

04-14-1999

FORM PTO-1594  
1-31-92



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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

Tab settings → → →

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

4-8-99

1. Name of conveying party(ies): Salton/Maxim Housewares, Inc.

- Individual(s)                       Association
- General Partnership               Limited Partnership
- Corporation-State (Delaware)
- Other \_\_\_\_\_

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

3. Nature of conveyance:

- Assignment                               Merger
- Security Agreement                   Change of Name
- Other Amended and Restated Guarantee and Collateral Agreement

Execution Date: January 7, 1999

2. Name and address of receiving party(ies):

Name: Lehman Commercial Paper Inc., as Administrative Agent

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

Street Address: 3 World Financial Center

City: New York State: NY ZIP: 10285

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State New York corporation
- Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designation must be a separate document from Assignment)

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

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

A. Trademark Application No.(s) see attached Continuation of Item 4

B. Trademark Registration No.(s) see attached Continuation of Item 4

Additional numbers attached?  Yes  No

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

Name: Lori E. Lesser, Esq.

Internal Address: Simpson Thacher & Bartlett

04/12/1999 JEWBAZZ 00000228 75081042

01 FC:481  
02 FC:482

40.00 OP  
1025.00 OP

Street Address: 425 Lexington Avenue

City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: 42

7. Total fee (37 CFR 3.41): ..... \$1,065

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Lori E. Lesser, Esq.  
Name of Person Signing

Lori E. Lesser  
Signature

4/13/99  
Date

Total number of pages comprising cover sheet: 4

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

TRADEMARK  
REEL: 1882 FRAME: 0687

**CONTINUATION OF ITEM ONE FROM RECORDATION COVER SHEET**

**1. Name of conveying party(ies):**

HOME CREATIONS DIRECT, LTD. (DE Corporation)

TOASTMASTER INC. (MO Corporation)

**CONTINUATION OF ITEM FOUR FROM RECORDATION COVER SHEET****4. Application number(s) or registration number(s):**

<b>Mark</b>	<b>Registration/ Serial No.</b>	<b>Date of Filing/ Date of Reg.</b>
COMFORT ZONE	75/081,042	03/29/96
BELGIAN EXPRESS	75/200,222	11/19/96
CHROMATICS	75/223,519	01/10/97
PASTRY PERFECT	75/223,520	01/10/97
OPERA	75/317,591	06/30/97
TOUCH SENSOR	75/348,025	08/27/97
GLOBAL DESIGN	75/437,674	02/20/98
WAFFLE MASTER	75/443,905	03/03/98
TOASTMASTER ULTRA	75/444,841	03/05/98
INGRAHAM	75/558,944	09/25/98
ESKIMO	214,404	06/22/26
ESKIMO	233,519	10/04/27
TOASTMASTER and Design (old)	359,929	09/06/38
ESKIMO	379,306	07/09/40
BREWSTER	394,562	04/14/42
HEATUBE and Design	635,483	10/09/56
TIME MASTER and Design	687,954	11/10/59
TOASTMASTER and Design (old)	714,252	04/18/61
TOASTMASTER	889,665	04/21/70
INGRAHAM	938,778	07/25/72
TRIPLE LOOP Design	973,277	11/20/73
TIMEMASTER	1,105,990	11/14/78
HANDI-PAN	1,139,544	09/16/80
COMFORT	1,191,134	03/02/82
TURBO-HEATER	1,197,059	06/01/82

<b>Mark</b>	<b>Registration/ Serial No.</b>	<b>Date of Filing/ Date of Reg.</b>
MASTERMIND	1,210,332	09/28/82
COMFORT HEATER II	1,210,387	09/28/82
TOASTMASTER HEATLOG and Design	1,292,094	08/28/84
KITCHEN DIMENSIONS	1,319,211	02/12/85
KITCHEN DIMENSIONS	1,423,768	01/06/87
SNACKSTER	1,658,919	10/01/91
COOL STEEL and Design	1,698,347	06/30/92
COOL STEEL and Design	1,743,011	12/29/92
CHOPSTER	1,808,348	11/30/93
COMFORT CONDITIONER	1,832,097	04/19/94
BREAD BOX	1,839,930	06/14/94
INGRAHAM SINCE 1831 and Design	1,842,876	07/05/94
BAGEL PERFECT	2,095,872	09/09/97
WAFFLE EXPRESS	2,119,677	12/09/97
SOFT-TECH	2,175,389	07/21/98
CORNER BAKERY	2,206,121	11/24/98
BREADMAKER'S HEARTH	2,207,624	12/01/98

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AMENDED AND RESTATED  
GUARANTEE AND COLLATERAL AGREEMENT

made by

SALTON/MAXIM HOUSEWARES, INC.

and certain of its Subsidiaries

in favor of

LEHMAN COMMERCIAL PAPER INC.,  
as Administrative Agent

Dated as of January 7, 1999

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AMENDED AND RESTATED  
GUARANTEE AND COLLATERAL AGREEMENT

AMENDED AND RESTATED GUARANTEE AND COLLATERAL AGREEMENT, dated as of January 7, 1999, 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 LEHMAN COMMERCIAL PAPER INC., as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") from time to time parties to the Amended and Restated Credit Agreement, dated as of January 7, 1999 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among SALTON/MAXIM HOUSEWARES, INC., a Delaware Corporation (the "Borrower"), the Lenders, LEHMAN BROTHERS INC., as advisor, arranger and book runner (in such capacity, the "Arranger"), LEHMAN COMMERCIAL PAPER INC., as syndication agent (in such capacity, the "Syndication Agent"), the Administrative Agent and FLEET NATIONAL BANK, as documentation agent (in such capacity, the "Documentation Agent").

W I T N E S S E T H:

WHEREAS, the Borrower entered into the Credit Agreement, dated as of July 27, 1998, (the "Existing Credit Agreement"), with the Arranger, the Syndication Agent, the Administrative Agent and the Lenders parties thereto;

WHEREAS, in connection with the Existing Credit Agreement, certain of the Grantors have executed the Guarantee and Collateral Agreement, dated as of July 27, 1998, (the "Existing Collateral Agreement"), in favor of the Administrative Agent for the ratable benefit of the Lenders under the Existing Credit Agreement;

WHEREAS, the Borrower, the Administrative Agent and the Lenders have entered into the Credit Agreement to amend and restate the Existing Credit Agreement;

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement 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;

WHEREAS, 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

WHEREAS, 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 that the



Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent 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, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, that the Existing Collateral Agreement is hereby amended and restated in its entirety 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 which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Documents, Equipment, Farm Products, Instruments, Inventory and Investment Property.

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

**"Agreement"**: this Amended and Restated Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

**"Borrower Obligations"**: the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any 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) to the Administrative Agent or any Lender (or, in the case of any Hedge Agreement referred to below, any Affiliate of any Lender), 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, the other Loan Documents, any Letter of Credit or any Hedge Agreement entered into by the Borrower with any Lender (or any Affiliate of any Lender) or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

**"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 copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

**"Copyright Licenses"**: any written agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

**"General Intangibles"**: all "general intangibles" as such term is defined in Section 9-106 of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, including, without limitation, with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and interest in such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to such contract, agreement, instrument or indenture the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents); provided that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

**"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, without limitation, 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, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

**"Guarantors"**: the collective reference to each Grantor other than the Borrower.

**"Hedge Agreements"**: as to any Person, all interest rate swaps, caps or collar agreements or similar arrangements entered into by such Person providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

**"Intellectual Property"**: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**"Intercompany Note"**: any promissory note evidencing loans made by any Grantor to the Borrower or any of its Subsidiaries.

**"Issuers"**: the collective reference to each issuer of a Pledged Security.

**"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.

**"Patents"**: (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

**"Patent License"**: all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 6.

**"Pledged Notes"**: all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

**"Pledged Securities"**: the collective reference to the Pledged Notes and the Pledged Stock.

**"Pledged Stock"**: the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options or rights of any nature whatsoever in respect

of the Capital Stock of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect.

**"Proceeds"**: all "proceeds" as such term is defined in Section 9-306(1) of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Pledged Securities, collections thereon or distributions or 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, without limitation, any Account).

**"Securities Act"**: the Securities Act of 1933, as amended.

**"Trademarks"**: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including, without limitation, any of the foregoing referred to in Schedule 6, and (ii) the right to obtain all renewals thereof.

**"Trademark License"**: any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6.

**"Vehicles"**: all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing, including, without limitation, any of the foregoing referred to in Schedule 7 hereto.

**1.2 Other Definitional Provisions.** (a) 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.

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

(c) 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.

## 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 ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 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 shall have been satisfied by payment in full, no Letter of Credit shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender 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 which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated.

2.2 **Right of Contribution.** Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable

to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

**2.3 No Subrogation.** Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

**2.4 Amendments, etc. with respect to the Borrower Obligations.** 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 the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender 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 the Administrative Agent or any Lender, 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 Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender 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.

**2.5 Guarantee Absolute and Unconditional.** 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 the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any 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; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, 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. 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 as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, 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 the Administrative Agent or any Lender, (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 the Administrative Agent or any Lender, 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, the Administrative Agent or any Lender 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 the Administrative Agent or any Lender 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 the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

**2.6 Reinstatement.** The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender 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, all as though such payments had not been made.

**2.7 Payments.** Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the office of the Administrative Agent located at the Payment Office specified in the Credit Agreement.

### SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Lenders, 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 Chattel Paper;
- (c) all Documents;
- (d) all Equipment;
- (e) all General Intangibles;
- (f) all Instruments;
- (g) all Intellectual Property;
- (h) all Inventory;
- (i) all Pledged Securities;
- (j) all Vehicles;
- (k) all Investment Property;
- (l) all deposit accounts and other bank accounts;
- (m) all books and records pertaining to the Collateral; and

(n) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

### SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent 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, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in subsection 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, and the Administrative Agent and each Lender 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 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 ratable benefit of the Lenders pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No 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 ratable benefit of the Lenders, pursuant to this Agreement or as are permitted by the Credit Agreement.

4.3 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Lenders, 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 Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens permitted by the Credit Agreement.

4.4 Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.

4.5 Inventory and Equipment. On the date hereof, the Inventory and the Equipment (other than mobile goods) are kept at the locations listed on Schedule 5.

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

4.7 Pledged Securities. (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; provided that no more than 65% of the issued and

outstanding shares of all classes of the Capital Stock of each Issuer that is a Foreign Subsidiary are pledged hereunder.

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

(c) 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, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Pledged Securities 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.

4.8 Receivables. (a) No amount payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Administrative Agent.

(b) None of the obligors on any Receivables is a Governmental Authority.

(c) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate.

4.9 Intellectual Property. (a) Schedule 6 lists all Intellectual Property owned by such Grantor in its own name on the date hereof.

