

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM715314

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Far Bank Enterprises, Inc.		02/28/2022	Corporation: WASHINGTON
Sage Manufacturing Corporation		02/28/2022	Corporation: WASHINGTON
Rio Products Intl, Inc.		02/28/2022	Corporation: IDAHO
RECEIVING PARTY DATA			
Name:	U.S. Bank National Association		
Street Address:	1420 Fifth Avenue		
City:	Seattle		
State/Country:	WASHINGTON		
Postal Code:	98101		
Entity Type:	National Banking Association: OHIO		
PROPERTY NUMBERS Total: 19			
Property Type	Number	Word Mark	
Registration Number:	3126818	AGENT X	
Registration Number:	2368639	AQUALUX	
Registration Number:	4854775	CONNECTCORE	
Registration Number:	2209245	FLUOROFLEX	
Registration Number:	2176904	MAINSTREAM	
Registration Number:	3055335	OUTBOUND	
Registration Number:	2096276	POWERFLEX	
Registration Number:	2854186	RIO	
Registration Number:	4015703	RIO	
Registration Number:	2735376	RIO GRAND	
Registration Number:	4234615	RIO PRODUCTS	
Registration Number:	2015607	VERSITIP	
Registration Number:	3986944		
Registration Number:	4187262		
Registration Number:	2543661	REDINGTON	
Registration Number:	3986943	REDINGTON	
Registration Number:	1198892	SAGE	

OP \$490.00 3126818

Property Type	Number	Word Mark
Registration Number:	1687936	SAGE
Registration Number:	4176265	SONIC-PRO

CORRESPONDENCE DATA

Fax Number: 2063599000
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.
Phone: 2063598000
Email: christinebeck@perkinscoie.com
Correspondent Name: Christine Beck
Address Line 1: P.O. Box 2608
Address Line 4: Seattle, WASHINGTON 98111

ATTORNEY DOCKET NUMBER:	12187-2566
NAME OF SUBMITTER:	Christine Beck
SIGNATURE:	/Christine Beck/
DATE SIGNED:	03/18/2022

Total Attachments: 32

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SECURITY AGREEMENT

This Security Agreement, dated as of February 28, 2022 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), is between Far Bank Enterprises, Inc., a Washington corporation (the "Borrower"), each other Grantor, and U.S. Bank National Association, a national banking association (the "Lender").

The Grantors are entering into this Agreement to secure their obligations under and in connection with the Credit Agreement and the other Loan Documents and to induce the Lender to enter into and extend credit to the Borrower under the Credit Agreement. The parties hereto agree as follows:

ARTICLE I DEFINITIONS

1.1. Terms Defined in the Credit Agreement. All capitalized terms used and not defined herein have the meanings given in the Credit Agreement.

1.2. Terms Defined in UCC. Terms defined in the UCC and not otherwise defined in this Agreement or the Credit Agreement have the meanings given in the UCC.

1.3. Definitions. As used in this Agreement:

"Accounts" is defined in Article 9 of the UCC.

"Agreement" is defined in the opening paragraph hereof.

"Article" means a numbered Article of this Agreement, unless another document or the UCC is specifically referenced.

"Borrower" is defined in the opening paragraph hereof.

"Chattel Paper" is defined in Article 9 of the UCC.

"Collateral" means all personal property of the Grantors, including without limitation Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Fixtures, Goods, General Intangibles, Instruments, Inventory, Investment Property, Pledged Deposits, Supporting Obligations, cash on hand, letter-of-credit rights, letters of credit, Stock Rights and Securities Accounts not constituting Investment Property, and Deposit Accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, wherever located, to the extent that any Grantor now has or hereafter acquires any right or interest therein, and the proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto. Notwithstanding anything to the contrary in this definition, Collateral shall not include Excluded Property; provided that if and when any Property ceases to be Excluded Property, such Property shall be deemed at all times from and after the date hereof to constitute Collateral until the date, if ever, such property again becomes Excluded Property.

“Commercial Tort Claims” means currently existing commercial tort claims of any Grantor, including each commercial tort claim specifically described in Schedule II.

“Control” is defined in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

“Copyrights” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications, (b) all extensions of any of the foregoing, (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing, (d) the right to sue for past, present, and future infringements of any of the foregoing, and (e) all rights corresponding to any of the foregoing throughout the world.

“Credit Agreement” means the Credit Agreement dated as of February 28, 2022, between the Borrower and the Lender, as amended, restated, supplemented, or otherwise modified from time to time.

“Deposit Accounts” is defined in Article 9 of the UCC.

“Documents” is defined in Article 9 of the UCC.

“Equipment” is defined in Article 9 of the UCC.

“Event of Default” is defined in Section 5.1.

“Excluded Accounts” means (a) any account used for payroll, taxes, employee benefits or fiduciary and trust purposes and (b) zero balance accounts, pension accounts and 401(k) accounts.

“Excluded Property” means (a) contractual rights to the extent and for so long as (i) the grant of the Security Interest would violate the terms of the agreement under which such contractual rights arise or exist and (ii) such prohibition is enforceable under Applicable Law, (b) rights under governmental licenses, authorizations or any other asset of any Grantor to the extent and for so long as the grant of a security interest therein is prohibited by law, (c) any intent-to-use Trademark or service mark application before the filing of a statement of use or amendment to allege use, or any other intellectual property, to the extent that Applicable Law prohibits the creation of a security interest or would otherwise result in the loss of rights from the creation of such security interest or from the assignment of such rights upon an Event of Default, and (d) equipment and other assets (together with all proceeds thereof) that are acquired with purchase money Indebtedness (and refinancings thereof) or that are subject to Capitalized Leases for so long as the grant of a Lien thereon would violate the terms of any applicable agreement evidencing such purchase money Indebtedness (and refinancings thereof) or Capitalized Leases and (e) Excluded Accounts.

“Federal Securities Laws” is defined in Section 5.6.

“First-Tier Foreign Subsidiary” means any Foreign Subsidiary that is directly owned by the Borrower or any Domestic Subsidiary.

“Fixtures” is defined in Article 9 of the UCC.

