligible Accounts for any reason; (c) Accounts with respect to which the Account Debtor is a director, officer, employee, or Affiliate of the Borrower, including, without limitation, any Account Debtor of which an officer, director or employee is a holder of equity in the Borrower; (d) Accounts with respect to which the Account Debtor is the United States of America or any department, agency or instrumentality thereof, unless the Borrower assigns its right to payment of such Accounts to the Lender pursuant to, and in full compliance with, the Assignment of Claims Act of 1940, as amended; (e) Accounts with respect to which the Account Debtor is not a resident of the United States or who is not subject to service of process within the continental United States of America, unless such Accounts are supported by letters of credit or other credit support in amount and on terms satisfactory to the Lender, the proceeds of which are assigned to the Lender in a manner satisfactory to the Lender, each in Lender's sole determination; (f) Accounts in

dispute (but only to the extent of such disputed amount) or with respect to which the Account Debtor has asserted, or the Borrower or the Lender has reason to believe the Account Debtor is entitled to assert, a counterclaim or right of setoff (but only to the extent of such counterclaim or setoff amount); (g) Accounts with respect to which the prospect of payment or performance by the Account Debtor is or will be impaired, as determined by the Lender in the exercise of its reasonable discretion; (h) Accounts that are not valid, legally enforceable obligations of the Account Debtor thereunder; (i) Accounts with respect to which the Account Debtor is the subject of bankruptcy or a similar insolvency proceeding or has made an assignment for the benefit of creditors or whose assets have been conveyed to a receiver or trustee; (j) Accounts with respect to which the Account Debtor's obligation to pay the Account is conditional upon the Account Debtor's approval or is otherwise subject to any repurchase obligation or return right, as with sales made on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval or consignment basis; (k) Accounts pursuant to which the Account Debtor is located in the State of Minnesota and the Borrower has not filed a Notice of Business Activities Report with the Minnesota Commissioner of Revenue for the then current year, or Accounts with respect to which the Account Debtor is located in New Jersey, unless the Borrower (1) has received a certificate of authority to do business and is in good standing in New Jersey, or (2) has filed a Notice of Business Activities Report or similar report with the proper authorities of New Jersey for the then current year; (l) Accounts with respect to which any document or agreement executed or delivered in connection therewith, or any procedure used in connection with any such document or agreement, fails in any material respect to comply with the requirements of applicable law, or with respect to which any representation or warranty contained in this Agreement is untrue or misleading in any material respect; and (m) Accounts with respect to which Borrower is or may become liable to the Account Debtor for goods sold or services rendered by the Account Debtor to Borrower, to the extent of Borrower's existing or potential liability to such Account Debtor.

"Eligible Inventory" means, to the extent applicable, that portion of Borrower's Inventory that is owned by the Borrower, held for sale by the Borrower, normally and currently saleable in the ordinary course of the Borrower's business, are at all times of good and merchantable quality, free from defects, and located at the inventory locations of the Borrower as set forth on Schedule 4.1 attached hereto, and as to which the Lender has a first priority perfected Lien; provided, that the following Inventory of the Borrower is not Eligible Inventory: (a) Inventory which is in transit; (b) Inventory which the Lender determines, in the exercise of its reasonable discretion and in accordance with the Lender's customary business practices, to be unacceptable due to age, type, category and/or quantity; (c) Inventory which is stored with a bailee, consignee, warehouseman, processor or similar third party, unless the Borrower has previously complied with the terms of Section 4.3 hereof with respect to such stored Inventory; (d) Inventory consisting of slow-moving and obsolete Inventory; (e) Inventory as to which any representation or warranty contained in this Agreement is untrue or misleading in any material respect; and (f) Inventory consisting of supplies, packaging and packing materials that are to be consumed by Borrower and not held for resale.

"Environmental Laws" means all federal, state and local laws, statutes, rules, regulations, ordinances, programs, permits, guidances, orders and consent decrees relating to health, safety



and environmental matters applicable to the Borrower and its business, assets and property, including, without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended; CERCLA; the Toxic Substance Act, 15 U.S.C. § 2601 et seq., as amended; the Clean Water Act, 33 U.S.C. § 466 et seq., as amended; the Clean Air Act, 42 U.S.C. § 7401 et seq., as amended; state and federal superlien and environmental cleanup programs; and U. S. Department of Transportation regulations.