(b) Except as set forth in Schedule 6, on the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any

Intellectual Property or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property.

4.10 Vehicles. Schedule 7 is a complete and correct list of all Vehicles owned by such Grantor on the date hereof.

## SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full, no Letter of Credit shall be outstanding and the Commitments shall have terminated:

5.1 Covenants in Credit Agreement. In the case of each Guarantor, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

5.2 Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

5.3 Maintenance of Insurance. (a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Inventory, Equipment and Vehicles against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Administrative Agent and (ii) insuring such Grantor, the Administrative Agent and the Lenders against liability for personal injury and property damage relating to such Inventory, Equipment and Vehicles, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Administrative Agent and the Lenders.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Administrative Agent of written notice thereof, (ii) name the Administrative Agent as insured party or loss payee, (iii) if reasonably requested by the Administrative Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Administrative Agent.

(c) The Borrower shall deliver to the Administrative Agent and the Lenders a report of a reputable insurance broker with respect to such insurance substantially concurrently with the delivery by the Borrower to the Administrative Agent of its audited financial statements for each fiscal year and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

**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 taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

**5.5 Maintenance of Perfected Security Interest; Further Documentation.** (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

(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 obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

**5.6 Changes in Locations, Name, etc.** Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional executed financing statements and other documents 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) permit any of the Inventory or Equipment to be kept at a location other than those listed on Schedule 5;

(ii) change the location of its chief executive office or sole place of business from that referred to in Section 4.4; or

(iii) change its name, identity or corporate structure to such an extent that any financing statement filed by the Administrative Agent in connection with this Agreement would become misleading.

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

(a) 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

(b) of the occurrence of any other event which could 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 Pledged Securities.** (a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including, without limitation, 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 Administrative Agent and the Lenders, hold the same in trust for the Administrative Agent and the Lenders 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 covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent 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 Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities 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 Pledged Securities shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Lenders, 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 (i) vote to enable, or take any other action to permit, any Issuer 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 Pledged Securities or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (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 Pledged Securities or Proceeds thereof, or any interest therein, except for the security interests created by this 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 Pledged Securities or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Pledged Securities 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 Pledged Securities issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Pledged Securities issued by it.

5.9 Receivables. (a) Other than in the ordinary course of business consistent with its past practice, 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 could adversely affect the value thereof.

(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) Such Grantor (either itself or through licensees) will (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of the Lenders, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) 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.

(b) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material portion of the Copyrights may fall into the public domain.

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

(e) Such Grantor will notify the Administrative Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, 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 Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property 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 filing to the Administrative Agent within thirty Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor will take all reasonable and necessary steps, including, without limitation, 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 any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) 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 sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

5.11 Vehicles. (a) No Vehicle shall be removed from the state which has issued the certificate of title/ownership therefor for a period in excess of four months.

(b) Within 30 days after a request to do so by the Administrative Agent, all applications for certificates of title/ownership indicating the Administrative Agent's first priority security interest in the Vehicle covered by such certificate, and any other necessary

documentation, shall be filed in each office in each jurisdiction which the Administrative Agent shall deem advisable to perfect its security interests in the Vehicles.

## 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 require in connection with such test verifications. At any time and from time to time, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others 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.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Administrative Agent's direction and control, 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 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) 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 Lenders 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 Lenders, segregated from other funds of such Grantor. 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) At the Administrative Agent's request, 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, without limitation, 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 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) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Administrative Agent for the ratable benefit of the Lenders 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 the 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. Neither the Administrative Agent nor any Lender 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 the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender 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 Pledged Stock. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to 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 and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that no vote shall be cast or corporate right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other 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 to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Securities and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Pledged Securities shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Securities at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Securities as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Pledged Securities, and in connection therewith, the right to deposit and deliver any and all of the Pledged Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may 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.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) 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) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Pledged Securities directly to the Administrative Agent.

**6.4 Proceeds to be Turned Over To Administrative Agent.** In addition to the rights of the Administrative Agent and the Lenders specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, 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 Lenders) 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.** At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

**First**, to pay incurred and unpaid fees and expenses of the Administrative Agent 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 Lenders according to the amounts of the Obligations then due and owing and remaining unpaid to the Lenders;

**Third**, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Lenders according to the amounts of the Obligations then held by the Lenders; and

**Fourth**, any balance of such Proceeds remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

**6.6 Code and Other Remedies.** If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, 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 sell, lease, assign, 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 the Administrative Agent or any Lender 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. The Administrative Agent or any Lender 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 Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) 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 the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be 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 opinion of the Administrative Agent it is necessary or 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 cause the Issuer thereof to (i) execute and deliver, and 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 opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best 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 opinion of the Administrative Agent, are necessary or 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 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 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 best 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 Administrative Agent and the Lenders, that the Administrative Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

**6.8 Waiver: Deficiency.** Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the New York UCC. 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 fees and disbursements of any attorneys employed by the Administrative Agent or any Lender 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 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 or with respect to any other Collateral 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 or with respect to any other Collateral 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 request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(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 indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) 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; (2) 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; (3) 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; (4) 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; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) 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; (7) 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 (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral 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 and the Administrative Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, 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 shall have occurred and be 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, or otherwise 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 Revolving Credit 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 until this Agreement is terminated and the security interests created hereby 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 Lender 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 Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the

exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

**7.3 Execution of Financing Statements.** Pursuant to Section 9-402 of the New York UCC and any other applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

**7.4 Authority of Administrative Agent.** Each Grantor acknowledges 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 between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders 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.

**8.3 No Waiver by Course of Conduct; Cumulative Remedies.** Neither the Administrative Agent nor any Lender 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 the Administrative Agent or any Lender, 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 the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender 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 Lender and the Administrative Agent for all its 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, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders 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 Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, 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 to the extent the Borrower would be required to do so pursuant to 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 Administrative Agent and the Lenders 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.

**8.6 Set-Off.** Each Grantor hereby irrevocably authorizes the Administrative 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 the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other



Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such Grantor promptly of any such set-off and the application made by the Administrative 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 the Administrative Agent and each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative 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), 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, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender 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 of America 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) neither the Administrative Agent nor any Lender 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 Administrative Agent and Lenders, 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 Lenders or among the Grantors and the Lenders.

**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 hereto.

**8.15 Releases.** (a) At such time as the Loans, the Reimbursement Obligations and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall 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 as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then 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 for the release of the Liens created hereby on such Collateral. 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 ten 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 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.**

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.


SALTON/MAXIM HOUSEWARES, INC.

By:   
Title: *President*

HOME CREATIONS DIRECT, LTD.

By:   
Title: *Senior Vice President*

TOASTMASTER INC.

By:   
Title: *Vice President*

Accepted and Agreed:

LEHMAN COMMERCIAL PAPER INC., as  
Administrative Agent

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.

SALTON/MAXIM HOUSEWARES, INC.

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

HOME CREATIONS DIRECT, LTD.

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

TOASTMASTER INC.

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

Accepted and Agreed:

LEHMAN COMMERCIAL PAPER INC., as  
Administrative Agent

By: William J. Gallagher  
NAME: WILLIAM J. GALLAGHER  
TITLE: AUTHORIZED SIGNATORY

**NOTICE ADDRESSES OF GUARANTORS**

Toastmaster, Inc.  
c/o Salton Maxim Housewares, Inc.  
550 Business Center Drive  
Mount Prospect, Illinois 60056

Home Creations Direct Ltd.  
c/o Salton Maxim Housewares, Inc.  
550 Business Center Drive  
Mount Prospect, Illinois 60056

## DESCRIPTION OF PLEDGED SECURITIES

## Pledged Stock of Salton Hong Kong, Ltd.:

<u>Pledgors</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>Percentage of Outstanding Shares</u>
Home Creations Direct, Ltd.	Common	3.5	50%
Salton/Maxim Housewares, Inc.	Common	7	15%

## Pledged Stock of Home Creations Direct, Ltd.:

<u>Pledgors</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>Percentage of Outstanding Shares</u>
Salton/Maxim Housewares, Inc.	Common	1	100%

## Pledged Stock of Toastmaster V.I., Inc.:

<u>Pledgors</u>	<u>Class of Stock</u>	<u>No.</u>	<u>Outstanding Shares</u>
Toastmaster Inc.	(To Be Pledged)	(To Be Pledged)	65%

## Pledged Stock of Toastmaster de Mexico, S.A. de C.V.:

<u>Pledgors</u>	<u>Class of Stock</u>	<u>No.</u>	<u>Outstanding Shares</u>
Toastmaster Inc.	(To Be Pledged)	(To Be Pledged)	65%

Pledged Notes: None

**FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS**

**BORROWER**

**Uniform Commercial Code Filings**



UCC FILING JURISDICTIONS

1. Salton/Maxim Housewares, Inc.

- a. Secretary of State of Delaware
- b. Secretary of State of New Jersey
- c. Bergen County, New Jersey
- d. Hudson County, New Jersey
- e. Monmouth County, New Jersey
- f. Union County, New Jersey
- g. Secretary of State of Illinois
- h. Cook County, Illinois
- i. Lake County, Illinois
- j. Secretary of State of New York
- k. New York County, New York
- l. Secretary of State of Missouri
- m. Pike County, Missouri
- n. Secretary of State of California
- o. Los Angeles County, California

2. Home Creations Direct, Ltd.

- a. Secretary of State of Delaware
- b. Secretary of State of Illinois

1353476.01

FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS

TOASTMASTER

Uniform Commercial Code Filings

## Toastmaster UCC Filing Jurisdictions

- a. California Secretary of State
- b. Los Angeles County, CA
- c. Illinois Secretary of State
- d. Missouri Secretary of State
- e. Adair County, MO
- f. Boone County, MO
- g. Cooper County, MO
- h. Macon County, MO
- i. Pike County, MO
- j. Randolph County, MO
- k. St. Louis City County, MO
- l. Shelby County, MO
- m. Department of State of New York
- n. New York County, New York
- o. North Carolina Secretary of State
- p. Scotland County, NC

FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS

BORROWER

Patent and Trademark Filings

**COPYRIGHTS AND COPYRIGHT LICENSES**

**SALTON/MAXIM HOUSEWARES, INC.**

<b><u>TITLE</u></b>	<b><u>REGISTRATION NO.</u></b>
Wet Tunes	VA 153-911 <sub>1,2,3</sub>
Wet Tunes - 2:Model WT2	VA 195-444 <sub>1,2,4</sub>
CEO Collection	166,835 <sub>1</sub>
Pink Elephants on Parade	187-690 <sub>1</sub>
Juiceman Show, Direct Response	PA 528 859 <sub>3</sub>
The Juiceman	SR 108 649 <sub>3</sub>
Juicing For Life - A Guide To The Health Benefits of Fresh Fruits and Vegetable Juicing	TX 3293 662 <sub>4</sub>

**SOURCE:** Computerized database search (Copyright file from Dialog) and information provided by Jerry Schulman and Seed & Berry.

