
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

December 7, 2010

Date of Report (Date of earliest event reported)

Smith & Wesson Holding Corporation

(Exact Name of Registrant as Specified in Charter)

Nevada

(State or Other
Jurisdiction of Incorporation)

001-31552

(Commission File Number)

87-0543688

(IRS Employer
Identification No.)

2100 Roosevelt Avenue
Springfield, Massachusetts
01104

(Address of Principal Executive Offices) (Zip Code)

(800) 331-0852

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

As described in Item 2.03, on December 7, 2010, we and certain of our direct and indirect Domestic Subsidiaries entered into an amended and restated credit agreement with certain lenders, TD Bank, N.A., as administrative agent (“TD Bank”), and Sovereign Bank, as syndication agent to expand our existing credit facility. The disclosure provided in Item 2.03 of this Report on Form 8-K is hereby incorporated by reference into this Item 1.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 7, 2010, we and our direct and indirect Domestic Subsidiaries, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., Bear Lake Holdings, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Thompson Center Holding Corporation, and Smith & Wesson Distributing, Inc., entered into an amended and restated credit agreement (the “Credit Agreement”) with certain lenders, TD Bank, as administrative agent, and Sovereign Bank, as syndication agent to expand our existing credit facility. Capitalized terms not otherwise defined herein will have the meanings set forth in the Credit Agreement. The Credit Agreement is filed herewith as Exhibit 10.78. The Credit Agreement provides for the following:

1. A revolving line of credit up to a maximum amount of \$115 million at any one time. Each Revolving Loan bears interest at either the Base Rate Basis or LIBOR Basis for the Interest Period in effect for such borrowing. The revolving line of credit matures on December 7, 2014 or any earlier date on which the Revolving Commitment is reduced to zero or terminated pursuant to the terms of the Credit Agreement. The Revolving Line Notes are filed herewith as part of Exhibit 10.80.
2. A swingline facility in the maximum amount of \$5 million at any one time (subject to availability under the revolving line of credit). Each Swingline Loan bears interest at the Base Rate Basis. The Swingline Note is filed herewith as part of Exhibit 10.80.
3. A letter of credit facility in the maximum amount of \$5 million.

As security for the credit facility, we and each of our Domestic Subsidiaries has granted to TD Bank, for the benefit of the lenders, a first priority security interest or lien, as applicable, on substantially all of the personal property (other than the intellectual property of our company and our Domestic Subsidiaries) and our and our Domestic Subsidiaries’ real estate assets, including a pledge of all of the capital stock of our Domestic Subsidiaries. The Amended and Restated Pledge and Security Agreement and three mortgage amendments are filed herewith as Exhibits 10.79, 10.62(a), 10.63(a), and 10.64(a), respectively.

In addition, in connection with the Credit Agreement, we and our Domestic Subsidiaries entered into a Hazardous Materials Indemnity Agreement and an Environmental Reserve Account Agreement with respect to potential environmental matters at real property locations owned by certain of our Domestic Subsidiaries. The Hazardous Materials Indemnity Agreement and the Environmental Reserve Account Agreement are filed herewith as Exhibits 10.81 and 10.82, respectively.

The Credit Agreement contains customary limitations, including, without limitation, limitations on indebtedness; limitations on liens; limitations on fundamental changes to business or organizational structure; limitations on investments, loans, advances, guarantees, and acquisitions; limitations on asset sales; limitations on dividends, stock repurchases, stock redemptions, and the redemption or prepayment of other debt; and limitations on transactions with affiliates. We and our Domestic Subsidiaries are also subject to financial covenants, including, without limitation, a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio.

The Credit Agreement also contains customary events of default, including, without limitation, nonpayment of principal, interest, fees, or other amounts when due; violation of covenants; breaches of representations or warranties; cross defaults; change of control; dissolution; insolvency; bankruptcy events; and material judgments. Some of these events of default allow for grace periods or are qualified by materiality concepts. Upon the occurrence of an event of default, the outstanding obligations under the Credit Agreement may be accelerated and become due and payable immediately.

The foregoing is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants, and agreements contained in the three mortgage amendments, the Credit Agreement, the Revolving Line Notes and the Swingline Note, the Amended and Restated Pledge and Security Agreement, the Hazardous Materials Indemnity Agreement, and the Environmental Reserve Account Agreement, and is subject to and qualified in its entirety by reference to the full text of such documents, which are filed herewith as Exhibits 10.62(a), 10.63(a), 10.64(a), 10.78, 10.79, 10.80, 10.81, and 10.82, respectively, and are hereby incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

- (a) *Financial Statements of Business Acquired.*
Not applicable.
- (b) *Pro Forma Financial Information.*
Not applicable.
- (c) *Shell Company Transactions.*
Not applicable.
- (d) *Exhibits.*