“General Intangibles” is defined in Article 9 of the UCC and, in any event, includes payment intangibles, contract rights, rights to payment, rights arising under common law, statutes, or regulations, choses or things in action, goodwill (including the goodwill associated with any Trademark), Patents, Trademarks, Copyrights, URLs and domain names, industrial designs, other industrial or Intellectual Property or rights therein or applications therefor, whether under license or otherwise, programs, programming materials, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, including Licenses, infringement claims, computer programs, information contained on computer disks or tapes, software, literature, reports, catalogs, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims and interests in a partnership or limited liability company that do not constitute a security under Article 8 of the UCC.

“Goods” is defined in Article 9 of the UCC.

“Grantors” means the Initial Grantors and each other Person that from time to time agrees to be party to this Agreement as a “Grantor,” whether pursuant to a Supplement or otherwise.

“Initial Grantors” means the Borrower and the other Persons identified as Grantors on the signature pages hereof.

“Insolvency Event” is defined in Section 8.19.

“Instruments” is defined in Article 9 of the UCC.

“Intellectual Property” means all Patents, Trademarks, Copyrights and any other intellectual property.

“Intercompany Indebtedness” is defined in Section 8.19.

“Inventory” is defined in Article 9 of the UCC.

“Investment Property” is defined in Article 9 of the UCC.

“Licenses” means, with respect to any Person, all of such Person’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

“Patents” means, with respect to any Person, all of such Person’s right, title, and interest in and to (a) any and all patents and patent applications, (b) all inventions and improvements

described and claimed therein, (c) all reissues, divisions, continuations, extensions, and continuations-in-part thereof, (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof, (e) all rights to sue for past, present, and future infringements thereof, and (f) all rights corresponding to any of the foregoing throughout the world.

“Payment in Full” means the full and indefeasible payment of the Obligations (other than Unliquidated Obligations) in cash, the termination or expiry (or in the case of all Letters of Credit, Cash Collateralization) of the Commitments and the Letters of Credit, the termination of the Credit Agreement, and the satisfaction of all outstanding Obligations under the agreements evidencing Lender-Provided Swaps and Cash Management Services.

“Pledged Deposits” means all time deposits of money, whether or not evidenced by certificates, that a Grantor from time to time designates as pledged to the Lender as security for any Obligations, and all rights to receive interest on such deposits.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments, and Pledged Deposits, and any other rights or claims to receive money that are General Intangibles or that are otherwise included as Collateral.

“Section” means a numbered section of this Agreement, unless another document is specifically referenced.

“Schedule” means a Schedule to this Agreement, unless another document is specifically referenced, as updated from time to time in accordance herewith.

“Securities Account” is defined in Article 8 of the UCC.

“Security” is defined in Article 8 of the UCC.

“Security Interest” means the security interest in the Collateral granted to the Lender herein.

“Stock Rights” means any securities, dividends or other distributions and any other right or property that any Grantor receives or becomes entitled to receive for any reason with respect to, in substitution for or in exchange for any Equity Interest, any Securities, any right to receive an Equity Interest, and any right to receive earnings.

“Supplement” means a Security Agreement Supplement substantially in the form of Exhibit A hereto or such other form as is acceptable to the Lender.

“Supporting Obligation” is defined in Article 9 of the UCC.

“Trademarks” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing, (b) all licenses of the foregoing, whether as

licensee or licensor, (c) all renewals of the foregoing, (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof, (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing, and (f) all rights corresponding to any of the foregoing throughout the world.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of Washington or any other state the laws of which are required to be applied in connection with the perfection of the Security Interest.

“Unliquidated Obligations” means, at any time, any Obligations (including any guaranty) that are contingent in nature or unliquidated at such time, including without limitation any Obligation (a) to reimburse the Lender for drawings not yet made under a Letter of Credit or (b) to provide collateral to secure any such contingent or unliquidated Obligations.

The foregoing definitions apply equally to both the singular and plural forms of the defined terms.

ARTICLE II GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Lender a security interest in all of such Grantor’s right, title and interest, whether now owned or hereafter acquired, in and to the Collateral, to secure the prompt and complete payment and performance of the Obligations. Notwithstanding the foregoing or any other provision hereof to the contrary, the Equity Interests in any First-Tier Foreign Subsidiary pledged or required to be pledged to the Lender hereunder or under any other Collateral Document shall not exceed 65% of the voting Equity Interests in such First-Tier Foreign Subsidiary (and the Collateral shall not include any other Equity Interests of such First-Tier Foreign Subsidiary or any Equity Interests of any Foreign Subsidiary that is not a First-Tier Foreign Subsidiary) if such Foreign Subsidiary acting as a Guarantor would cause a Deemed Dividend Problem. For the avoidance of doubt, the grant of the Security Interest shall not be deemed to be an assignment of Intellectual Property.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Lender on the date such Grantor becomes a party hereto and on any date thereafter on which representations or warranties are made under the Credit Agreement that:

3.1. Title, Authorization, Validity and Enforceability. Such Grantor has good and valid rights in or the power to transfer, and title to, the Collateral owned by it, free and clear of all Liens except for Permitted Liens, and has full corporate, limited liability company, partnership or other entity power and authority to grant the Security Interest in such Collateral. The execution and delivery by such Grantor of this Agreement have been duly authorized by proper corporate, limited liability company, partnership or other entity, as applicable, proceedings, and this Agreement constitutes a legal, valid and binding obligation of such Grantor and creates a security interest that is enforceable against such Grantor in all Collateral it now owns or hereafter acquires, except as

enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally. When financing statements have been filed in the appropriate offices against such Grantor, the Lender will have a fully perfected first-priority security interest in the Collateral owned by such Grantor in which a security interest may be perfected by filing a financing statement, subject only to Permitted Liens.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by such Grantor of this Agreement, the creation and perfection of the Security Interest, nor compliance with the terms and provisions hereof will violate (a) any Law, order, writ, judgment, injunction, decree or award binding on such Grantor, (b) such Grantor's Constituent Documents, or (c) any indenture, instrument or agreement to which such Grantor is a party or is subject, or by which it or its Property may be bound or affected, conflict with or constitute a default thereunder, or result in or require the creation or imposition of any Lien in, of or on the Property of such Grantor (other than any Lien of the Lender).