**KEY:** Need to record release of security interest from:

- 1) Foothill Capital Corporation to Salton/Maxim Housewares, Inc.<sub>1</sub>
- 2) LaSalle National Bank to Salton/Maxim Housewares, Inc.<sub>2</sub>

Need to record assignment from:

- 3) Cosmepak, Inc. to Salton/Maxim Housewares, Inc.<sub>3</sub>
- 4) Salton, Inc. to Salton/Maxim Housewares, Inc.<sub>4</sub>
- 5) J. M. Marketing, Inc. to Salton/Maxim Housewares, Inc.<sub>3</sub>
- 6) Cherie Calbom and Keane Maureen to Salton/Maxim Housewares, Inc.<sub>4</sub>

**NOTE:** The chain of title is what appears from the Copyright database search. Before taking steps to clean up the chain of title a more detailed search should be conducted at the Copyright Office.

2190175

TRADEMARK  
REEL: 1882 FRAME: 0731

PATENTS AND PATENT LICENSES

SALTON/MAXIM HOUSEWARES, INC.

<u>PATENT NO.</u>	<u>ISSUE DATE</u>	<u>TITLE</u>
5,495,795	Mar. 5, 1996	Juice Extractors*
5,417,152	May 23, 1995	Speed Controls*
5,355,784	Oct. 18, 1994	Juice Extractors*
5,257,575	Nov. 2, 1993	Juice Extractors With Splash Prevention*
4,660,793	Apr. 28, 1987	Appliance Mounting Apparatus**1-4
4,395,670	Dec. 15, 1981	Liquid Mixing Device <sup>3,4,6</sup>
4,305,670	Dec. 15, 1981	Liquid Mixing Device**3-4
4,287,817	Sep. 8, 1981	Apparatus For Use In Preparing Infusions**2-5
4,206,694	Jun. 10, 1980	Infuser Primarily Intended for Use in Making Coffee**1-5
4,033,516	Jul. 5, 1977	Grinding Apparatus and Method***
D393,974	May 5, 1998	Shower Dispenser Radio
D387,246	Dec. 9, 1997	Top Portion of Bread Making Machine
D343,097	Jan. 11, 1994	Juicer*
D341,522	Nov. 23, 1993	Juicer*
D333,947	Mar. 16, 1993	Juicer*
D333,595	Mar. 2, 1993	Juicer*
D312,943	Dec. 18, 1990	Toaster**1,2,4
D305,764	Jan. 30, 1990	Combined Radio and Cassette Player**1,2,4

**PENDING APPLICATIONS**

<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>	<b><u>FILING DATE</u></b>	<b><u>TITLE</u></b>
US	08/711,130	Sep. 9, 1996	Automatic Bread Making Machine
PCT	PCT/US97/12941	Jul. 23, 1997	Automatic Bread Making Machine
US	29/074,986	Aug. 15, 1997	Seashell Radio
Canada	1997-3289	Dec. 23, 1997	Shower Dispenser Radio
Canada	1998-0337	Feb. 13, 1998	Seashell Radio
Mexico	9800121	Feb. 13, 1998	Seashell Radio
Italy	MI970000139	Mar. 07, 1997	Top Portion of BreadMaking Machine

**SOURCE:** Lexis Patent Database; Seed & Berry; Jerry A. Schulman

\*Transaction recorded as Sale and License to Salton/Maxim

\*\*Need release of security interest from: 1. Foothill Capital Corporation

2. La Salle National Bank

3. MNC Commercial Corp.

4. Westinghouse Credit Corporation

5. Banker's Trust Company

\*\*\*Last listed owner - Salton, Inc. Security Interests - Bankers Trust Company; MNC Commercial Corp.

6. Last listed owner - Salton/Maxim Housewares Group

**APPLICATIONS (U.S.) (Con't):**

<b><u>MARK</u></b>	<b><u>APPLICATION NO.</u></b>
CONCORDE	75/284,305
FIT 10	75/197,375
PAUSE & SHAPE	75/104,010
BATTER BREAD	75/104,009
JUICE LADY	74/700,607
SALTON	74/138,667 <sub>2,3</sub>
BREADMAN ARTISAN	75/520,056
WET CASSETTE	TBA
LEAN MEAN FAT REDUCING GRILLING MACHINE	75/516,746
LEAN MEAN FAT REDUCING GRILLING MACHINE LOGO	75/517,174

**REGISTRATIONS (U.S.):**

<b><u>MARK</u></b>	<b><u>REGISTRATION NO.</u></b>
SIMPLY BREAD	2,162,352
BREWERS' CHOICE	1,908,315
CELL-U-MEMO	2,040,282
CAFFE BAR Stylized	2,113,418
DONUT BITES	1,977,104
DREAM MACHINE	2,148,129
JUICELADY	2,033,023
NUTRITIONIST	2,067,767
PRO STEAM	1,935,851
MAXIM	1,838,557 <sub>1</sub>
SNACK CLUB	1,819,839 <sub>1</sub>
VITAMIN BAR	1,778,831 <sub>1</sub>
SINGLES Stylized	1,825,063
ACCU-BAKERY	1,818,865 <sub>1</sub>



**REGISTRATIONS (U.S.) (Con't):**

<b><u>MARK</u></b>	<b><u>REGISTRATION NO.</u></b>
BLOCK (AND DESIGN)	1,835,485 <sub>1</sub>
BLOCK CHINA	1,743,764 <sub>1</sub>
WHIMSY CHRISTMAS	1,783,468 <sub>1</sub>
TRANSITION	1,715,857 <sub>1</sub>
KALEIDOSCOPE	1,770,801 <sub>1</sub>
BLOCK (AND DESIGN)	752,528 <sub>1</sub>
BLOCK (AND DESIGN)	752,522

**APPLICATIONS (Foreign):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>
SALTON	Argentina	2091851
SALTON	Argentina	2091850
SALTON	Argentina	2091849
SALTON	Argentina	2091848
SALTON	Brazil	819,992,860
SALTON	Brazil	819,992,895
BREADMAN	China	970078702
JUCEMAN	China	970078703
SALTON	China	970078699
SALTON	China	970078700
SALTON	China	970078701
MAXIM	European Community	89,136
BREADMAN	India	..
JUCEMAN	India	..
SALTON	India	..
SALTON	India	..
SALTON	India	..

2190175

**APPLICATIONS (Foreign) (Con't):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>
SALTON	Taiwan	86037138
BREADMAN	Thailand	347216
JUCEMAN	Thailand	347339
SALTON	Thailand	342232
SALTON	Thailand	342231
SALTON	Thailand	349650
SALTON	Thailand	349651
SALTON	Thailand	342233

**REGISTRATIONS (Foreign):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>REGISTRATION NO.</u></b>
JUCEMAN	Australia	551,888,
JUCEMAN	Canada	401,843,
MR. JUCEMAN	Canada	338,911,
MAXIM	France	3,489,773
MAXIM	Germany	2,073,847
BREADMAN	Japan	3,213,825,
JUCEMAN	Japan	2,611,571,
JUCEMAN	Korea (South)	260,767,
SALTON	Mexico	572391
SALTON	Mexico	572390
JUCEMAN	Switzerland	377,178,
JUCEMAN	United Kingdom	1,457,955,

Common Law (Unregistered) (Cont'd)

MARK

Just Nutty  
Manc Tamer  
Manicure Station  
Maxim  
Mini Chill  
Naturista

MARK

Tuff Time  
Turbo Power  
Vitamin Bar (Juicers)  
Wet Tunes Wet Reflections

TRADE NAMES:

Salton  
Maxim  
Salton/Maxim Housewares, Inc.  
Salton Creations  
Salton Time, Ltd.  
Block China Corporation

SOURCE: Computerized database (Trademarkscan U.S. and State records) and information provided by Jerry Schulman and Seed & Berry.

KEY: Need to record release of security interest from:

- 1) Foothill Capital Corporation to Salton/Maxim Housewares, Inc.<sub>1</sub>
- 2) LaSalle National Bank to Salton/Maxim Housewares, Inc.<sub>2</sub>
- 3) MNC Commercial Corp. to Salton Housewares, Inc.<sub>3</sub>
- 4) Westinghouse Credit Corporation to Salton/Maxim Housewares Group<sub>4</sub>
- 5) Bankers Trust Company to Salton, Inc.<sub>5</sub>

Need to record assignment from:

- 6) J.M. Marketing, Inc. to C2L Corporation d/b/a Trillium Health Products<sub>6</sub>
- 7) Salton, Inc. to Salton Housewares, Inc.<sub>7</sub>
- 8) Salton/Maxim Housewares Group to Salton/Maxim Housewares, Inc.<sub>8</sub>
- 9) Current owner is either J.M. Marketing, Inc. or C2L Corporation<sub>9</sub>
- 10) Gap in recordation is being corrected by Seed & Berry<sub>10</sub>

NOTE: No status or chain of title searches were conducted on foreign trademark applications and registrations

2190175

FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS

TOASTMASTER

Patent and Trademark Filings

TOASTMASTER INC.

ISSUED PATENTS

Report by County

Printed: 12/31/98 Page 1

ISSUED

REFERENCE	FILED	SERIAL#	ISSUED	PATENT#	STATUS
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**NADA**

**TEMPERATURE SENSITIVE TIMING DEVICE FOR TOASTER APPLIANCE**

341.173 10/31/78 315,034 4/8/82 1,121,425 ISSUED

**UNITED STATES**

**AUTOMATIC RESETTING HEAT REDUCTION ASSEMBLY FOR TOASTER APPLIANCE**

341.106 11/21/98 752,574 7/8/97 5,544,974 ISSUED

**IMBINED BREAD MAKER AND BUTTER CHURN**

341.135 1/23/95 06/376,834 11/7/95 5,453,996 ISSUED

**ELECTRICALLY HEATED SNACK TRAY**

341.139 1/29/85 696,174 8/25/87 065291,527 ISSUED

**TOASTER WITH BAKERY PRODUCT SHIELD**

341.136 11/19/86 08/752,053 9/9/97 5,864,481 ISSUED

**TOASTER WITH SAFETY SHUT-OFF**

0341.133 4/8/94 08/225,046 1/31/95 5,385,082 ISSUED

END OF REPORT

TOTAL ITEMS SELECTED = 8

TOASTMASTER INC.