Exhibit Number	Exhibits
10.62(a)	Amendment No. 1 to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of December 7, 2010, between Smith & Wesson Corp. and TD Bank, N.A., as Administrative Agent
10.63(a)	Amendment No. 1 to Open-End Mortgage Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of December 7, 2010, between Smith & Wesson Corp. and TD Bank, N.A., as Administrative Agent
10.64(a)	Amendment No. 1 to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of December 7, 2010, between O.L. Development, Inc. and TD Bank, N.A., as Administrative Agent
10.78	Amended and Restated Credit Agreement, dated as of December 7, 2010, among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., Bear Lake Holdings, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Thompson Center Holding Corporation, and Smith & Wesson Distributing, Inc., as Borrowers, the Lender Party named therein, TD Bank, N.A., as Administrative Agent, and Sovereign Bank, as Syndication Agent, including all exhibits and schedules thereto
10.79	Amended and Restated Pledge and Security Agreement, dated as of December 7, 2010, by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc., Smith And Wesson Distributing, Inc., the other Pledgors named therein, as Pledgors, and TD Bank, N.A., as Administrative Agent, including all exhibits thereto
10.80	Revolving Line of Credit Notes and Swingline Note, each dated as of December 7, 2010, between Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc., and Smith & Wesson Distributing, Inc., as Borrowers, and the Lenders named therein
10.81	Hazardous Materials Indemnity Agreement, dated as of December 7, 2010, by Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc., and Smith & Wesson Distributing, Inc., as Indemnitors, in favor of TD Bank, N.A., as Administrative Agent, and the other Secured Parties named therein, including all exhibits thereto
10.82	Environmental Reserve Account Agreement, dated as of December 7, 2010, by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc., and Smith & Wesson Distributing, Inc., as Borrowers, the Lenders named therein, and TD Bank, N.A., as Administrative Agent, including all exhibits thereto

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SMITH & WESSON HOLDING CORPORATION

Date: December 9, 2010

By: /s/ John R. Dineen

John R. Dineen
Interim Chief Financial Officer and Assistant
Secretary

EXHIBIT INDEX

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- 10.82 Environmental Reserve Account Agreement, dated as of December 7, 2010, by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc., and Smith & Wesson Distributing, Inc., as Borrowers, the Lenders named therein, and TD Bank, N.A., as Administrative Agent, including all exhibits thereto

When recorded return to:
Faith Kaliski, Esq.
Edwards Angell Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
(617) 951-2263

(2100 Roosevelt Avenue and 299 Page Boulevard,
Springfield, Hampden County, MA)

**AMENDMENT NO. 1 TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF
LEASES AND RENTS AND FIXTURE FILING**

THIS AMENDMENT NO. 1 TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Amendment") dated as of December 7, 2010 is made by

SMITH & WESSON CORP., a Delaware corporation with its principal place of business at 2100 Roosevelt Avenue, Springfield, Massachusetts 01102 (the "Mortgagor") to

TD BANK, N.A., a national banking association with an office at 1441 Main Street, Springfield, Massachusetts 01103, in its capacity as administrative agent for itself, the Lenders (as defined below) and the other Secured Parties (as defined in the Credit Agreement defined below) (in such capacity, together with its successors and assigns, the "Administrative Agent").

RECITALS:

A. Reference is made to a certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of November 30, 2007 granted by the Mortgagor to TORONTO DOMINION (TEXAS) LLC, a Delaware limited liability company, as administrative agent (in such capacity, the "Predecessor Administrative Agent"), and recorded with the Registry of Deeds for Hampden County, Massachusetts ("Hampden Deeds") on December 3, 2007 in Book 17054, Page 269, and filed with the Registry District of the Land Court for Hampden County, Massachusetts ("Hampden Land Court") on December 3, 2007 as Document Number 174949, noted on Certificate of Title No. 27868; and

B. The above-referenced document was assigned by the Predecessor Administrative Agent to, and accepted by, the Administrative Agent, pursuant to a certain Assignment and Acceptance of Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of October 31, 2008, recorded with Hampden Deeds on November 13, 2008 in Book 17543, Page 164, and filed with the Hampden Land Court on November 13, 2008 as Document No. 178544, noted on

Certificate of Title No. 27868 (the above-referenced document, as so assigned and accepted, and as amended from time to time prior to the date hereof, the "Existing Mortgage"); and

C. The Existing Mortgage secures, among other obligations, a certain Credit Agreement dated as of November 30, 2007 by and among the Mortgagor, the other parties named as borrowers thereunder (the Mortgagor and such other parties, being collectively and jointly and severally, referred to herein as the "Existing Borrowers"), the parties named as lenders thereunder from time to time (the "Lenders"), and the Administrative Agent, successor in such capacity to the Predecessor Administrative Agent (such Credit Agreement, as so assigned and accepted, and as amended from time to time prior to the date hereof, being referred to herein as the "Existing Credit Agreement"); and