"Environmental Notice" means any summons, citation, directive, information request, notice of potential responsibility, notice of violation or deficiency, order, claim, complaint, investigation, proceeding, judgment, letters or other written communication, to the Borrower or any officer thereof, actual or threatened, from the United States Environmental Protection Agency or other federal, state or local agency or authority, or any other entity or individual, public or private, concerning any intentional or unintentional act or omission which involves Management of Hazardous Substances on or off the property of the Borrower which could result in the Borrower incurring a material liability or which could have a material adverse effect on the value of such property, or the imposition of any Lien on property, or any alleged violation of or responsibility under Environmental Laws which could result in the Borrower incurring a material liability or which could have a material adverse effect on the value of any Collateral, and, after due inquiry and investigation, any knowledge of any facts which could give rise to any of the foregoing.

"Equipment" means "equipment" as defined in the Code, including, without limitation, any and all of the Borrower's machinery, equipment, vehicles, fixtures, furniture, computers, appliances, tools, and other tangible personal property (other than Inventory), whether located on the Borrower's premises or located elsewhere, together with any and all accessions, parts and appurtenances thereto, whether presently owned or hereafter acquired by the Borrower.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, together with the regulations thereunder.

"ERISA Affiliate" means any corporation, trade or business, which together with the Borrower would be treated as a single employer under Section 4001 of ERISA.

"Event of Default" shall have the meaning ascribed to such term in Section 10.1 hereof.

"Excess Availability" means a calculation of the amount available for borrowing pursuant to the Borrowing Base hereunder, less all Revolving Loans then outstanding.

"Excess Cash Flow" means for any period the excess of (a) EBITDA for such period minus the total for such period of (i) income taxes paid without regard to the period for which such taxes are payable, and (ii) Capital Expenditures to the extent not funded by proceeds of Capitalized Lease Obligations or purchase money Indebtedness, over (b) Fixed Charges, plus voluntary Term Loan prepayments.

"Financing Agreements" means any and all agreements, instruments, certificates and documents, including, without limitation, security agreements, loan agreements, notes, guarantees, keep well agreements, landlord waivers, mortgages, deeds of trust, subordination agreements, intercreditor agreements, pledges, powers of attorney, consents, assignments, collateral assignments, reimbursement agreements, contracts, notices, leases, collateral assignments of key man life insurance policies, financing statements and all other written matter (including, without limitation, the Revolving Credit Note, the Term Loan Note, the Pledge Agreements, the Collateral Assignment of Acquisition Agreement, the Subordination Agreement, the Lockbox Agreement, and any Interest Rate Protection Agreement), in each case evidencing, securing or relating to the Loans and the Liabilities, whether heretofore, now, or hereafter executed by or on behalf of the Borrower, Holdco, any Affiliate of Borrower or Holdco, or any other Person, and delivered to or in favor of the Lender, together with all agreements and documents referred to therein or contemplated thereby, as each may be amended, modified or supplemented from time to time.

"Fiscal Quarter" means the three (3) month period ending on April 30, July 31, October 31 and January 31 of each calendar year.

"Fiscal Year" means the twelve (12) month period commencing on February 1 and ending on January 31 of each calendar year.

"Fixed Charges", for any period, without duplication, means the sum of (a) cash interest expense for such period, plus (b) payments of principal with respect to all Indebtedness for borrowed money (including, without limitation, payments on Capitalized Lease Obligations and permitted payments of principal on Subordinated Debt) scheduled or otherwise required to be paid during such period, all as determined in accordance with GAAP, consistently applied.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or any successor authority) that are applicable to the circumstances as of the date of determination.

"General Intangibles" means any and all general intangibles, choses in action, causes of action, rights to the payment of money (other than Accounts), and all other intangible personal property of the Borrower of every kind and nature wherever located and whether currently owned or hereafter acquired by the Borrower (other than Accounts), including, without limitation, corporate or other business records, inventions, designs, patents, patent applications, service marks, service mark applications, trademark applications, brand names, tradenames, trademarks and all goodwill symbolized thereby and relating thereto, tradestyles, trade secrets, registrations, computer software, advertising materials, distributions on certificated and uncertificated securities, investment property, securities entitlements, goodwill, operational manuals, product formulas for industrial processes, blueprints, drawings, copyrights, copyright applications, rights and benefits under contracts, licenses, license agreements, permits, approvals,

authorizations which are associated with the operation of the Borrower's business and granted by any Person, franchises, customer lists, deposit accounts, tax refunds, tax refund claims, and any letters of credit, guarantee claims, security interests or other security held by or granted to the Borrower to secure payment by an Account Debtor of any of Borrower's Accounts, and, to the maximum extent permitted by applicable law, any recoveries or amounts received in connection with any litigation or settlement of any litigation.