PENDING PATENTS

Report by Country  
US: PENDING

Printed: 12/31/88 Page 1

FILE	REFERENCES	FILED	SERIAL#	ISSUED	PATENTS	STATUS
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UNITED STATES

LEAD STICK RACK FOR PORTABLE BREAD OVENS

0341.106 12/30/86 08/781,902 PENDING

ELECTRIC APPLIANCE HAVING A PROXIMITY SENSOR

0341.107 4/25/87 08/846,702 PENDING

TEMPERATURE SENSITIVE TIMING ASSEMBLY FOR TOASTER APPLIANCE

0341.090 12/19/86 08/769,657 PENDING

END OF REPORT

TOTAL ITEMS SELECTED = 3

## TOASTMASTER INC.

## REGISTERED MARKS

Trademark Report by Country  
US: REGISTERED

Printed: 12/31/88

Page : 1

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>ARGENTINA</b>							
3341.173	TOASTMASTER	2/22/94	1,909,884	7/29/94	1,532,656	REGISTERED	09
3341.177	TOASTMASTER	2/22/94	1,909,883	7/29/94	1,532,655	REGISTERED	07
3341.179	TOASTMASTER	2/22/94	1,909,885	7/29/94	1,532,657	REGISTERED	11
3341.180	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,886	7/29/94	1,532,658	REGISTERED	07
3341.161	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,887	7/29/94	1,532,659	REGISTERED	09
3341.182	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,888	7/29/94	1,532,660	REGISTERED	11
<b>AUSTRALIA</b>							
3341.183	INGRAHAM			2/25/98	A74207	REGISTERED	14
3341.184	TOASTMASTER			5/27/82	A579,152	REGISTERED	11
3341.185	TOASTMASTER			5/21/83	653,927	REGISTERED	07
3341.185	TOASTMASTER	5/21/93	A602,846	5/21/83	A602,846	REGISTERED	11
<b>AUSTRIA</b>							
3341.187	TOASTMASTER	9/6/94	AM 450494	3/9/95	157,051	REGISTERED	07,09,11
<b>ELIZI</b>							
3341.188	TOASTMASTER and Design (old)			11/8/44	307	REGISTERED	11
<b>ERMUDA</b>							
3341.189	TOASTMASTER and Design (old)			12/29/44	2013	REGISTERED	08
<b>OLIVIA</b>							
3341.190	TOASTMASTER and Design (old)			1/23/45	6371C/49172A	REGISTERED	21
3341.191	TOASTMASTER and Design (old)			1/23/75	6371C/33830	REGISTERED	11
<b>RAZIL</b>							
3341.192	TOASTMASTER and Design (old)			9/28/48	3320421	REGISTERED	11
<b>CANADA</b>							
3341.193	ARCS; CROSSED ARCS		210,299	2/7/61	UCA38885	REGISTERED	11
3341.196	TOASTMASTER	3/25/39	175,351	3/25/39	4872825CA	REGISTERED	11
3341.224	TOASTMASTER			1/30/45	2,580	REGISTERED	11
3341.168	TOASTMASTER		142360	11/2/28	209/45078	REGISTERED	11
3341.164	TOASTMASTER	6/30/95	231,361	6/21/97	107,036	REGISTERED	37
3341.197	TRIPLE LOOP Design	3/15/95	777,817	8/30/96	TMA62,606	REGISTERED	11
<b>CHILE</b>							
3341.198	TOASTMASTER and Design (old)			10/5/94	432,419	REGISTERED	11
<b>CHINA</b>							

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<i>VA continued...</i>							
341.199	TOASTMASTER and Design (new)	1/18/95	95007244	11/21/96	902908	REGISTERED	09
341.200	TOASTMASTER and Design (new)	1/18/95	95007245	12/21/96	318717	REGISTERED	07
<b>COLOMBIA</b>							
341.201	TOASTMASTER and Design (old)			6/21/43	18147	REGISTERED	11
<b>COSTA RICA</b>							
341.202	TOASTMASTER and Design (old)			11/13/44	7984	REGISTERED	11
<b>CUBA</b>							
341.203	TOASTMASTER and Design (old)			2/9/45	178/1946	REGISTERED	11
<b>DOMINICAN REPUBLIC</b>							
341.204	TOASTMASTER and Design (old)			2/5/45	5550	REGISTERED	11
<b>GUATEMALA</b>							
341.205	TOASTMASTER and Design (old)			11/18/44	7851-85	REGISTERED	11
<b>HAWAII</b>							
341.207	TOASTMASTER and Design (old)			8/30/30	1,301,139	REGISTERED	09,11
341.208	TOASTMASTER and Design (old)			6/10/52	1,494,759	REGISTERED	09,11,21
<b>GERMANY</b>							
341.209	TOASTMASTER and Design (old)			6/15/31	441,336	REGISTERED	11
<b>GUATEMALA</b>							
341.210	TOASTMASTER and Design (old)			12/8/44	5,470	REGISTERED	11
<b>HONG KONG</b>							
341.211	TOASTMASTER			3/20/72	14121972	REGISTERED	07
<b>HONG KONG</b>							
341.212	TOASTMASTER and Design (old)			4/7/45	1745/2823	REGISTERED	11,21
<b>IRELAND</b>							
341.213	TOASTMASTER			10/2/44	35,965	REGISTERED	11
341.214	TOASTMASTER			6/9/45	38,518	REGISTERED	07
<b>ISRAEL</b>							
341.215	TOASTMASTER	5/27/94	92791	12/3/96	92791	REGISTERED	11
341.216	TOASTMASTER	5/27/94	92792	12/3/96	52792	REGISTERED	07
<b>ITALY</b>							
341.217	TOASTMASTER and Design (old)	10/31/95	010832	10/23/97	732035	REGISTERED	11
<b>JAPAN</b>							
341.218	TOASTMASTER	12/7/72	17322472	3/27/82	1633664	REGISTERED	09
341.219	TOASTMASTER	9/27/74	130,435/74	7/29/85	1788501	REGISTERED	09
<b>MALAYSIA</b>							



REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<i>(A) continued...</i>							
341.220	TOASTMASTER	3/17/72	59160	3/17/72	59160	REGISTERED	07
<b>MEXICO</b>							
341.221	TOASTMASTER and Design (old)			9/13/44	48258	REGISTERED	11
341.222	TRIPLE LOOP Design	11/25/94	218509	11/25/94	534260	REGISTERED	07
341.223	TRIPLE LOOP Design	11/25/94	218502	11/25/94	504218	REGISTERED	11
<b>CARAGUA</b>							
341.225	TOASTMASTER and Design (old)			12/11/44	4,256	REGISTERED	11
<b>NEWY</b>							
341.226	TOASTMASTER and Design (old)			2/14/48	31,616	REGISTERED	11
<b>NAMA</b>							
0341.227	TOASTMASTER and Design (old)			4/10/45	1,009	REGISTERED	11
<b>URAGUAY</b>							
0341.228	TOASTMASTER			8/4/85	115568	REGISTERED	09
0341.229	TOASTMASTER	5/21/75	3,503	3/12/75	115391	REGISTERED	11
0341.230	TOASTMASTER and Design (old)			12/13/44	115346	REGISTERED	07
<b>URU</b>							
0341.231	TOASTMASTER			8/23/88	80728	REGISTERED	11
<b>ORTUGAL</b>							
0341.232	TOASTMASTER	3/2/54	298482	6/12/95	298482	REGISTERED	11
<b>ERTO RICO</b>							
0341.233	TOASTMASTER and Design (old)			1/25/45	5,327	REGISTERED	11
<b>VIET UNION</b>							
0341.234	TOASTMASTER	9/7/94	94032014	2/29/98	138788	REGISTERED	11
<b>PAIN</b>							
0341.235	TOASTMASTER	8/4/85	1980582	2/5/96	1980582	REGISTERED	11
<b>WEDEN</b>							
0341.236	TOASTMASTER and Design (old)			8/24/45	80200	REGISTERED	11,21
<b>WITZERLAND</b>							
0341.237	TOASTMASTER	5/18/94	3392/1894,4	5/18/94	425,325	REGISTERED	07,11
<b>AIWAN</b>							
0341.239	TOASTMASTER	8/8/87	7642230	11/16/88	421272	REGISTERED	11
0341.240	TOASTMASTER	2/21/50	760858	2/1/91	310541	REGISTERED	11
0341.241	TOASTMASTER	2/21/50	790859	1/16/91	511801	REGISTERED	11
<b>TURKEY</b>							
0341.242	TOASTMASTER and Design (old)			11/6/94	92431	REGISTERED	11

REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>UNITED KINGDOM</b>							
080341.245	TOASTMASTER			12/10/69	952262	REGISTERED	11
080341.244	TOASTMASTER and Design (old)			9/28/93	631747	REGISTERED	11
080341.243	TOASTMASTER and Design (old)	9/14/29	502773	5/14/29	502773	REGISTERED	11
<b>UNITED STATES</b>							
080341.174	BAGEL PERFECT	12/29/96	75038,696	9/9/97	2,085,872	REGISTERED	11
080341.172	BREAD BOX	10/20/92	74324,012	6/14/94	1,839,930	REGISTERED	11
080341.094	BREADMAKER'S HEARTH	4/21/97	75277,957	12/1/98	2,207,624	REGISTERED	11
080341.144	BREWSTER	10/3/41	447,512	4/14/82	394,562	REGISTERED	14
080341.170	CHOPSTER	9/28/92	74317,439	11/30/93	1,808,348	REGISTERED	11
080341.157	COMFORT	4/27/81	73307,671	3/2/82	1,191,134	REGISTERED	11
080341.171	COMFORT CONDITIONER	4/8/92	74263,785	4/19/94	1,332,097	REGISTERED	11
080341.160	COMFORT HEATER II	4/27/81	73307,669	9/28/82	1,210,387	REGISTERED	11
080341.129	COOL STEEL and Design	3/16/92	74255,741	12/29/92	1,743,011	REGISTERED	11
080341.165	COOL STEEL and Design	11/30/90	74119,323	6/30/92	1,638,347	REGISTERED	11
080341.099	CORNER BAKERY	12/30/96	75219,583	11/24/98	2,206,121	REGISTERED	11
080341.140	ESKIMO	10/8/25	221,484	6/22/26	214,404	REGISTERED	11
080341.141	ESKIMO	5/7/27	248,658	10/4/87	233,518	REGISTERED	11
080341.143	ESKIMO	1/26/40	427,871	7/3/80	379,308	REGISTERED	11
080341.156	HANDI-PAN	10/2/78	73187,827	9/15/80	1,139,544	REGISTERED	11
080341.145	HEATUBE and Design	2/20/53	642,550	10/9/96	635,483	REGISTERED	11
080341.150	INGRAHAM	9/21/70	72371,270	7/25/72	938,778	REGISTERED	14
080341.173	INGRAHAM SINCE 1831 and Design	7/17/92	74294,947	7/5/94	1,842,876	REGISTERED	14
080341.162	KITCHEN DIMENSIONS	1/26/84	73462,612	2/12/85	1,319,211	REGISTERED	11
080341.163	KITCHEN DIMENSIONS	5/22/86	600,599	1/6/87	1,423,768	REGISTERED	11
080341.159	MASTERMIND	4/27/81	73307,671	9/29/82	1,210,332	REGISTERED	09
080341.164	SNACKSTER	11/7/90	74113,333	10/1/91	1,658,919	REGISTERED	11
080341.093	SOFT-TECH	3/29/96	75081,041	7/21/98	2,175,389	REGISTERED	20
080341.146	TIME MASTER and Design	11/14/58	62,442	11/10/78	687,954	REGISTERED	14
080341.131	TIMEMASTER	9/12/77	73140,813	11/14/78	1,105,990	REGISTERED	09
080341.149	TOASTMASTER	11/29/68	313,054	4/21/90	889,665	REGISTERED	11,09,07
080341.129	TOASTMASTER and Design (old)	3/2/37	389,563	9/6/78	359,929	REGISTERED	11
080341.148	TOASTMASTER and Design (old)	4/24/59	72,220	4/18/61	714,252	REGISTERED	37

REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<i>UNITED STATES continued...</i>							
0341.161	TOASTMASTER HEATLOG and Design	8/29/63	73/441,264	9/28/64	1,292,084	REGISTERED	11
0341.161	TRIPLE LOOP Design	1/28/72	73/414,008	11/20/73	973,277	REGISTERED	09
0341.158	TURBO-HEATER	4/19/78	73/212,161	6/1/82	1,197,059	REGISTERED	11
0341.102	WAFFLE EXPRESS	11/25/96	75/203,188	12/8/97	2,119,677	REGISTERED	11
<b>VENUEZUELA</b>							
0341.246	TOASTMASTER and Design (old)			5/25/45	15749	REGISTERED	11
0341.247	TOASTMASTER and Design (old)			8/7/90	15,990-F	REGISTERED	11

END OF REPORT

TOTAL ITEMS SELECTED = 102

TOASTMASTER INC.

PENDING MARKS

Printed: 12/31/88

Page 1

emark Report by Country

is: MAILED

REFERENCES	MARK	FILED	APPL#	REGOT	REG#	STATUS	CLASSES
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UNITED STATES

841,285	BAGEL BASICS					MAILED	11
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END OF REPORT

TOTAL ITEMS SELECTED = 1

TOASTMASTER INC.

PENDING MARKS

Trademark Report by Country

Printed: 12/31/88

Page 1

PROPOSED

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
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UNITED STATES

341.255	FLAVOR GRILL					PROPOSED	11
341.256	GRILLER'S CHOICE					PROPOSED	11
341.123	THE GOOD EGG					PROPOSED	11

END OF REPORT

TOTAL ITEMS SELECTED = 3

TOASTMASTER INC.

PENDING MARKS

Trademark Report by Country

Printed: 12/31/96

Page 1

JK PENDING

REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>CANADA</b>							
0341.275	INGRAHAM	9/21/92	890899			PENDING	14
<b>FINA</b>							
0341.248	TOASTMASTER and Design (new)	1/18/95	95037243			PENDING	11
<b>Egypt</b>							
0341.249	TOASTMASTER	9/12/94	92225			PENDING	11
<b>UNITED ARAB EMR</b>							
0341.250	TOASTMASTER	4/23/96	15392			PENDING	11
<b>UNITED STATES</b>							
0341.285	SAGEL BASICS					MAILED	11
0341.291	GLOBAL DESIGN	2/20/96	75/437,874			PENDING	12
0341.279	INGRAHAM	9/25/88	75/558,944			PENDING	14
0341.092	OPERA	6/30/87	75/317,591			PENDING	11,07
0341.253	TOASTMASTER ULTRA	3/5/98	75/444,841			PENDING	11
0341.108	TOUCH SENSOR	8/27/87	75/348,025			PENDING	09
0341.121	WAFFLE MASTER	3/3/96	75/443,905			PENDING	11
END OF REPORT						TOTAL ITEMS SELECTED =	11

TOASTMASTER INC.

PENDING MARKS

Trademark Report by Country

Printed: 12/31/98

Page 1

STATUS: ALLOWED

REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
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UNITED STATES

0341.101	BELGIAN EXPRESS	11/19/96	75/200,222			ALLOWED	11
0341.097	CHROMATICS	1/10/97	75/223,519			ALLOWED	07,09,11
0341.095	COMFORT ZONE	3/29/96	75/081,042			ALLOWED	20
0341.098	PASTRY PERFECT	1/10/97	75/223,520			ALLOWED	11

END OF REPORT

TOTAL ITEMS SELECTED = 4

License and Private Label Agreements

Faultless Starch/BonAmi Company and Toastmaster Incorporated - License by Faultless of FAULTLESS and FAULTLESS STAR (Reg. No. 1,689,768) trademarks dated January 9, 1997.

Gear Holdings, Inc. and Toastmaster Inc. - License of Gear marks including registered GEAR and NEW COUNTRY GEAR marks and designs dated August 8, 1996.

Bosch-Siemens Hausgerate GmbH and Toastmaster Inc. - Supply and private label agreement dated December 11, 1997.

Ingraham Time Products and Golden State Imports International, Inc. - License by Ingraham of registered trademarks INGRAHAM and INGRAHAM design dated April 15, 1998.

Timex Corporation and Toastmaster Inc. - License to Toastmaster of registered marks TIMES, INDIGLO and FIREPLY logo dated February 1, 1996.

Toastmaster Inc. and Apollo Worldwide, Inc. - License to Apollo of registered TOASTMASTER mark dated April 1, 1998 (see also proposed Letter Agreement between Toastmaster Inc. and Capital Business Credit (creditor of Apollo)).

Toastmaster Inc. and GEC Electronics Ag. - Sourcing private label agreement dated January 12, 1998.

Toastmaster and G.M. Hammond - Patent License to Toastmaster re Convenience Barbeque Center dated June 18, 1992.

Bemis Manufacturing Company and Toastmaster Inc. - Settlement Agreement with patent license to Toastmaster dated June 1, 1997.

Toastmaster Inc. and International Food Service Equipment Systems(IFSE)- License Agreement dated September 24, 1980 pursuant to agreement between Toastmaster and McGraw Edison dated July 16, 1980. License granted to IFSE to use the registered foreign TOASTMASTER marks for food equipment manufactured for commercial use and for sale to



commercial users. License granted to Toastmaster under U.S. Reg. 699,340 to use TOASTMASTER in United States for non-commercial equipment. Agreement later assigned by IFSE with consent to BIH Foodservice, Inc. acquired by Hussmann Corporation pursuant to Notice and Consent to Transfer License Agreement dated October 29, 1985.

Toastmaster Inc., Toastmaster Holding Company and McGraw-Edison dated August 8, 1980 - Cross-license agreement granting non-exclusive license under any patents directed to the preparation and cooking of foodstuffs and devices therefore. Toastmaster is granted license to use in conjunction with products for consumer use and McGraw-Edison is granted license to use in conjunction with products for commercial use.

Toastmaster Inc., Toastmaster Holding Company and McGraw-Edison dated July 16, 1980 - Asset Purchase Agreement with assignment and licensing obligations re trademarks and patents.

Arno S.A. and Toastmaster-Private Label Agreement

Ray Dragovich - License Agreement

McGraw-Edison Company (now Cooper Industries)-License to Toastmaster to use the name "Edison", royalty free, on fans, heaters and humidifiers for a period of 50 years, with a 50 year renewal option beginning August 8, 1980.

### Computer Software Licenses

Auto Cad (engineering)

Pro E (engineering)

MAC-PAC (operations/financial)

Software Plus (HR/PR)

Robot (Scheduling AS400)

Premenos (EDI Translation)

Novell (Netware Version)

Netware for SAA (Network)

Demand Solutions (Forecasting)

FAS Encore (Fixed Assets)

Various PC Based Applications

**FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS**

Actions with respect to Pledged Stock

By delivery of possession.

**LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE**

<u>Grantor</u>	<u>Location</u>
Toastmaster, Inc.	1801 North Stadium Boulevard Columbia, Missouri 65202
Toastmaster V.I., Inc.	c/o KPMG Peat Marwick-V.I. 69A Kronprindsens Gade St. Thomas, U.C.V.I. 00803
Toastmaster de Mexico, S.A. de C.V.	c/o Von Wobeser Y Sierra, S.C. Guillermo Gonzalez Camarena No. 1100, Piso 7 Col. Santa Fe Centro de Ciudad Delegacion Alvaro Obregon 01210 Mexico, D.F.
Home Creations Direct, Ltd.	c/o Salton/Maxim Housewares, Inc. 550 Business Center Drive Mount Prospect, Illinois 60056
Salton Hong Kong Ltd.	Flat 4, 7/F Po Lung Centre 11 Wang Chiu Road Kowloon Bay, Kowloon Hong Kong
Salton/Maxim Housewares, Inc.	550 Business Center Drive Mount Prospect, Illinois 60056

LOCATION OF INVENTORY AND EQUIPMENT

BORROWER

Grantor

Location

(See Attached)

**LOCATION OF INVENTORY AND EQUIPMENT**

Illinois

Chief Executive Office  
550 Business Center Drive  
Mt. Prospect, IL 60056

Atlantis Crystal Store  
900 N. Michigan Ave.  
Suite 305  
Chicago, IL 60611

Gurney Mills Retail Outlets  
Gurney Mills Mall  
6170 Grand Ave.  
Gurney, IL 60037

California

(Inventory Stored)  
Rancho Dominguez  
2333 East Pacifica Place  
Rancho Dominguez, CA 90220

NISCO (Rents space from Salton  
at Rancho Dominguez)

California Highlights (Packages items  
for Salton)  
12500 East Slauson Ave.  
Unit C-3  
Santa Fe Springs, CA 90670

New Jersey

De Corp  
60 Cedar Lane  
Englewood, NJ 07631

(Inventory Stored)  
257 Essex Ave.  
Harrison, NJ 07033

251 S. 31st Street  
Kenilworth, NJ 07033

Missouri

Stark Brothers  
Highway 54 West  
Louisiana, MO 63353  
(Pike County)

New York

Block China  
11 East 26th Street  
New York, NY 10010

Block China Retail Outlet  
57 B. Brighton  
Long Branch, NY 07740

LOCATION OF INVENTORY AND EQUIPMENT

TOASTMASTER

Grantor

Location

(See Attached)