D. The Mortgagor and the other Existing Borrowers have requested (a) that the Existing Credit Agreement be amended in certain respects to, *inter alia*, (i) permit an aggregate outstanding principal exposure thereunder of up to \$120,000,000.00, and (ii) permit certain Loans thereunder to be borrowed, repaid and re-borrowed, (b) that certain guarantors of the Obligations of the Existing Borrowers, and other affiliates of the Mortgagor and other Existing Borrowers, be permitted to borrow loans and otherwise benefit directly from the credit facilities provided by the Administrative Agent and the Lenders; (c) that certain other modifications be made to the Existing Credit Agreement, and (d) that for the sake of clarity, the Existing Credit Agreement be restated, as so amended; and

E. The Lenders and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement, pursuant to an Amended and Restated Credit Agreement dated on or about the date hereof among the Mortgagor, the other Existing Borrowers and the other parties from time to time joined as borrowers thereunder (the Mortgagor, the other Existing Borrowers and such other parties, being collectively, jointly and severally, referred to herein as the "Borrowers"), the Lenders and the Administrative Agent (the Existing Credit Agreement, as so amended and restated, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time being referred to herein as the "Amended and Restated Credit Agreement"); and

F. It is the intent of the parties that the Amended and Restated Credit Agreement not constitute a novation of the obligations existing under the Existing Credit Agreement and the other Loan Documents or evidence any repayment of any such obligations and liabilities, but rather that the Amended and Restated Credit Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Existing Borrowers outstanding thereunder, as well as evidence the obligations of the Borrowers to the Lenders, the LC Issuer and the Administrative Agent under the Amended and Restated Credit Agreement; and

G. The Existing Mortgage provides that it was given to secure, not only the obligations of the Mortgagor under the Existing Credit Agreement and other obligations that existed as of the date of execution of the Mortgage, but also, *inter alia*, amendments and restatements of the Existing Credit Agreement and other and future obligations; and

H. The parties desire to enter into this Amendment for the purposes of evidencing their agreement and understanding that the Existing Mortgage, as amended by this Amendment, is intended to secure and benefit, among other obligations, all indebtedness, obligations and liabilities of the Mortgagor and the other Borrowers under the Existing Credit Agreement, as amended and restated pursuant to the Amended and Restated Credit Agreement, including any and all promissory notes which may be executed from time to time to evidence any of such indebtedness;

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The defined terms set forth in the Recitals to this Amendment are hereby added to the Existing Mortgage with the respective meanings set forth in the Recitals. The definitions of any of such terms that are already set forth in the Existing Mortgage are replaced by the definitions herein.

2. **Amendments to the Existing Mortgage.**

- 2.1 All references in the Existing Mortgage to the “Mortgage”, “hereunder”, “hereof”, “herein”, or similar terms, shall, except where the context may otherwise require, mean and refer to the Mortgage as amended by this Amendment, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time. Capitalized terms used herein and not defined or redefined herein have the meanings assigned to them in the Mortgage.
- 2.2 All references to the “Credit Agreement” in the Existing Mortgage shall be deemed to be references to the Existing Credit Agreement, as amended and restated by the Amended and Restated Credit Agreement, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time.
- 2.3 All references in the Existing Mortgage to the “Security Agreement” shall have the meaning set forth in the Credit Agreement, as defined in this Amendment.
- 2.4 The third and fourth paragraphs of the Recitals in the Existing Mortgage (which define the “Holdings/S&W Corp. Guaranty” and the “Operating Companies Guaranty”) are hereby deleted.
- 2.5 The fifth paragraph of the Recitals in the Existing Mortgage (which defines the “Secured Obligations”) is hereby deleted and the following is hereby substituted therefor:

“WHEREAS, this Mortgage secures to the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties (all of the following, collectively, the “Secured Obligations”): (a) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with (x) the Credit Agreement in the aggregate original principal amount of \$120,000,000.00, comprised of (i) Loans in the maximum principal amount of \$115,000,000.00, and any and all promissory notes issued by one or more of the Borrowers to the order of one or more of the Lenders in evidence thereof, as the same may be amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time, and (ii) the LC Exposure in the maximum principal amount of \$5,000,000.00, and (y) the other Loan Documents, including, without limitation, all advances and readvances of principal and future advances made pursuant to the Credit Agreement and the other Loan Documents, and all other Obligations; (b) the due and punctual payment and performance of all indebtedness, obligations and

liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all Swap Agreements, including, without limitation, all Swap Obligations; (c) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all cash management services, including, without limitation, all Cash Management Services Obligations; (d) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all foreign exchange contracts, including, without limitation, all Foreign Exchange Obligations; (e) the due and punctual payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; (f) the performance of the covenants and agreements of the Mortgagor and the other Borrowers contained in this Mortgage, the Credit Agreement, the Security Agreement, the other Loan Documents, and any other agreements, documents or instruments now or hereafter evidencing the Secured Obligations, as applicable; and (g) each amendment, restatement, renewal, extension, consolidation, increase or refinancing of any of the foregoing, in whole or in part; and”.