"Goldsmith" has the meaning ascribed to such term in the Recitals.

"Goldsmith Incorporated" has the meaning ascribed to such term in the Recitals.

"Hazardous Substances" means hazardous substances, materials, wastes, and waste constituents and reaction by-products, pesticides, oil and other petroleum products, and toxic substances, including, without limitation, asbestos and PCBs, as those terms are defined pursuant to Environmental Laws.

"Holdco" has the meaning ascribed to such term in the Recitals.

"Holdco Operating Agreement" means Holdco's Limited Liability Company Agreement of even date herewith among Holdco and its members, as amended, modified or supplemented from time to time.

"Indebtedness" with respect to any Person means, as of the date of determination thereof, (a) all of such Person's indebtedness for borrowed money, (b) all indebtedness of such Person or any other Person secured by any Lien with respect to any property or asset owned or held by such Person, regardless whether the indebtedness secured thereby shall have been assumed by such Person or such Person has become liable for the payment thereof, (c) all obligations or liabilities created or arising under any lease of real or personal property, or conditional sale or other title retention agreement with respect to property used and/or acquired by Borrower even though the rights and remedies of the lessor, seller and/or lender thereunder are limited to repossession of such property, (d) all unfunded pension fund obligations and liabilities, (e) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (f) all obligations in respect of letters of credit, whether or not drawn, and bankers' acceptances issued for the account of such Person, (g) accrued taxes payable and all unfunded pension fund obligations and liabilities, (h) all guarantees by such Person, or any undertaking by such Person to be liable for, the debts or obligations of any other Person, and (i) all other indebtedness, liabilities and obligations of such Person, now or hereafter owing, due or payable, however evidenced, created, incurred or owing and however arising.

"Indemnified Parties" shall have the meaning ascribed to such term in Section 11.16 hereof.

"Insurance Company Assignment Documents" shall have the meaning ascribed to such term in Section 6.4 hereof.

"Interest Coverage Ratio" means, for any period of determination, an amount equal to the following for such period: (a) EBITDA, for the most recently completed consecutive twelve month period minus Capital Expenditures incurred by the Borrower during such period that are not financed or funded by long term debt, and any taxes or distributions for taxes paid in cash during such period as permitted pursuant to Section 9.9 hereof, and any and all fees, distributions, loans, advances or other compensation paid to or made in favor of any member, manager, employee, or officer of the Borrower; to (b) Interest Debt Service, for such period, all as determined in accordance with GAAP consistently applied.

"Interest Debt Service" means, for any period of determination, an amount equal to the following for such period: all interest expense with respect to all Indebtedness of the Borrower during such period, all as determined in accordance with GAAP consistently applied.

"Interest Rate Protection Agreement" means any interest rate cap and/or currency exchange agreement or other so-called "swap" agreement, or similar arrangement entered into with the intent of protecting against fluctuations in interest rates, between the Borrower and the Lender relating to any of the Liabilities.

"Inventory" means any and all inventory and goods of the Borrower, wheresoever located, whether now owned or hereafter acquired by the Borrower, which are held for sale or lease, furnished under any contract of service or held as raw materials, work-in-process or supplies, and all materials used or consumed in the Borrower's business, and shall include such property the sale or other disposition of which has given rise to Accounts and which has been returned to or repossessed or stopped in transit by the Borrower.

"Inventory Advance Rate" means an amount equal to zero percent (0%) of the Value of the Eligible Inventory as set forth in the Inventory Report then most recently delivered by the Borrower to the Lender.

"Inventory Report" means, as applicable, a schedule in form and substance reasonably satisfactory to the Lender listing the Inventory of the Borrower, certified by a Duly Authorized Officer on behalf of the Borrower, to be delivered on a monthly basis to the Lender by the Borrower pursuant to Section 8.1(d) hereof, describing such Inventory and other items by category, age, type and cost and setting forth any discounts received in connection with the purchase of such Inventory and other items.

"Inventory Sublimit" means zero Dollars (\$0).

"Lender's Backup Insurance Policy" shall have the meaning ascribed to such term in Section 6.4 hereof.