## LOCATION OF INVENTORY AND EQUIPMENT

TOASTMASTER

Schedule of Real Property owned or leased by the Company or any of its subsidiaries

**Owned:**

Office  
1801 N. Stadium Blvd.  
Columbia, MO 65202

Warehouse  
5301 Paris Road  
Columbia, MO 65202

Warehouse  
5909 Paris Road  
Columbia, MO 65202

Storage  
2<sup>nd</sup> & Vine St.  
Boonville, MO 65233

National Service Center  
1409 E. Morgan St.  
Boonville, MO 65233

Warehouse  
923 S. Morley  
Moberly, MO 65270

Manufacturing  
708 S. Missouri St.  
Macon, MO 63522

Warehouse  
1301 Osteopathy  
Kirksville, MO 63501

Time Products Division  
17160 Plant Road  
Laurinburg, NC 28352

**Leased/Rented:**

Warehouse  
5601 Paris Road  
Columbia, MO 65202

Warehouse  
14087 Old Highway 40  
Boonville, MO 65233

Warehouse  
100 W. Sparks  
Moberly, MO 65270

Warehouse  
John Blue Properties-West Blvd.  
Laurinburg, NC

Office & Warehouse  
Toastmaster de Mexico  
Cerrada de Recursos Hidraulicos No. 6  
Col. La Loma Industrial  
Tlanepantla de Baz  
Edo de Mexico C.P. 54060

Parking Lot  
Macon, MO

COPYRIGHTS AND COPYRIGHT LICENSES

PATENTS AND PATENT LICENSES

TRADEMARKS AND TRADEMARK LICENSES

BORROWER



# COPYRIGHTS AND COPYRIGHT LICENSES

## SALTON/MAXIM HOUSEWARES, INC.

<u>TITLE</u>	<u>REGISTRATION NO.</u>
Wet Tunes	VA 153-911 <sub>1,2,3</sub>
Wet Tunes - 2:Model WT2	VA 195-444 <sub>1,2,4</sub>
CEO Collection	166,835 <sub>1</sub>
Pink Elephants on Parade	187-690 <sub>1</sub>
Juiceman Show, Direct Response	PA 528 859 <sub>3</sub>
The Juiceman	SR 108 649 <sub>3</sub>
Juicing For Life - A Guide To The Health Benefits of Fresh Fruits and Vegetable Juicing	TX 3293 662 <sub>6</sub>

**SOURCE:** Computerized database search (Copyright file from Dialog) and information provided by Jerry Schulman and Seed & Berry.

**KEY:** Need to record release of security interest from:

- 1) Foothill Capital Corporation to Salton/Maxim Housewares, Inc.<sub>1</sub>
- 2) LaSalle National Bank to Salton/Maxim Housewares, Inc.<sub>2</sub>

Need to record assignment from:

- 3) Cosmepak, Inc. to Salton/Maxim Housewares, Inc.<sub>3</sub>
- 4) Salton, Inc. to Salton/Maxim Housewares, Inc.<sub>4</sub>
- 5) J. M. Marketing, Inc. to Salton/Maxim Housewares, Inc.<sub>3</sub>
- 6) Cherie Calbom and Keane Maureen to Salton/Maxim Housewares, Inc.<sub>4</sub>

**NOTE:** The chain of title is what appears from the Copyright database search. Before taking steps to clean up the chain of title a more detailed search should be conducted at the Copyright Office.

2190175

TRADEMARK  
REEL: 1882 FRAME: 0759

PATENTS AND PATENT LICENSES

SALTON/MAXIM HOUSEWARES, INC.

<u>PATENT NO.</u>	<u>ISSUE DATE</u>	<u>TITLE</u>
5,495,795	Mar. 5, 1996	Juice Extractors*
5,417,152	May 23, 1995	Speed Controls*
5,355,784	Oct. 18, 1994	Juice Extractors*
5,257,575	Nov. 2, 1993	Juice Extractors With Splash Prevention*
4,660,793	Apr. 28, 1987	Appliance Mounting Apparatus**1-4
4,395,670	Dec. 15, 1981	Liquid Mixing Device <sup>3,4,6</sup>
4,305,670	Dec. 15, 1981	Liquid Mixing Device**3-4
4,287,817	Sep. 8, 1981	Apparatus For Use In Preparing Infusions**2-5
4,206,694	Jun. 10, 1980	Infuser Primarily Intended for Use in Making Coffee**1-5
4,033,516	Jul. 5, 1977	Grinding Apparatus and Method***
D393,974	May 5, 1998	Shower Dispenser Radio
D387,246	Dec. 9, 1997	Top Portion of Bread Making Machine
D343,097	Jan. 11, 1994	Juicer*
D341,522	Nov. 23, 1993	Juicer*
D333,947	Mar. 16, 1993	Juicer*
D333,595	Mar. 2, 1993	Juicer*
D312,943	Dec. 18, 1990	Toaster**1,2,4
D305,764	Jan. 30, 1990	Combined Radio and Cassette Player**1,2,4

**PENDING APPLICATIONS**

<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>	<b><u>FILING DATE</u></b>	<b><u>TITLE</u></b>
US	08/711,130	Sep. 9, 1996	Automatic Bread Making Machine
PCT	PCT/US97/12941	Jul. 23, 1997	Automatic Bread Making Machine
US	29/074,986	Aug. 15, 1997	Seashell Radio
Canada	1997-3289	Dec. 23, 1997	Shower Dispenser Radio
Canada	1998-0337	Feb. 13, 1998	Seashell Radio
Mexico	9800121	Feb. 13, 1998	Seashell Radio
Italy	MI970000139	Mar. 07, 1997	Top Portion of BreadMaking Machine

**SOURCE:** Lexis Patent Database; Seed & Berry; Jerry A. Schulman

\*Transaction recorded as Sale and License to Salton/Maxim

\*\*Need release of security interest from: 1. Foothill Capital Corporation

2. La Salle National Bank
3. MNC Commercial Corp.
4. Westinghouse Credit Corporation
5. Banker's Trust Company

\*\*\*Last listed owner - Salton, Inc. Security Interests - Bankers Trust Company; MNC Commercial Corp.

6. Last listed owner - Salton/Maxim Housewares Group

**APPLICATIONS (U.S.) (Con't):**

<b><u>MARK</u></b>	<b><u>APPLICATION NO.</u></b>
CONCORDE	75/284,305
FIT 10	75/197,375
PAUSE & SHAPE	75/104,010
BATTER BREAD	75/104,009
JUICE LADY	74/700,607
SALTON	74/138,667 <sub>2,3</sub>
BREADMAN ARTISAN	75/520,056
WET CASSETTE	TBA
LEAN MEAN FAT REDUCING GRILLING MACHINE	75/516,746
LEAN MEAN FAT REDUCING GRILLING MACHINE LOGO	75/517,174

**REGISTRATIONS (U.S.):**

<b><u>MARK</u></b>	<b><u>REGISTRATION NO.</u></b>
SIMPLY BREAD	2,162,352
BREWERS' CHOICE	1,908,315
CELL-U-MEMO	2,040,282
CAFFE BAR Stylized	2,113,418
DONUT BITES	1,977,104
DREAM MACHINE	2,148,129
JUICELADY	2,033,023
NUTRITIONIST	2,067,767
PRO STEAM	1,935,851
MAXIM	1,838,557 <sub>1</sub>
SNACK CLUB	1,819,839 <sub>1</sub>
VITAMIN BAR	1,778,831 <sub>1</sub>
SINGLES Stylized	1,825,063
ACCU-BAKERY	1,818,865 <sub>1</sub>

**REGISTRATIONS (U.S.) (Con't):**

<b><u>MARK</u></b>	<b><u>REGISTRATION NO.</u></b>
BLOCK (AND DESIGN)	1,835,485 <sub>1</sub>
BLOCK CHINA	1,743,764 <sub>1</sub>
WHIMSY CHRISTMAS	1,783,468 <sub>1</sub>
TRANSITION	1,715,857 <sub>1</sub>
KALEIDOSCOPE	1,770,801 <sub>1</sub>
BLOCK (AND DESIGN)	752,528 <sub>1</sub>
BLOCK (AND DESIGN)	752,522

**APPLICATIONS (Foreign):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>
SALTON	Argentina	2091851
SALTON	Argentina	2091850
SALTON	Argentina	2091849
SALTON	Argentina	2091848
SALTON	Brazil	819,992,860
SALTON	Brazil	819,992,895
BREADMAN	China	970078702
JUCEMAN	China	970078703
SALTON	China	970078699
SALTON	China	970078700
SALTON	China	970078701
MAXIM	European Community	89,136
BREADMAN	India	..
JUCEMAN	India	..
SALTON	India	..
SALTON	India	..
SALTON	India	..

2190175

**APPLICATIONS (Foreign) (Con't):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>APPLICATION NO.</u></b>
SALTON	Taiwan	86037138
BREADMAN	Thailand	347216
JUCEMAN	Thailand	347339
SALTON	Thailand	342232
SALTON	Thailand	342231
SALTON	Thailand	349650
SALTON	Thailand	349651
SALTON	Thailand	342233

**REGISTRATIONS (Foreign):**

<b><u>MARK</u></b>	<b><u>COUNTRY</u></b>	<b><u>REGISTRATION NO.</u></b>
JUCEMAN	Australia	551,888,
JUCEMAN	Canada	401,843,
MR. JUCEMAN	Canada	338,911,
MAXIM	France	3,489,773
MAXIM	Germany	2,073,847
BREADMAN	Japan	3,213,825,
JUCEMAN	Japan	2,611,571,
JUCEMAN	Korea (South)	260,767,
SALTON	Mexico	572391
SALTON	Mexico	572390
JUCEMAN	Switzerland	377,178,
JUCEMAN	United Kingdom	1,457,955,

Common Law (Unregistered) (Cont'd)

MARK

Just Nutty

Mane Tamer

Manicure Station

Maxim

Mini Chill

Naturista

MARK

Tuff Time

Turbo Power

Vitamin Bar (Juicers)

Wet Tunes Wet Reflections

TRADE NAMES:

Salton

Maxim

Salton/Maxim Housewares, Inc.

Salton Creations

Salton Time, Ltd.

Block China Corporation

SOURCE: Computerized database (Trademarkscan U.S. and State records) and information provided by Jerry Schulman and Seed & Berry.