3.3. Inventory. Each Grantor has good, indefeasible and merchantable title to its Inventory, and its Inventory is not subject to any Lien except for Permitted Liens. Such Inventory is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties that would require any consent of, or the payment of any monies to, any third party upon sale or disposition of that Inventory. Such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder. The completion of manufacture, sale or other disposition of such Inventory by the Lender while an Event of Default exists shall not require the consent of any Person and shall not constitute a breach or default under any contract or agreement to which such Grantor is a party or to which such Inventory is subject.

3.4. No Other Names. Within the last five years, such Grantor has not conducted business under any legal name, changed its jurisdiction of formation, or merged with or into or consolidated with any other Person. The name in which such Grantor has executed this Agreement is the exact name as it appears in such Grantor's organizational documents as most recently filed with such Grantor's jurisdiction of organization.

3.5. No Default. No Event of Default exists.

3.6. Filing Requirements. None of the Equipment owned by such Grantor is covered by any certificate of title, except for motor vehicles, if any. None of the Collateral owned by such Grantor is of a type for which Liens may be perfected by filing under any federal statute except for Patents, Trademarks and Copyrights held by such Grantor and described in Part C of Schedule I and Patents, Trademarks and Copyrights not required by this Agreement to be included in such Schedule.

3.7. No Financing Statements. No valid financing statement describing all or any portion of the Collateral that has not lapsed or been terminated naming such Grantor as debtor has been filed in any proper jurisdiction except financing statements for the benefit of Lender or in respect of Permitted Liens; provided that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Lender to any Permitted Liens.

3.8. Federal Employer Identification Number; State Organization Number; Jurisdiction of Organization. Grantor's state of organization, type of organization, and organization identification number, are as set forth in Schedule IV.

3.9. Intellectual Property.

(a) Schedule I contains a complete and accurate listing of all Intellectual Property material to the conduct of such Grantor's business. All U.S. registrations, applications for registration or applications for issuance of the Intellectual Property are valid and subsisting, in good standing and are recorded or in the process of being recorded in the name of such Grantor.

(b) Such Intellectual Property is valid, subsisting, unexpired (where registered) and enforceable and, to such Grantor's knowledge, has not been abandoned or adjudged invalid or unenforceable, in whole or in part, except as could not be reasonably expected to result in a Material Adverse Effect.

(c) No Person other than such Grantor has any right or interest of any kind or nature in or to the Intellectual Property owned by such Grantor, including any right to sell, license, lease, transfer, distribute, use or otherwise exploit the Intellectual Property or any portion thereof outside of the ordinary course of such Grantor's business. Such Grantor has good, marketable and exclusive title to, and the valid and enforceable power and right to sell, license, transfer, distribute, use and otherwise exploit, its Intellectual Property.

(d) Such Grantor has taken or caused to be taken steps so that none of its Intellectual Property, the value of which to such Grantor is contingent upon maintenance of the confidentiality thereof, has been disclosed to any Person other than employees, contractors, customers, representatives and agents of the Grantors who are parties to customary confidentiality and nondisclosure agreements with the Grantors.

(e) To such Grantor's knowledge, no Person has violated, infringed upon or breached, or is currently violating, infringing upon or breaching, any of the rights of such Grantor to its Intellectual Property or has breached or is breaching any duty or obligation owed to such Grantor in respect of its Intellectual Property except as could not be reasonably expected to result in a Material Adverse Effect.

(f) No settlements or consents, covenants not to sue, nonassertion assurances, or releases that have been entered into by such Grantor or to which such Grantor is bound adversely affect its rights to own or use any Intellectual Property except as could not be reasonably expected to result in a Material Adverse Effect, in each case individually or in the aggregate.

(g) Such Grantor has not received any written notice that remains outstanding challenging the validity, enforceability, or ownership of any Intellectual Property, and to such Grantor's knowledge there are no facts upon which such a challenge could be made, in each case except as could not reasonably be expected to result in a Material Adverse Effect.

(h) Such Grantor owns directly or is entitled to use, by license or otherwise, all Intellectual Property necessary for the conduct of its business.

(i) Such Grantor uses adequate standards of quality in the manufacture, distribution, and sale of all products sold and in the provision of all services rendered under or in connection with all Trademarks and has taken all commercially reasonable action necessary to ensure that all licensees of the Trademarks owned or licensed by such Grantor use such adequate standards of quality, except as could not reasonably be expected to result in a Material Adverse Effect.

(j) The execution and delivery of the Loan Documents and the consummation of the transactions contemplated thereby will not result in the termination or material impairment of any of such Grantor's Intellectual Property.

3.10. Commercial Tort Claims. Schedule II sets forth all of such Grantor's commercial tort claims (excluding claims arising in the ordinary course of business in respect of health and workers' compensation claims where such Grantor's insurance carrier has made a payment in respect thereof and has subsequently pursued an action to recover such amount, a portion of which may be remitted to such Grantor).

3.11. Pledged Securities and Other Investment Property. Schedule III sets forth a complete and accurate list of the Instruments, Securities and other Investment Property constituting Collateral. To the extent certificated or otherwise physically evidenced, such Collateral will be delivered to the Lender within five days of request by the Lender. Each Grantor is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed in Schedule III as being owned by it, free and clear of any Liens, except for Permitted Liens. All such Instruments, Securities or other types of Investment Property that are Equity Interests have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and constitute the percentage of the issued and outstanding Equity Interests of the respective issuers thereof indicated in Schedule III. With respect to any certificates delivered to the Lender representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the Uniform Commercial Code of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, such Grantor has so informed the Lender so that the Lender may take steps to perfect its security interest therein as a General Intangible.