"Lender's Key Man Life Insurance Policy" means the key-man life insurance policy purchased by the Borrower prior to the Closing Date, which insure the life of Goldsmith for an aggregate amount of not less than \$750,000, with the Borrower as beneficiary and Lender as loss payee, which shall be issued by an insurance company rated A+ or better by A.M. Best Company.

"Liabilities" means any and all of the Borrower's and Holdco's liabilities, obligations and Indebtedness to the Lender of any and every kind and nature, whether heretofore, now or hereafter owing, arising, due or payable and howsoever evidenced, created, incurred, acquired, or owing, whether primary, secondary, direct, indirect, contingent, absolute, fixed or otherwise (including, without limitation, payments of or for principal, interest, fees, costs, expenses, and/or indemnification, and obligations of performance) and whether arising or existing under written agreement, or by operation of law, including, without limitation, all the Borrower's and Holdco's Indebtedness, liabilities and obligations to the Lender under this Agreement (whether relating to the Revolving Loans, the Term Loan, or otherwise) or the Financing Agreements to which the Borrower and/or Holdco are a party, and any refinancings, substitutions, extensions, renewals, replacements and modifications for or of any or all of the foregoing.

"Libor Base Rate" means, with respect to a Libor Loan for the relevant Libor Interest Period, the offered rate per annum for deposits of U.S. dollars for a period equal to such Libor Interest Period that appears on Telerate Page 3750 as of 11:00 A.M. (London, England time) two (2) Business Days prior to the first day in such Libor Interest Period. If no such offered rate exists, such rate will be the rate at which deposits in U.S. dollars on immediately available funds are offered to the Lender by major lenders in the interlender Libor market at approximately 10:00 a.m. (Chicago time) two (2) Business Days prior to the first day of such Libor Interest Period, in the approximate amount of the Libor Loan and having a maturity approximately equal to the Libor Interest Period, less any reserve required under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System with respect to liabilities consisting of or including eurocurrency liabilities.

"Libor Interest Period" means, with respect to a Libor Loan, a period of thirty (30), sixty (60), ninety (90) or one hundred eighty (180) days commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Libor Interest Period shall end on (but exclude) the day which corresponds numerically to the date thirty (30), sixty (60), ninety (90) or one hundred eighty (180) days thereafter; provided, however, that if a Libor Interest Period would otherwise end on a day that is not a Business Day, such Libor Interest Period shall end on the next succeeding Business Day; provided, further, that if such next succeeding Business Day occurs after the applicable period, such Libor Interest Period shall end on the immediately preceding Business Day.

"Libor Loan" means a Loan which bears interest at a Libor Rate.

"Libor Rate" means, with respect to a Libor Loan for the relevant Libor Interest Period, the sum of the Libor Base Rate applicable to that Libor Interest Period, plus the Applicable Libor Margin.

"Lien" means any lien, security interest, mortgage, pledge, hypothecation, or other charge, encumbrance or preferential arrangement, including, without limitation, the retained security title of a conditional vendor or lessor.

"Loan Account" shall have the meaning ascribed to such term in Section 2.5 hereof.

"Loans" means, individually, either a Revolving Loan or the Term Loan, as applicable, and collectively, the Revolving Loans, the Term Loan, and any and all other advances made by the Lender to the Borrower pursuant to the terms of this Agreement.

"Lock Box Account" shall have the meaning ascribed to such term in Section 4.4 hereof.

"Lockbox Agreement" means Lender's standard lockbox agreement signed by the Borrower relating to the Lock Box Account.

"Manage" or "Management" means to generate, handle, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, release, threaten to release or abandon Hazardous Substances.

"Management Agreement" shall have the meaning ascribed to such term in Section 9.8 hereof.

"Material Adverse Change" or "Material Adverse Effect" means any change, event, action, condition or effect which, individually or in the aggregate, (a) impairs the legality, validity or enforceability of this Agreement or any Financing Agreement, (b) impairs the fully perfected first priority status of the Liens granted hereunder and under the Financing Agreements in favor of the Lender in the Collateral or any other assets pledged in favor of Lender to secure the Liabilities or any portion thereof (subject only to the Permitted Liens), or (c) materially and adversely affects the business, assets, operations, performance, or condition (financial or otherwise) of the Borrower or Holdco, or the ability of the Borrower or Holdco to repay the Liabilities when due or declared due and perform the Borrower's or Holdco's obligations under this Agreement and the Financing Agreements to which it is a party.