KEY: Need to record release of security interest from:

- 1) Foothill Capital Corporation to Salton/Maxim Housewares, Inc.<sub>1</sub>
- 2) LaSalle National Bank to Salton/Maxim Housewares, Inc.<sub>2</sub>
- 3) MNC Commercial Corp. to Salton Housewares, Inc.<sub>3</sub>
- 4) Westinghouse Credit Corporation to Salton/Maxim Housewares Group<sub>4</sub>
- 5) Bankers Trust Company to Salton, Inc.<sub>5</sub>

Need to record assignment from:

- 6) J.M. Marketing, Inc. to C2L Corporation d/b/a Trillium Health Products<sub>6</sub>
- 7) Salton, Inc. to Salton Housewares, Inc.<sub>7</sub>
- 8) Salton/Maxim Housewares Group to Salton/Maxim Housewares, Inc.<sub>8</sub>
- 9) Current owner is either J.M. Marketing, Inc. or C2L Corporation<sub>9</sub>
- 10) Gap in recordation is being corrected by Seed & Berry<sub>10</sub>

NOTE: No status or chain of title searches were conducted on foreign trademark applications and registrations

2190175

TRADEMARK  
REEL: 1882 FRAME: 0765

COPYRIGHTS AND COPYRIGHT LICENSES

PATENTS AND PATENT LICENSES

TRADEMARKS AND TRADEMARK LICENSES

TOASTMASTER

2205587

TRADEMARK  
REEL: 1882 FRAME: 0766



TOASTMASTER INC.

ISSUED PATENTS

Report by Country

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ISSUED

REFERENCES	FILED	SERIAL#	ISSUED	PATENT#	STATUS
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NADA

TEMPERATURE SENSITIVE TIMING DEVICE FOR TOASTER APPLIANCE

341.175 10/31/78 315,034 4/8/82 1,121,425 ISSUED

UNITED STATES

AUTOMATIC RESETTING HEAT REDUCTION ASSEMBLY FOR TOASTER APPLIANCE

341.106 11/21/88 752,574 7/8/97 5,644,974 ISSUED

MIXED BREAD MAKER AND BUTTER CHURN

341.135 1/23/85 08/378,834 11/7/85 5,453,986 ISSUED

ELECTRICALLY HEATED SNACK TRAY

341.139 1/29/85 686,174 8/25/87 065291,527 ISSUED

TOASTER WITH BAKERY PRODUCT SHIELD

341.138 11/19/86 08/782,033 9/9/97 5,884,481 ISSUED

TOASTER WITH SAFETY SHUT-OFF

341.133 4/8/84 08/225,046 1/31/85 6,385,082 ISSUED

END OF REPORT

TOTAL ITEMS SELECTED = 6

TOASTMASTER INC.

Report by Country

PENDING PATENTS

Printed: 12/31/86 Page 1

US: PENDING

FILE	FILED	SERIAL#	ISSUED	PATENTS	STATUS
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**UNITED STATES**

**LEAD STICK RACK FOR PORTABLE BREAD OVENS**

0341.106	12/30/86	08/781,902			PENDING
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**ELECTRIC APPLIANCE HAVING A PROXIMITY SENSOR**

0341.107	4/25/87	08/846,702			PENDING
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**TEMPERATURE SENSITIVE TIMING ASSEMBLY FOR TOASTER APPLIANCE**

0341.090	12/19/86	08/769,657			PENDING
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END OF REPORT

TOTAL ITEMS SELECTED = 3

TOASTMASTER INC.

REGISTERED MARKS

Printed 12/31/98

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Trademark Report by Country  
US: REGISTERED

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>ARGENTINA</b>							
0341.178	TOASTMASTER	2/22/94	1,909,884	7/29/94	1,532,656	REGISTERED	09
0341.177	TOASTMASTER	2/22/94	1,909,883	7/29/94	1,532,655	REGISTERED	07
0341.179	TOASTMASTER	2/22/94	1,909,885	7/29/94	1,532,657	REGISTERED	11
0341.180	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,886	7/29/94	1,532,658	REGISTERED	07
0341.161	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,887	7/29/94	1,532,659	REGISTERED	09
0341.182	TOASTMASTER and Design (new) with TRIPLE LOOP Design	2/22/94	1,909,888	7/29/94	1,532,660	REGISTERED	11
<b>AUSTRALIA</b>							
0341.183	INGRAHAM			2/25/89	A74207	REGISTERED	14
0341.184	TOASTMASTER			5/27/82	A579,132	REGISTERED	11
0341.188	TOASTMASTER			5/21/83	653,827	REGISTERED	07
0341.185	TOASTMASTER	5/21/83	A602,846	5/21/83	A002,846	REGISTERED	11
<b>AUSTRIA</b>							
0341.187	TOASTMASTER	9/8/94	AM 450494	3/9/95	157,051	REGISTERED	07,09,11
<b>BLIZE</b>							
0341.188	TOASTMASTER and Design (old)			11/8/44	307	REGISTERED	11
<b>BERMUDA</b>							
0341.189	TOASTMASTER and Design (old)			12/29/44	2013	REGISTERED	08
<b>BOLIVIA</b>							
0341.190	TOASTMASTER and Design (old)			1/23/45	6371C/49172A	REGISTERED	21
0341.191	TOASTMASTER and Design (old)			1/23/75	6371C/33830	REGISTERED	11
<b>BRAZIL</b>							
0341.182	TOASTMASTER and Design (old)			9/28/46	3320421	REGISTERED	11
<b>CANADA</b>							
0341.193	ARCS; CROSSED ARCS		210,298	2/7/61	UCA38885	REGISTERED	11
0341.195	TOASTMASTER	3/25/39	175,351	3/25/39	48712825CA	REGISTERED	11
0341.224	TOASTMASTER			1/30/45	2,590	REGISTERED	11
0341.165	TOASTMASTER		142360	11/2/28	206/45078	REGISTERED	11
0341.154	TOASTMASTER	6/30/55	231,341	6/21/57	107,098	REGISTERED	37
0341.197	TRIPLE LOOP Design	3/15/95	777,817	6/30/95	TMA482,508	REGISTERED	11
<b>CHILE</b>							
0341.198	TOASTMASTER and Design (old)			10/5/94	432,419	REGISTERED	11
<b>CHINA</b>							

REFERENCES	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>USA continued...</b>							
341.199	TOASTMASTER and Design (new)	1/18/95	95007244	11/21/95	902908	REGISTERED	09
341.200	TOASTMASTER and Design (new)	1/18/95	95007245	12/21/95	216717	REGISTERED	07
<b>LOMBIA</b>							
341.201	TOASTMASTER and Design (old)			5/21/45	18147	REGISTERED	11
<b>ST. RICA</b>							
341.202	TOASTMASTER and Design (old)			11/13/44	7384	REGISTERED	11
<b>MARK</b>							
341.203	TOASTMASTER and Design (old)			2/3/45	178/1945	REGISTERED	11
<b>MINICAN REPUBLIC</b>							
341.204	TOASTMASTER and Design (old)			2/5/45	5550	REGISTERED	11
<b>ADOR</b>							
341.205	TOASTMASTER and Design (old)			11/15/44	1851-85	REGISTERED	11
<b>ANCE</b>							
341.207	TOASTMASTER and Design (old)			6/30/30	1,301,139	REGISTERED	09,11
341.208	TOASTMASTER and Design (old)			6/10/52	1,494,759	REGISTERED	09,11,21
<b>ERMANY</b>							
341.209	TOASTMASTER and Design (old)			6/15/31	441,336	REGISTERED	11
<b>ATEMALA</b>							
341.210	TOASTMASTER and Design (old)			12/9/44	5,470	REGISTERED	11
<b>ONG KONG</b>							
341.211	TOASTMASTER			3/20/72	1412/1972	REGISTERED	07
<b>AN</b>							
341.212	TOASTMASTER and Design (old)			4/7/45	1745/2823	REGISTERED	11,21
<b>ELAND</b>							
341.213	TOASTMASTER			10/2/44	35,985	REGISTERED	11
341.214	TOASTMASTER			6/9/45	33,818	REGISTERED	07
<b>RAEL</b>							
341.215	TOASTMASTER	5/27/94	92791	12/3/95	92791	REGISTERED	11
341.216	TOASTMASTER	5/27/94	92792	12/3/95	92792	REGISTERED	07
<b>ALY</b>							
341.217	TOASTMASTER and Design (old)	10/31/95	010832	10/23/97	732035	REGISTERED	11
<b>APAN</b>							
341.218	TOASTMASTER	12/7/72	17322472	8/27/82	1533554	REGISTERED	09
341.219	TOASTMASTER	9/27/74	130,435/74	7/29/85	1788501	REGISTERED	09
<b>ALAYA</b>							

REFERENCES	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<i>(API continued...)</i>							
341.220	TOASTMASTER	9/17/72	59160	9/17/72	59160	REGISTERED	07
<b>MEXICO</b>							
341.221	TOASTMASTER and Design (old)			9/13/44	48288	REGISTERED	11
341.222	TRIPLE LOOP Design	11/25/94	218309	11/25/94	534260	REGISTERED	07
341.223	TRIPLE LOOP Design	11/25/94	218502	11/25/94	504218	REGISTERED	11
<b>CARAGUA</b>							
341.225	TOASTMASTER and Design (old)			12/11/44	4,286	REGISTERED	11
<b>NEWY</b>							
341.228	TOASTMASTER and Design (old)			2/14/48	31,616	REGISTERED	11
<b>NAMA</b>							
0341.227	TOASTMASTER and Design (old)			4/10/45	1,009	REGISTERED	11
<b>PARAGUAY</b>							
0341.228	TOASTMASTER			8/4/85	115568	REGISTERED	09
0341.229	TOASTMASTER	5/21/75	3,808	9/12/75	115591	REGISTERED	11
0341.230	TOASTMASTER and Design (old)			12/18/44	119348	REGISTERED	07
<b>PERU</b>							
0341.231	TOASTMASTER			8/28/88	80728	REGISTERED	11
<b>PORTUGAL</b>							
0341.232	TOASTMASTER	3/2/54	288482	6/12/55	288482	REGISTERED	11
<b>Puerto Rico</b>							
0341.233	TOASTMASTER and Design (old)			1/25/45	5,327	REGISTERED	11
<b>RUSSIAN UNION</b>							
0341.234	TOASTMASTER	9/7/84	94032014	2/28/88	138788	REGISTERED	11
<b>SPAIN</b>							
0341.235	TOASTMASTER	8/4/85	1880582	2/5/86	1880582	REGISTERED	11
<b>SWEDEN</b>							
0341.236	TOASTMASTER and Design (old)			8/24/45	60200	REGISTERED	11.21
<b>SWITZERLAND</b>							
0341.237	TOASTMASTER	9/16/84	3332/18944	9/18/84	425,325	REGISTERED	07.11
<b>TAIWAN</b>							
0341.239	TOASTMASTER	8/8/87	7842230	11/16/88	421272	REGISTERED	11
0341.240	TOASTMASTER	2/21/80	7608888	2/1/91	510541	REGISTERED	11
0341.241	TOASTMASTER	2/21/80	7908889	1/18/91	511601	REGISTERED	11
<b>TURKEY</b>							
0341.242	TOASTMASTER and Design (old)			11/8/94	92431	REGISTERED	11