3.12. Deposit Accounts and Securities Accounts. All of such Grantors' Deposit Accounts are at U.S. Bank.

ARTICLE IV COVENANTS

From the date such Grantor becomes a party hereto until this Agreement is terminated, each Grantor agrees:

4.1. General.

(a) Inspection. Such Grantor will permit the Lender, by its representatives and agents, at the Grantors' expense, to inspect any of the Property, books and financial records of such Grantor, to examine and make copies of the books of accounts and other financial records of such Grantor, and to discuss the affairs, finances and accounts of such Grantor with, and to be advised as to the foregoing by, such Grantor's officers at such reasonable times and intervals as the Lender designates.

(b) Taxes. Such Grantor will pay when due all taxes, assessments and governmental charges and levies upon the Collateral owned by such Grantor, except those that are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP and with respect to which no Lien exists.

(c) Records and Reports; Notification of Event of Default. Such Grantor shall keep and maintain materially complete, accurate and proper books and records with respect to the Collateral owned by such Grantor, and furnish to the Lender, such reports relating to the Collateral as the Lender from time to time reasonably requests. Each Grantor will give prompt notice to the Lender of any Event of Default.

(d) Financing Statements and Other Actions; Defense of Title. Such Grantor hereby authorizes the Lender to file, and if requested will execute and deliver to the Lender, all financing statements describing the Collateral owned by such Grantor and other documents and take such other actions as the Lender from time to time reasonably requests to grant or maintain a first-priority, perfected security interest in the Collateral owned by such Grantor, subject to Permitted Liens; provided that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Lender to any Permitted Liens. Such financing statements may describe the Collateral as it is described herein or in any other manner the Lender determines, in its reasonable discretion, is necessary, advisable or prudent to ensure the perfection of the Security Interest, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Such Grantor will take any and all actions necessary to defend title to its Collateral against all Persons and to defend the Security Interest in such Collateral and the priority thereof against any Lien except Permitted Liens.

(e) Liens. Such Grantor will not create, incur, or suffer to exist any Lien on the Collateral owned by such Grantor except Permitted Liens.

(f) Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. Such Grantor will (except as otherwise permitted hereunder or under the Credit Agreement):

(i) preserve its existence in effect on the date on which such Grantor becomes a party to this Agreement;

(ii) not change its jurisdiction of organization;

(iii) not maintain its place of business (if it has only one) or its chief executive office (if it has more than one place of business) at a location other than as set forth on Schedule IV; and

(iv) not (A) change its name, type of organization, state organization identification number or federal employer identification number or (B) change its chief executive office or principal place of business,

unless, in each such case, (x) such Grantor has given the Lender not less than 30 days' prior written notice of such event or occurrence, (y) before the effectiveness of such occurrence, the Lender has either (1) reasonably determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Security Interest or (2) taken such steps (with the cooperation of such Grantor to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Security Interest (including, with respect to Section 4.1(f)(iv), entry into a bailee agreement, landlord waiver or other appropriate collateral access agreement).

(g) Other Financing Statements. Such Grantor will not suffer to exist or authorize the filing of any valid financing statement naming it as debtor covering all or any portion of the Collateral owned by such Grantor, except any financing statement authorized under Section 4.1(d).

4.2. Instruments, Securities, Chattel Paper, Documents and Pledged Deposits. Such Grantor will, within five days of the Lender's request, deliver to the Lender (and, until such delivery, hold in trust for the Lender) (a) the original certificates representing all Securities constituting Collateral, accompanied by duly executed undated blank powers or other equivalent instruments of transfer reasonably acceptable to the Lender, the originals of all Chattel Paper and Instruments constituting Collateral, and Pledged Deposits that are evidenced by certificates included in the Collateral endorsed in blank, marked with such legends and assigned as the Lender specifies, and (b) any other Document evidencing or constituting Collateral. The rights of the Lender under any allonge delivered in connection with any Instrument constituting Collateral shall be exercised only during the continuance of an Event of Default. Such Grantor will permit the Lender from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates that are Collateral owned by such Grantor to mark their books and records with the numbers and face amounts of all such Investment Property and all rollovers and replacements therefor to reflect the Security Interest.

4.3. Equity Interests.

(a) Changes in Capital Structure of Issuers. Except as permitted in the Credit Agreement, such Grantor will not (i) permit or suffer any issuer of privately held Equity Interests in which such Grantor owns a controlling interest to dissolve, liquidate, retire any of its Equity Interests or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity or (ii) vote any Equity Interests, Instruments, Securities, or other Investment Property in favor of any of the foregoing except to the extent permitted under the Credit Agreement.

(b) Issuance of Additional Securities. Except as provided in the Credit Agreement, such Grantor will not permit or suffer the issuer of privately held Equity Interests in which Grantor has a controlling interest to issue any Equity Interests, any right to receive the same or any right to receive earnings, except to such Grantor.

(c) Registration of Pledged Securities and other Investment Property. Each Grantor will permit any registerable Collateral owned by such Grantor to be registered in the name of the Lender or its nominee at the option of the Lender at any time an Event of Default exists, without any further consent of such Grantor.

(d) Exercise of Rights in Equity Interests and Other Investment Property. Each Grantor will permit the Lender or its nominee at any time an Event of Default exists, without notice, to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Collateral owned by such Grantor or any part thereof, and to receive all dividends and interest in respect of such Collateral to be applied to the Obligations.

4.4. Letter-of-Credit Rights. Such Grantor will, upon the Lender's request, cause each issuer of a letter of credit to consent to the assignment of proceeds of the letter of credit to give the Lender Control of the letter-of-credit rights to such letter of credit.

4.5. Federal, State or Municipal Claims. Each Grantor will notify the Lender of any Collateral that constitutes a claim against the United States government or any other Governmental Authority, the assignment of which claim is restricted by Law.

4.6. Intellectual Property. If, after the date hereof, such Grantor obtains registration or issuance of any new Intellectual Property, then such Grantor shall give the Lender notice thereof, as part of each Compliance Certificate. Such Grantor agrees promptly upon request by the Lender to execute and deliver to the Lender any supplement to this Agreement or any other document reasonably requested by the Lender to evidence the Security Interest in a form appropriate for recording in the applicable federal office. Each Grantor also hereby authorizes the Lender to modify this Agreement unilaterally (a) by amending Schedule I to include any future Patents, Trademarks and/or Copyrights of which the Lender receives notification from such Grantor pursuant hereto and (b) by recording, in addition to and not in substitution for this Agreement, a duplicate original of or supplement to this Agreement containing such amended Schedule I.