"Mezzanine Debt Documents" means, collectively, the Securities Purchase Agreement, the senior subordinated notes issued pursuant thereto, the documents, instruments and agreements executed or delivered in connection therewith, in each case as the same may be amended or modified in conformity with Section 9.16 of this Agreement.

"Multiemployer Plan" shall have the meaning ascribed to such term in Section 7.19 hereof.

"Operating Agreement" means Borrower's Limited Liability Company Agreement of even date herewith among Borrower and its members, as amended, modified or supplemented from time to time.

"Overadvance" shall have the meaning ascribed to such term in Section 2.1(f) hereof.

"PBGC" shall have the meaning ascribed to such term in Section 7.19 hereof.

"Permitted Liens" shall have the meaning ascribed to such term in Section 9.1 hereof.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, limited liability company, unincorporated organization, association, corporation, institution, entity, party, or government (whether national, federal, state, provincial, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Plan" shall have the meaning ascribed to such term in Section 7.19 hereof.

"Pledge Agreement" means that certain Pledge Agreement of even date herewith made by Holdco in favor of the Lender in form and substance acceptable to the Lender, as the same may be modified, supplemented or amended from time to time.

"Prairie" has the meaning ascribed to such term in the Recitals.

"Preferred Distribution" means distributions by the Borrower of "Preferred Unit Yield" to holders of "Preferred Units" as such terms are defined in the Operating Agreement, in amounts up to the amounts provided in the Operating Agreement.

"Prohibited Transaction" shall have the meaning ascribed to such term in ERISA.

**"Subordinated Debt"** means any and all Indebtedness owing by the Borrower or Holdco to a third party that has been subordinated to the Liabilities in writing on terms and conditions satisfactory to the Lender in its sole and absolute determination, including, without limitation, certain Put Notes (as such term is defined in the Securities Purchase Agreement) and other indebtedness provided by Prairie, certain indebtedness provided by the Seller and the obligations of the Borrower to make payments to Coastline pursuant to the Management Agreement.

**"Subordination Agreement"** means that certain Subordination and Intercreditor Agreement of even date herewith among Prairie, Coastline, the Seller, the Borrower, Holdco, and the Lender, as the same may be modified, supplemented or amended from time to time, which must be in form and substance acceptable to the Lender.

**"Tangible Net Worth"** means, as of any particular date, the difference between (a) the Borrower's total assets as they would normally be shown on the balance sheet of the Borrower, but excluding therefrom all values attributable to goodwill, patents, copyrights, trademarks, licenses, Capitalized Leases or other General Intangibles and loans and Accounts due from officers, employees, shareholders, members, subsidiaries and Affiliates of the Borrower, and (b) the Borrower's total Indebtedness and other liabilities and deferred charges as they would normally be shown on the balance sheet of the Borrower.

**"Tax Code"** shall have the meaning ascribed to such term in Section 7.19 hereof.

**"Taxes"** shall have the meaning ascribed to such term in Section 3.3 hereof.

**"Term Loan"** shall have the meaning ascribed to such term in Section 2.2 hereof.

**"Term Loan Commitment"** shall have the meaning ascribed to such term in Section 2.2 hereof.

**"Term Loan Note"** shall have the meaning ascribed to such term in Section 2.2 hereof.

**"Unsubordinated Debt"** shall mean at any time the Borrower's total Indebtedness less the aggregate outstanding principal amount of the Borrower's Subordinated Debt.

**"Value"** means with respect to any Inventory, the lesser of the wholesale market value thereof or the Borrower's cost thereof calculated on a first-in, first-out basis.

**"Warranty of Validity of Accounts"** has the meaning contained in Section 5.2(b)(5) hereof.

1.2 **Accounting Terms.** Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given to such terms in accordance with GAAP. If changes in GAAP shall be mandated by the Financial Accounting Standards Board or shall be recommended by the Borrower's certified public accountants, and



"Property" means any and all real property owned, leased, sub-leased or used by the Borrower.

"Rate Option" means the Libor Rate or the Base Rate.

"Release" means any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of Hazardous Substances into the environment, as "environment" is defined in CERCLA.

"Respond" or "Response" means any action taken pursuant to Environmental Laws to correct, remove, remediate, cleanup, prevent, mitigate, monitor, evaluate, investigate or assess the Release of a Hazardous Substance.