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>UNITED KINGDOM</b>							
341.245	TOASTMASTER			12/10/69	952362	REGISTERED	11
341.244	TOASTMASTER and Design (old)			9/28/93	631747	REGISTERED	11
341.243	TOASTMASTER and Design (old)	5/14/29	502773	5/14/29	502773	REGISTERED	11
<b>UNITED STATES</b>							
341.174	BAGEL PERFECT	12/29/55	75039,695	9/9/57	2,065,872	REGISTERED	11
341.172	BREAD BOX	10/20/92	74324,012	5/14/94	1,539,800	REGISTERED	11
341.094	BREADMAKER'S HEARTH	4/21/57	75277,997	12/1/59	2,207,624	REGISTERED	11
341.144	BREWSTER	10/3/41	447,512	4/14/82	394,562	REGISTERED	14
341.170	CHOP STER	9/28/82	74317,438	11/30/93	1,806,348	REGISTERED	11
341.157	COMFORT	4/27/81	73307,671	3/2/82	1,191,134	REGISTERED	11
341.171	COMFORT CONDITIONER	4/8/82	74263,785	4/18/94	1,632,097	REGISTERED	11
341.160	COMFORT HEATER II	4/27/81	73307,669	9/28/82	1,210,387	REGISTERED	11
341.125	COOL STEEL and Design	3/16/92	74255,741	1/22/92	1,743,041	REGISTERED	11
341.165	COOL STEEL and Design	11/30/90	74119,323	6/30/92	1,689,347	REGISTERED	11
341.099	CORNER BAKERY	12/30/96	75219,553	11/24/98	2,206,121	REGISTERED	11
341.140	ESKIMO	10/8/25	221,464	6/22/26	214,404	REGISTERED	11
341.141	ESKIMO	5/7/27	246,658	10/4/57	233,519	REGISTERED	11
341.143	ESKIMO	1/26/40	427,871	7/9/80	578,306	REGISTERED	11
341.156	HAND-PAN	10/2/76	73187,527	9/16/80	1,139,544	REGISTERED	11
341.145	HEATUBE and Design	2/20/55	642,550	10/9/56	635,483	REGISTERED	11
341.150	INGRAHAM	9/21/70	72371,270	7/25/72	598,778	REGISTERED	14
341.173	INGRAHAM SINCE 1831 and Design	7/17/82	74294,947	7/5/84	1,642,878	REGISTERED	14
341.162	KITCHEN DIMENSIONS	1/28/64	73482,612	2/12/65	1,315,211	REGISTERED	11
341.163	KITCHEN DIMENSIONS	6/22/66	600,999	1/6/67	1,423,766	REGISTERED	11
341.159	MASTERMIND	4/27/81	73307,671	9/28/82	1,210,332	REGISTERED	09
341.164	SNACKSTER	11/7/80	74113,333	10/1/91	1,858,919	REGISTERED	11
341.093	SOFT-TECH	3/29/83	76081,041	7/21/96	2,175,339	REGISTERED	20
341.146	TIME MASTER and Design	11/14/88	62,442	11/10/79	687,954	REGISTERED	14
341.131	TIMEMASTER	9/12/77	73140,813	11/14/78	1,105,990	REGISTERED	09
341.147	TOASTMASTER	6/22/59	76,234	6/14/80	698,340	REGISTERED	11
341.148	TOASTMASTER	11/29/68	313,054	4/21/80	889,605	REGISTERED	11,09,07
341.129	TOASTMASTER and Design (old)	3/2/57	388,563	3/6/78	359,929	REGISTERED	11
341.143	TOASTMASTER and Design (old)	4/24/59	72,220	4/16/81	714,252	REGISTERED	37

REFERENCES	MARK	FILED	APPL#	REGOT	REG#	STATUS	CLASSES
<i>UNITED STATES continued...</i>							
3341.101	TOASTMASTER HEATLOG and Design	8/29/63	73/441,264	5/28/84	1,282,094	REGISTERED	11
3341.151	TRIPLE LOOP Design	1/28/72	73/414,008	11/20/73	873,277	REGISTERED	09
3341.158	TURBO-HEATER	4/18/78	73/212,161	6/1/82	1,187,059	REGISTERED	11
3341.102	WAFFLE EXPRESS	11/25/96	75/203,188	12/8/97	2,119,677	REGISTERED	11
<i>EUROPE</i>							
3341.246	TOASTMASTER and Design (old)			5/25/45	15749	REGISTERED	11
3341.247	TOASTMASTER and Design (old)			8/7/90	15.990-F	REGISTERED	11

END OF REPORT

TOTAL ITEMS SELECTED = 102

TOASTMASTER INC.

PENDING MARKS

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Trademark Report by Country

as: MAILED

REFERENCES	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
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UNITED STATES

941,285	BAGEL BASICS					MAILED	11
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END OF REPORT

TOTAL ITEMS SELECTED = 1



TOASTMASTER INC.

PENDING MARKS

Trademark Report by Country  
 of PROPOSED

Printed: 12/31/88 Page 1

REFERENCE	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
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UNITED STATES

341.255	FLAVOR GRILL					PROPOSED	11
341.254	GRILLER'S CHOICE					PROPOSED	11
341.123	THE GOOD EGG					PROPOSED	11

END OF REPORT

TOTAL ITEMS SELECTED = 3

TOASTMASTER INC.

PENDING MARKS

Remark Report by Country

Printed: 12/31/88

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UK PENDING

REFERENCE	MARK	FILED	APPL#	REGUT	REG#	STATUS	CLASSES
<b>USA</b>							
0341.275	INGRAHAM	9/21/88	890899			PENDING	14
<b>INA</b>							
0341.248	TOASTMASTER and Design (new)	1/18/86	95C07243			PENDING	11
<b>EXPT</b>							
0341.249	TOASTMASTER	9/12/84	92225			PENDING	11
<b>UNITED ARAB EMR</b>							
0341.280	TOASTMASTER	4/23/86	15362			PENDING	11
<b>UNITED STATES</b>							
0341.285	BAGEL BASICS					MAILED	11
0341.291	GLOBAL DESIGN	2/20/86	75437,674			PENDING	12
0341.278	INGRAHAM	9/25/88	75558,944			PENDING	14
0341.082	OPERA	6/30/87	75317,881			PENDING	11,07
0341.253	TOASTMASTER ULTRA	3/5/88	75444,841			PENDING	11
0341.108	TOUCH SENSOR	8/27/87	75348,025			PENDING	09
0341.121	WAFFLE MASTER	3/3/88	75443,905			PENDING	11
END OF REPORT						TOTAL ITEMS SELECTED =	11

TOASTMASTER INC.

PENDING MARKS

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Trademark Report by Country

MARK ALLOWED

REFERENCE#	MARK	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
<b>UNITED STATES</b>							
0341.101	BELGIAN EXPRESS	11/19/96	75/200,222			ALLOWED	11
0341.087	CHROMATICS	1/10/97	75/223,519			ALLOWED	37,09,11
0341.095	COMFORT ZONE	3/29/96	75/081,042			ALLOWED	20
0341.098	PASTRY PERFECT	1/10/97	75/223,520			ALLOWED	11
END OF REPORT						TOTAL ITEMS SELECTED =	4

License and Private Label Agreements

- Faultless Starch/BonAmi Company and Toastmaster Incorporated - License by Faultless of FAULTLESS and FAULTLESS STAR (Reg. No. 1,689,768) trademarks dated January 9, 1997.
- Gear Holdings, Inc. and Toastmaster Inc. - License of Gear marks including registered GEAR and NEW COUNTRY GEAR marks and designs dated August 8, 1996.
- Bosch-Siemens Hausgerate GmbH and Toastmaster Inc. - Supply and private label agreement dated December 11, 1997.
- Ingraham Time Products and Golden State Imports International, Inc. - License by Ingraham of registered trademarks INGRAHAM and INGRAHAM design dated April 15, 1998.
- Timex Corporation and Toastmaster Inc. - License to Toastmaster of registered marks TIMES, INDIGLO and FIREPLY logo dated February 1, 1996.
- Toastmaster Inc. and Apollo Worldwide, Inc. - License to Apollo of registered TOASTMASTER mark dated April 1, 1998 (see also proposed Letter Agreement between Toastmaster Inc. and Capital Business Credit (creditor of Apollo)).
- Toastmaster Inc. and GEC Electronics Ag. - Sourcing private label agreement dated January 12, 1998.
- Toastmaster and G.M. Hammond - Patent License to Toastmaster re Convenience Barbeque Center dated June 18, 1992.
- Bemis Manufacturing Company and Toastmaster Inc. - Settlement Agreement with patent license to Toastmaster dated June 1, 1997.
- Toastmaster Inc. and International Food Service Equipment Systems(IFSE)- License Agreement dated September 24, 1980 pursuant to agreement between Toastmaster and McGraw Edison dated July 16, 1980. License granted to IFSE to use the registered foreign TOASTMASTER marks for food equipment manufactured for commercial use and for sale to

commercial users. License granted to Toastmaster under U.S. Reg. 699,340 to use TOASTMASTER in United States for non-commercial equipment. Agreement later assigned by IFSE with consent to BIH Foodservice, Inc. acquired by Hussmann Corporation pursuant to Notice and Consent to Transfer License Agreement dated October 29, 1985.

Toastmaster Inc., Toastmaster Holding Company and McGraw-Edison dated August 8, 1980 - Cross-license agreement granting non-exclusive license under any patents directed to the preparation and cooking of foodstuffs and devices therefor. Toastmaster is granted license to use in conjunction with products for consumer use and McGraw-Edison is granted license to use in conjunction with products for commercial use.

Toastmaster Inc., Toastmaster Holding Company and McGraw-Edison dated July 16, 1980 - Asset Purchase Agreement with assignment and licensing obligations re trademarks and patents.

Arno S.A. and Toastmaster-Private Label Agreement

Ray Dragovich - License Agreement

McGraw-Edison Company (now Cooper Industries)-License to Toastmaster to use the name "Edison", royalty free, on fans, heaters and humidifiers for a period of 50 years, with a 50 year renewal option beginning August 8, 1980.

### Computer Software Licenses

Auto Cad (engineering)  
Pro E (engineering)  
MAC-PAC (operations/financial)  
Software Plus (HR/PR)  
Robot (Scheduling AS400)  
Premenos (EDI Translation)  
Novell (Netware Version)  
Netware for SAA (Network)  
Demand Solutions (Forecasting)  
FAS Encore (Fixed Assets)  
Various PC Based Applications

**VEHICLES**

None

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