4.7. Commercial Tort Claims. If, after the date hereof, such Grantor identifies the existence of a commercial tort claim belonging to such Grantor that has arisen in the course of such Grantor's business, then such Grantor shall give the Lender prompt notice thereof, but in any event not less frequently than quarterly. Each Grantor agrees promptly upon request by the Lender to execute and deliver to the Lender any supplement to this Agreement or any other document reasonably requested by the Lender to evidence the grant of the Security Interest.

4.8. Deposit Accounts and Securities Accounts. Each Grantor will, within 30 days after the Lender's request (or such later date as may be approved by the Lender in its sole discretion), cause each bank or other financial institution at which it maintains any Deposit Account or any

Securities Account (other than any Excluded Accounts) to enter into a Control Agreement with respect to such account.

4.9. Updating of Schedules. Each Grantor will provide to the Lender, concurrently with the delivery of each Compliance Certificate, updated versions, as necessary, of the Schedules. Each Grantor, in its discretion, may also from time to time provide additional updates to the Schedules. Updated versions of Schedules shall replace the prior versions thereof. For the avoidance of doubt, the receipt of updated Schedules by the Lender shall not be deemed to permit any action prohibited hereunder or waive any provision hereof.

ARTICLE V EVENTS OF DEFAULT

5.1. Events of Default. The occurrence of any one or more of the following events is an “Event of Default”:

(a) Any representation or warranty made or deemed made by a Grantor herein or in any certificate, document or financial or other statement furnished by such Grantor at any time under or in connection with this Agreement proves to have been incorrect, false or misleading in any material respect on or as of the date made or deemed made.

(b) Any Grantor breaches any provision of Section 4.1(e) or Article VII.

(c) Any Grantor breaches (other than a breach that is an Event of Default under Section 5.1(a) or (b)) any provision of this Agreement and such breach is not remedied within 30 days after any Grantor obtains knowledge of such breach.

(d) Any “Event of Default” as defined in the Credit Agreement.

5.2. Remedies. If an Event of Default occurs, the Lender may exercise any or all of the following rights and remedies:

(a) the rights and remedies provided in the Credit Agreement or any other Loan Document, subject to the terms thereof;

(b) the rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other Applicable Law (including, without limitation, any law governing the exercise of a bank’s right of setoff or bankers’ lien); and

(c) without notice except as specifically provided herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Lender deems commercially reasonable.

The Lender may comply with Applicable Law in connection with a disposition of the Collateral, and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

5.3. Grantors' Obligations Upon Event of Default. Upon the request of the Lender while an Event of Default exists, each Grantor will:

(a) Assembly of Collateral. Assemble and make available to the Lender the Collateral and all records relating thereto at any place or places specified by the Lender.

(b) Lender Access. Permit the Lender, by its representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.4. License. Each Grantor hereby grants to the Lender a license or other right to use, while an Event of Default exists, without charge, each Grantor's labels, Patents, Copyrights, rights of use of any name, trade secrets, trade names, Trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral. While an Event of Default exists, such Grantor's rights under all licenses and all franchise agreements shall inure to the Lender's benefit. Subject to Applicable Law, the Lender may, while an Event of Default exists, (a) sell any Grantor's Inventory directly to any Person, including without limitation Persons who have previously purchased such Grantor's Inventory from such Grantor, (b) in connection with any such sale or other enforcement of the Lender's rights under this Agreement, sell Inventory that bears any Trademark owned by or licensed to such Grantor and any Inventory that is covered by any Copyright owned by or licensed to such Grantor, and (c) finish any work in process and affix any Trademark owned by or licensed to such Grantor and sell such Inventory as provided herein.

5.5. Waiver. Each Grantor hereby waives, in connection with any foreclosure or other exercise of remedies by the Lender with respect to the Equity Interests constituting Collateral, (a) any requirement that the Lender or any transferee deliver to such Grantor or its counsel any legal opinion or any other evidence of compliance with, exemption from registration under, or lack of liability of such Grantor under the Securities Act of 1933 or any other Applicable Law and (b) any requirement of the consent of such Grantor to any assignment or transfer.

5.6. Federal Securities Laws. In view of the position of each Grantor in relation to the Collateral or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (collectively, the "Federal Securities Laws") with respect to any disposition by the Lender of the Collateral permitted under this Article V. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Lender if the Lender were to attempt to dispose of all or any part of the Collateral and might also limit the extent to which or the manner in which any subsequent transferee could dispose of any Collateral. Similarly, there may be other legal restrictions or limitations affecting the Lender in any attempt under this Article V to dispose of all or part of the Collateral under applicable "blue sky" or other state securities laws or similar laws analogous in purpose or effect. The Grantor recognizes that in light of such restrictions and limitations the Lender may, with respect to any sale of the Collateral under this Article V, limit the purchasers to those who will agree, among other things, to acquire such Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in

light of such restrictions and limitations, the Lender, in its sole and absolute discretion, may (a) proceed to make such a sale whether or not a registration statement for the purpose of registering such Collateral or part thereof has been filed under the Federal Securities Laws and (b) approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Lender shall incur no responsibility or liability for selling all or any part of the Collateral at a price that the Lender, in its sole and absolute discretion, in good faith deems reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration or if more than a single purchaser were approached. The provisions of this Section 5.6 will apply (x) notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Lender sells and (y) only when an Event of Default exists.

ARTICLE VI WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Lender in exercising any right or remedy shall impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Agreement whatsoever shall be valid unless in writing signed by the Lender and each Grantor, and then only to the extent in such writing specifically set forth; provided that the addition of any Person as a Grantor shall not require any consent from or execution of any documentation by any other Grantor party hereto. All rights and remedies under the Loan Documents or Applicable Law shall be cumulative and shall be available to the Lender until Payment in Full.

ARTICLE VII PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Lender when an Event of Default exists, each Grantor shall execute and deliver to the Lender irrevocable lockbox agreements in form and substance acceptable to the Lender, accompanied by an acknowledgment by the bank where the lockbox is located of the Security Interest and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Lender.