"Revolving Credit Note" shall have the meaning ascribed to such term in Section 2.1 hereof.

"Revolving Loan Commitment" shall have the meaning ascribed to such term in Section 2.1 hereof.

"Revolving Loans" shall have the meaning ascribed to such term in Section 2.1 hereof.

"Schedule of Accounts" means an aged trial balance and reconciliation to the Borrowing Base in form and substance reasonably satisfactory to the Lender (which may at the Lender's discretion include copies of original invoices) listing the Accounts of the Borrower, certified on behalf of the Borrower by a Duly Authorized Officer, to be delivered on a monthly basis to the Lender by the Borrower pursuant to Section 8.1(d) hereof.

"Schedule of Accounts Payable" means an aged Schedule of Borrower's accounts payable in form and substance reasonably satisfactory to Lender listing each and every accounts payable of the Borrower, certified on behalf of the Borrower by a Duly Authorized Officer, to be delivered on a monthly basis to the Lender by the Borrower pursuant to Section 8.1(h) hereof.

"Securities Purchase Agreement" means that certain Securities Purchase Agreement of even date herewith among the Borrower, Holdco, Prairie, and any other lender at any time a party thereto, as the same may be modified, supplemented or amended from time to time.

"Seller" has the meaning contained in the Recitals hereto.

"Stated Maturity Date" means August 23, 2004.

(e) Certificate. The Lender shall have received a certificate signed on behalf of the Borrower by a Duly Authorized Officer and dated the Closing Date certifying satisfaction of the conditions specified in Sections 5.1 and 5.2 hereof.

(f) Closing Fee. The Borrower shall have paid the Lender the Closing Fee.

(g) Capitalization. The capitalization of the Borrower and Holdco shall be satisfactory to the Lender after consummation of the Acquisition.

(h) Business Plan. The Business Plan of the Borrower, a copy of which shall be delivered to the Lender prior to the Closing Date shall be in form and content satisfactory to the Lender, which the Lender acknowledges has been received by the Lender.

(i) Union Contract. The Borrower shall provide evidence satisfactory to the Lender that the Union Contract for the Borrower has been renewed for a period of time satisfactory to the Lender.

(j) Miscellaneous. The capitalization of the Borrower shall be reasonably satisfactory to the Lender after consummation of the Acquisition, and the closing of the Mezzanine Debt Documents and the transactions contemplated thereby shall have closed and funded concurrently with the transactions contemplated by this Agreement. The Lender shall have received evidence satisfactory to it in its sole discretion of the termination of all existing Liens on the assets of the Borrower and the Seller other than Permitted Liens.

## **6. COLLATERAL**

6.1 Security Interest. As security for the prompt and complete payment and performance of all of the Liabilities, the Borrower hereby grants, pledges, conveys and transfers to the Lender a continuing security interest in and to all of the Borrower's right, title and interest in and to the following property and interests in property, whether now owned or existing or hereafter owned, arising or acquired, and wheresoever located (collectively, the "Collateral"): (a) all of the assets and personal property of the Borrower, all of Borrower's Accounts, contract rights, General Intangibles, tax refunds, chattel paper, instruments, notes, letters of credit, bills of lading, warehouse receipts, shipping documents, documents and documents of title, and all of the Borrower's Tangible Chattel Paper, Documents, Electronic Chattel Paper, Letter-of-Credit Rights, Software, Supporting Obligations, Payment Intangibles, and Goods (each as defined in the Code), and all of the "Assets" (as defined in the Acquisition Agreement) acquired by the Borrower; (b) all of the Borrower's Inventory, motor vehicles, and Equipment; (c) all of Borrower's Deposit Accounts and other deposit accounts (general or special) with, and credits