7.2. Collection of Receivables. The Lender may at any time an Event of Default exists, by giving each Grantor written notice, elect to require that the Receivables be paid directly to the Lender. In such event, each Grantor shall, and shall permit the Lender to, promptly notify the account debtors or obligors under the Receivables owned by such Grantor of the Security Interest and direct such account debtors or obligors to make payment of all amounts then or thereafter due under such Receivables directly to the Lender. Upon receipt of any such notice from the Lender, each Grantor shall thereafter hold in trust for the Lender all amounts and proceeds such Grantor receives with respect to the Receivables and immediately and at all times thereafter while an Event of Default exists deliver to the Lender all such amounts and proceeds in the same form as received,

whether by cash, check, draft or otherwise, with any necessary endorsements. The Lender shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. At any time while an Event of Default exists, the Lender may require all cash proceeds of the Collateral to be deposited in a special non-interest-bearing cash collateral account with the Lender and held there as security for the Obligations. No Grantor shall have any control whatsoever over such account. The Lender shall apply the collected balances in such account promptly to the payment of the Obligations whether or not the Obligations are then due.

7.4. Application of Proceeds. Any proceeds of Collateral received by the Lender shall be applied pursuant to the Credit Agreement.

ARTICLE VIII GENERAL PROVISIONS

8.1. Notice of Disposition of Collateral; Condition of Collateral. Each Grantor hereby waives notice of the time and place of any public sale occurring while an Event of Default exists or the time after which any private sale or other disposition of all or any part of the Collateral may be made while an Event of Default exists. To the extent such notice may not be waived under Applicable Law, any notice shall be deemed reasonable if sent to the Borrower at least 10 days before (a) the date of any such public sale or (b) the time after which any such private sale or other disposition may be made. The Lender shall have no obligation to clean up or otherwise prepare the Collateral for sale.

8.2. Compromises and Collection of Collateral. The Grantors and the Lender recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part, and that the expense of litigating a disputed Receivable may be excessive in view of the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Lender may at any time and from time to time while an Event of Default exists compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Lender reasonably determines or abandon any Receivable, and any such action by the Lender shall be commercially reasonable so long as the Lender acts reasonably and in good faith based on information known to it at the time it takes any such action.

8.3. Lender Performance of Grantor's Obligations. Without having any obligation to do so, the Lender may perform or pay any obligation that any Grantor has agreed to perform or pay in this Agreement, and such Grantor shall reimburse the Lender for any reasonable amounts paid by the Lender pursuant to this Section 8.3. Each Grantor's obligation to reimburse the Lender pursuant to the preceding sentence shall be an Obligation payable on demand.

8.4. Authorization for Lender to Take Certain Action. Each Grantor irrevocably authorizes the Lender at any time and from time to time in the Lender's sole discretion and appoints the Lender as such Grantor's attorney-in-fact (a) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Lender's sole discretion to perfect and to maintain the perfection and priority of the Security Interest, (b) to indorse and collect any

cash proceeds of the Collateral, (c) to file copy of this Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement in such offices as the Lender in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Security Interest, (d) while an Event of Default exists, to contact and enter into one or more agreements with the issuers of uncertificated securities that are Collateral owned by such Grantor and that are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Lender Control over such Securities or other Investment Property, (e) to enforce payment of the Instruments, Accounts and Receivables in the name of the Lender or such Grantor, (f) to apply the proceeds of any Collateral received by the Lender to the Obligations as provided in Article VII and (g) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for Permitted Liens), and each Grantor agrees to reimburse the Lender on demand for any reasonable payment made or any reasonable expense incurred by the Lender in connection therewith; provided that this authorization shall not relieve any Grantor of any of its obligations under the Loan Documents.

8.5. Specific Performance of Certain Covenants. Each Grantor acknowledges and agrees that a breach of any of the covenants in Section 4.1(e), 4.2, or 5.3 or Article VII will cause irreparable injury to the Lender, that the Lender has no adequate remedy at law in respect of such breaches, and that therefore, without limiting the right of the Lender to seek and obtain specific performance of other obligations of the Grantors under this Agreement, such covenants shall be specifically enforceable against the Grantors.

8.6. Use and Possession of Certain Premises. At any time an Event of Default exists, the Lender may occupy and use any premises owned or leased by the Grantors where any of the Collateral or any records relating to the Collateral are located until the earlier of Payment in Full and removal of the Collateral therefrom, without any obligation to pay any Grantor for such use and occupancy.

8.7. Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Grantors, the Lender, and their respective successors and assigns, except that no Grantor may assign its rights or delegate its obligations hereunder without the prior written consent of the Lender.

8.8. Survival of Representations. All representations and warranties of the Grantors in this Agreement shall survive the execution and delivery of this Agreement.

8.9. Taxes and Expenses. Taxes, costs, fees and expenses in respect of this Agreement shall be paid as required by Sections 3.5 and 9.3 of the Credit Agreement. For purposes hereof, each Grantor shall have the same payment and reimbursement obligations as the Borrower under such Sections. Any and all costs and expenses incurred by the Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

8.10. Headings. The title of and section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the terms and provisions of this Agreement.

8.11. Termination. This Agreement shall continue in effect until Payment in Full.

8.12. Entire Agreement. This Agreement embodies the entire agreement and understanding between the Grantors and the Lender relating to the Collateral and supersedes all prior agreements and understandings between the Grantors and the Lender relating to the Collateral.

8.13. Governing Law. This Agreement and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of Washington.

8.14. Jurisdiction. Each Grantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any Related Party thereof in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of Washington sitting in King County, and of the United States District Court for the Western District of Washington, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such state court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Grantor or its properties in the courts of any jurisdiction.

8.15. Waiver of Venue. Each Grantor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in Section 8.14. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8.16. Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 8.1. Nothing in this Agreement shall affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

8.17. WAIVER OF JURY TRIAL. THE GRANTORS AND THE LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

8.18. Indemnity. Each Grantor hereby agrees, jointly and severally, to indemnify the Indemnitees from and against any and all liabilities, damages, penalties, suits, costs, and

reasonable expenses of any kind and nature (including, without limitation, all reasonable expenses of litigation or preparation therefor whether or not an Indemnitee is a party thereto) imposed on, incurred by or asserted against an Indemnitee arising out of this Agreement, or arising out of or relating to the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by an Indemnitee or any Grantor, and any claim for Patent, Trademark or Copyright infringement); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

8.19. Subordination of Intercompany Indebtedness. Each Grantor agrees that any and all claims it has against (a) any other Loan Party in respect of Indebtedness (“Intercompany Indebtedness”), (b) any endorser, obligor or other guarantor of all or any part of the Obligations, and (c) any of their respective Property shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Obligations; provided that such Grantor may receive payments with respect to Intercompany Indebtedness to the extent not prohibited by the Loan Documents. Notwithstanding any right of any Grantor to ask, demand, sue for, take or receive any payment from any Loan Party, all rights and Liens of such Grantor, whether now or hereafter arising and howsoever existing, in any Property of any other Loan Party are subordinated to the rights of the Lender in such Property. No Grantor shall have any right to foreclose upon any such Property, whether by judicial action or otherwise, until Payment in Full. If all or any part of the Property of any Loan Party, or the proceeds thereof, is subject to any distribution, division or application to the creditors of such Loan Party, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other similar action or proceeding, or if the business of any Loan Party is dissolved or if substantially all of the assets of any Loan Party are sold (except to the extent not prohibited by the Loan Documents), then, and in any such event (each, an “Insolvency Event”), any payment or distribution of any kind or character, either in cash, securities or other property, that is payable or deliverable upon or with respect to any Intercompany Indebtedness shall be paid or delivered directly to the Lender for application on any of the Obligations, due or to become due, until Payment in Full. If any Grantor receives any payment, distribution, security or instrument or proceeds thereof with respect to the Intercompany Indebtedness after any Insolvency Event and before Payment in Full, such Grantor shall receive and hold such amount in trust, as trustee, for the benefit of the Lender, shall forthwith deliver such amount to the Lender in precisely the form received (except for the endorsement or assignment of the Grantor where necessary), for application to the Obligations, due or not due, and, until such delivery, shall hold such amount in trust as the property of the Lender. If any Grantor fails to make any such endorsement or assignment to the Lender, the Lender or any of its officers or employees is irrevocably authorized to make it. Each Grantor agrees that until Payment in Full, no Grantor will assign or transfer to any Person (other than the Lender or another Grantor) any claim any such Grantor has or may have against any Loan Party.

8.20. Severability. Any provision in this Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the

operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable.

8.21. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it has been executed by the Lender and the Lender has received counterparts hereof that, when taken together, bear the signatures of each Initial Grantor. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

8.22. Release of Collateral. Notwithstanding Article VI or anything to the contrary set forth herein, if Collateral is permitted to be sold, transferred or assigned by a Grantor pursuant to or in connection with a transaction permitted under the Credit Agreement (such as, but not limited to, a permitted asset sale or a permitted sale of a Subsidiary of such Grantor), then the Lender shall release such Collateral from its Lien after the Borrower delivers a written certificate to the Lender (upon which the Lender may conclusively rely) that such transaction is permitted under the Credit Agreement, together with evidence that reasonably supports such certificate. The Lender, at the Grantors' sole cost and expense, shall deliver such documents and make such filings reasonably requested of it to further evidence such release.

8.23. Notices. Any notice required or permitted to be given under this Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Section 9.1 of the Credit Agreement. Any notice delivered to the Borrower shall be deemed to have been delivered to all of the Grantors.


[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each of the Initial Grantors and the Lender have executed this Agreement as of the date first above written.

FAR BANK ENTERPRISES, INC., a Washington corporation

By: 
Name: Ryan Hamilton
Title: Vice President

SAGE MANUFACTURING CORPORATION, a Washington corporation

By: 
Name: Ryan Hamilton
Title: Vice President

RIO PRODUCTS INTL, INC., an Idaho corporation

By: _____
Name: Kris Klein
Title: President and CEO

U.S. BANK NATIONAL ASSOCIATION,
as Lender

By: 
Name: Michelle H. Carper
Title: Vice President

IN WITNESS WHEREOF, each of the Initial Grantors and the Lender have executed this Agreement as of the date first above written.

FAR BANK ENTERPRISES, INC., a Washington corporation

By: _____
Name: Ryan Hamilton
Title: Vice President

SAGE MANUFACTURING CORPORATION, a Washington corporation

By: _____
Name: Ryan Hamilton
Title: Vice President

RIO PRODUCTS INTL, INC., an Idaho corporation

By:  _____
Name: Kris Klein
Title: President and CEO

U.S. BANK NATIONAL ASSOCIATION,
as Lender

By: _____
Name: Michelle H. Carper
Title: Vice President

EXHIBIT A

FORM OF SECURITY AGREEMENT SUPPLEMENT

This Security Agreement Supplement is dated as of [●], 20[●], and given by [●], a[n] [●] (the “New Grantor”) in favor of the Lender. Reference is hereby made to the Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), dated as of February 28, 2022, made by Far Bank Enterprises, Inc., a Washington corporation (the “Borrower”), and each other Grantor party thereto, in favor of the Lender. Capitalized terms used and not defined herein shall have the meanings given to them in the Agreement.

The New Grantor agrees to become, and does hereby become, a Grantor and agrees to be bound by the Agreement as if originally a Grantor thereunder. The New Grantor hereby pledges, assigns and grants to the Lender a security interest in all of the New Grantor’s right, title and interest, whether now owned or hereafter acquired, in and to the Collateral, to secure the prompt and complete payment and performance of the Obligations. Notwithstanding the foregoing or any other provision hereof to the contrary, the amount of Equity Interests in any First-Tier Foreign Subsidiary pledged or required to be pledged to the Lender hereunder or under any other Collateral Document shall be automatically limited to not more than 65% of the voting Equity Interests of such First-Tier Foreign Subsidiary (and the Collateral shall not include any other Equity Interests of such First-Tier Foreign Subsidiary or any Equity Interests of any Foreign Subsidiary that is not a First-Tier Foreign Subsidiary) if such Foreign Subsidiary acting as a Guarantor would cause a Deemed Dividend Problem. For the avoidance of doubt, the grant of the Security Interest shall not be deemed to be an assignment of Intellectual Property rights owned by the New Grantor.