and other claims against, the Lender, or any other financial institution with which the Borrower maintains deposits; (d) all of the Borrower's monies, and any and all other property and interests in property of the Borrower, including, without limitation, Investment Property, Instruments, Security Entitlements, Uncertificated Securities, Certificated Securities, Financial Assets, Chattel Paper and Documents (each as defined in the Code), now or hereafter coming into the actual possession, custody or control of the Lender or any agent or affiliate of the Lender in any way or for any purpose (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise), and, independent of and in addition to the Lender's rights of setoff (which the Borrower acknowledges), the balance of any account or any amount that may be owing from time to time by the Lender to the Borrower; (e) all insurance proceeds of or relating to any of the foregoing property and interests in property, and all insurance proceeds relating to the Lender's Key Man Life Insurance Policy and any other key man life insurance policy covering the life of any officer or employee of Borrower (other than Prairie's Key-Man Life Insurance Policy and all proceeds issued pursuant to Prairie's Key-Man Life Insurance Policy); (f) all proceeds and profits derived from the operation of the Borrower's business; (g) all of the Borrower's books and records, computer printouts, manuals and correspondence relating to any of the foregoing and to the Borrower's business; and (h) all accessions, improvements and additions to, substitutions for, and replacements, products, profits and proceeds of any of the foregoing.

6.2 Preservation of Collateral and Perfection of Security Interests Therein. Each of the Borrower and Holdco agrees that it shall execute and deliver to the Lender, concurrently with the execution of this Agreement, and at any time or times hereafter at the request of the Lender, all financing statements (and the Borrower shall pay the cost of filing or recording the same in all public offices deemed necessary by the Lender) or other instruments and documents as the Lender may request, in a form satisfactory to the Lender, to perfect and keep perfected the Liens in the Collateral or to otherwise protect and preserve the Collateral and the Lender's Liens therein. If the Borrower or Holdco fails to do so, the Lender is authorized to sign any such financing statements as the Borrower's agent or Holdco's agent. Each of the Borrower and Holdco further agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement.


6.3 Loss of Value of Collateral. Each of the Borrower and Holdco agrees to immediately notify the Lender of any material loss or depreciation in the value of the Collateral or any portion thereof.

8.11 Intellectual Property. If after the Closing Date the Borrower shall own or otherwise possess any registered patents, copyrights, trademarks, trade names, or service marks (or file an application to attempt to register any of the foregoing), the Borrower shall promptly notify the Lender in writing of same and execute and deliver any documents or instruments (at the Borrower's sole cost and expense) reasonably required by Lender to perfect a security interest in and lien on any such federally registered intellectual property in favor of the Lender and assist in the filing of such documents or instruments with the United States Patent and Trademark Office and/or United States Copyright Office or other applicable registrar.


8.12 Change of Location; Etc. Any of the Collateral may be moved to another location within the continental United States (other than as disclosed to the Lender in writing on the Closing Date) so long as: (a) the Borrower provides the Lender with at least thirty (30) days prior written notice, (b) no Event of Default then exists, and (c) the Borrower provides the Lender with, at Borrower's sole cost and expense, such financing statements, landlord waivers, bailee and processor letters and other such agreements and documents as the Lender shall reasonably request. Each of the Borrower and Holdco shall defend and protect the Collateral against and from all claims and demands of all Persons at any time claiming any interest therein adverse to the Lender. If the Borrower desires to change its principal place of business and chief executive office, the Borrower shall notify the Lender thereof in writing no later than thirty (30) days prior to such change and the Borrower shall provide the Lender with, at Borrower's sole cost and expense, such financing statements and other documents as the Lender shall reasonably request in connection with such change. If the Borrower shall decide to change the location where its books and records are maintained, the Borrower shall notify the Lender thereof in writing no later than thirty (30) days prior to such change.

IN WITNESS WHEREOF, this Loan and Security Agreement has been duly executed as of the day and year first above written.

**GOLDSMITH LLC**

By:   
Name: *Craig A. Stein*  
Its: *Manager and CFO*

**GOLDSMITH HOLDINGS LLC**

By:   
Name: *Craig A. Stein*  
Its: *Manager*

**FIFTH THIRD BANK (Chicago)**

By: \_\_\_\_\_  
Joseph P. Gaffigan  
Senior Vice President

IN WITNESS WHEREOF, this Loan and Security Agreement has been duly executed as of the day and year first above written.

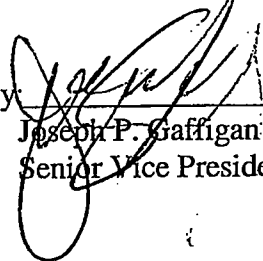
**GOLDSMITH LLC**

By: \_\_\_\_\_  
Name:  
Its:

**GOLDSMITH HOLDINGS LLC**

By: \_\_\_\_\_  
Name:  
Its:

**FIFTH THIRD BANK (Chicago)**

By:  \_\_\_\_\_  
Joseph P. Gaffigan  
Senior Vice President