By its execution below, the New Grantor represents and warrants as to itself that all of the representations and warranties in the Agreement are true and correct in all respects as of the date hereof. The New Grantor represents and warrants that the supplements to the Schedules to the Agreement attached hereto are true and correct in all respects and such supplements set forth all information required to be scheduled under the Agreement. The New Grantor shall comply with all obligations of a Grantor under the Agreement.

IN WITNESS WHEREOF, the New Grantor has executed and delivered this Security Agreement Supplement as of the date first above written.

[•]

By: _____

Name: [•]

Title: [•]

SCHEDULE I
INTELLECTUAL PROPERTY

See attached.

Trademarks

Country	Mark	Appl. No.	App. Date	Reg. Date	Reg. No.	Status	Owner
United States of America	AGENT X	78708849	Sep 1 2005	Aug 8 2008	3126818	Registered	Fico Products Int., Inc.

Next Renewal Due Aug 8 2029

29: FLY FISHING LINES

Country	Mark	Appl. No.	App. Date	Reg. Date	Reg. No.	Status	Owner
United States of America	AQUA LUX	75782795	Aug 21 1998	Jul 18 2000	2089839	Registered	Fico Products Int., Inc.

Next Renewal Due Jul 18 2030

2A: RECREATIONAL FISHING PRODUCTS, NAMELY, FLY LINES

Country	Mark	Appl. No	Appl. Date	Reg. Date	Reg. No	Status	Owner
United States of America	OUTBOARD	88750485	Mar 30 2015	Nov 17 2015	485475	Registered	Rio Products Int. Inc.
			Next Renewal Due			Nov 17 2025	

28. RECREATIONAL FLY FISHING PRODUCTS, NAMELY FLY FISHING LINES

Country	Mark	Appl. No	Appl. Date	Reg. Date	Reg. No	Status	Owner
United States of America	FLYBOROLEX	75402455	Feb 11 1996	Dec 3 1998	2206245	Registered	Rio Products Int. Inc.
			Next Renewal Due			Dec 8 2028	

29. RECREATIONAL FISHING PRODUCTS, NAMELY FLY FISHING LEADERS, TRIPPETS

Country	Mark	Appl. No	Appl. Date	Reg. Date	Reg. No	Status	Owner
United States of America	MINNISTREAM	75233023	Jul 30 1997	Jul 29 1998	2175004	Registered	Rio Products Int. Inc.
			Next Renewal Due			Jul 29 2038	

29. RECREATIONAL FISHING PRODUCTS, NAMELY AND FISHING LINES

Country	Mark	Appl. No	Appl. Date	Reg. Date	Reg. No	Status	Owner
United States of America	OUTBOARD	75270553	Feb 18 2005	Jan 31 2006	3055326	Registered	Rio Products Int. Inc.
			Next Renewal Due			Jan 31 2038	

29. RECREATIONAL FISHING PRODUCTS, NAMELY FLY FISHING LINES

Country	Mark	Appl. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	PONERLEY	74575924	Sep 19 1994	Sep 19 1997	2995279	Registered	Pto Products Int. Inc.

Next Renewal Due Sep 19 2027

28. FISHING TACKLE

Country	Mark	Appl. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	FO	79119293	Aug 29 1993	Jun 15 2004	2854199	Registered	Pto Products Int. Inc.

Next Renewal Due Jun 15 2024

29. RECREATIONAL FISHING PRODUCTS, NAMELY LEADERS, TPEETS

Country	Mark	App. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	RO	8628842	Jan 28 2011	Aug 23 2011	4018703	Registered	Rio Products Int, Inc.
			Next Renewal Due			Aug 23 2011	

28: RECREATIONAL FISHING PRODUCTS, NAMELY LEADERS, TRIPLET AND FLY LINES

Country	Mark	App. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	RO-GRAND	7928841	Jul 28 2011	Jul 8 2012	2735378	Registered	Rio Products Int, Inc.
			Next Renewal Due			Jul 8 2012	

28: FLY LINES AND FISHING LINES

Country	Mark	App. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	RIO PRODUCTS & Design	8628281	Feb 2 2011	Oct 30 2012	4234615	Registered	Rio Products Int, Inc.
			Next Renewal Due			Oct 30 2012	

28: RECREATIONAL FISHING PRODUCTS, NAMELY LEADERS, TRIPLET AND FLY LINES

Country	Mark	App. No	App. Date	Reg. Date	Reg. No	Status	Owner
United States of America	VEERSPP	7903916	Dec 8 1995	Nov 12 1995	2815037	Registered	Rio Products Int, Inc.
			Next Renewal Due			Nov 12 2015	

28: RECREATIONAL FLY FISHING PRODUCTS, NAMELY FLY LINES

SCHEDULE II
COMMERCIAL TORT CLAIMS

None.

SCHEDULE III

LIST OF PLEDGED SECURITIES

A. Stocks

<u>Issuer</u>	<u>Certificate Number</u>	<u>Number of Shares</u>
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SAGE
MANUFACTURING
CORPORATION

RIO PRODUCTS
INTL, INC.

B. Bonds

<u>Issuer</u>	<u>Number</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
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None.

C. Government Securities

<u>Issuer</u>	<u>Number</u>	<u>Type</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
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None.

D. Other Securities or Other Investment Property (Certificated and Uncertificated)

<u>Issuer</u>	<u>Description of Collateral</u>	<u>Percentage Ownership Interest</u>
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None.

SCHEDULE IV

ORGANIZATION INFORMATION

Grantor and Chief Executive Office	Type of Organization	State of Organization or Incorporation	State Organization Number
FAR BANK ENTERPRISES, INC.	Corporation	Washington	602 550 673
SAGE MANUFACTURING CORPORATION	Corporation	Washington	600 301 383
RIO PRODUCTS INTL, INC.	Corporation	Idaho	328418