2.6 The text of Section 1.4 of the Existing Mortgage (entitled “Pledge of Monies Held”) is hereby deleted in its entirety and the following is hereby substituted therefor:

“Section 1.4 Pledge of Monies Held. The Mortgagor hereby assigns to the Administrative Agent all insurance proceeds paid in connection with the Property and all condemnation awards and payments described in Section 3.4, as additional security for the Secured Obligations; provided that the Mortgagor will be entitled to receive and use such insurance proceeds and condemnation awards in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid in accordance with the Credit Agreement.”

2.7 The last sentence of Section 3.2 of the Existing Mortgage (entitled “Insurance”) is hereby deleted and the following is hereby substituted therefor:

“Any and all insurance proceeds payable to the Mortgagor from any such casualty or other insured damage are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such insurance proceeds in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement.”

2.8 The last sentence of Section 3.4 of the Existing Mortgage (entitled “Condemnation”) is hereby deleted and the following is hereby substituted therefor:

“Any and all proceeds payable to the Mortgagor from any award made in respect of any Taking are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such award made in respect of any Taking in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement.”

3. **Confirmation of the Mortgage.** The Mortgagor confirms that all representations and warranties contained in the Existing Mortgage, as amended hereby, are true and correct as of the date hereof, as if made as of the date of this Amendment. Except as amended hereby, the Mortgage shall remain in full force and effect and is hereby ratified and confirmed in all respects. It is the intent of the parties hereto that nothing contained herein shall be construed to release, cancel, terminate or otherwise adversely affect the lien, claims, rights and security interests granted to the Mortgagee under the Existing Mortgage, which shall now secure the Secured Obligations (as modified as aforesaid) with all the priorities enjoyed by the Administrative Agent at its inception. Nothing contained herein will be deemed to constitute a waiver or a release of any provision of the Existing Mortgage. Nothing contained herein will in any event be deemed to constitute an agreement to give a waiver or release or to agree to any amendment or modification of any provision of the Existing Mortgage, as amended hereby, on any other or future occasion. Nothing contained in this Amendment will be deemed to constitute a waiver of any default or Event of Default (whether now known to the Administrative Agent or not) under the Credit Agreement, any Note, the Existing Mortgage, as amended hereby, or any other Loan Document.

4. **Counterparts.** This Amendment may be executed by the parties hereto in several counterparts hereof and by the different parties hereto on separate counterparts hereof, all of which counterparts shall together constitute one and the same agreement.

5. **Governing Law.** This Amendment shall be governed by and construed in accordance with federal law and the laws of the state where the Property is located, without reference or giving effect to any choice of law doctrine.

6. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature pages follow.]

IN WITNESS WHEREOF, the Mortgagor and the Administrative Agent have each duly executed this Amendment as an instrument under seal as of the day and year first above written.

Mortgagor:

SMITH & WESSON CORP.

By: /s/ P. James Debney

Name: P. James Debney
President

By: /s/ Deana L. McPherson

Name: Deana L. McPherson
Treasurer

State of *Massachusetts*

Hampden County, ss.

On this 6th day of December, 2010, before me, the undersigned notary public, personally appeared P. James Debney, proved to me through satisfactory evidence of identification, being (check whichever applies): o driver's license or other state or federal governmental document bearing a photographic image, o oath or affirmation of a credible witness known to me who knows the above signatory, or o my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him/her voluntarily for its stated purpose, as the duly authorized President of Smith & Wesson Corp., a Delaware corporation.

/s/ Doreen M. Fidalgo

Notary Public

My commission expires: 12/3/15

Print Notary Public's Name: Doreen M. Fidalgo

Qualified in the State of Massachusetts

[Notary Seal]

State of *Massachusetts*

Hampden County, ss.

On this 6th day of December, 2010, before me, the undersigned notary public, personally appeared Deana L. McPherson, proved to me through satisfactory evidence of identification, being (check whichever applies): o driver's license or other state or federal governmental document bearing a photographic image, o oath or affirmation of a credible witness known to me who knows the above signatory, or o my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him/her voluntarily for its stated purpose, as the duly authorized Treasurer of Smith & Wesson Corp., a Delaware corporation.

/s/ Doreen M. Fidalgo

Notary Public

My commission expires: 12/3/15

Print Notary Public's Name: Doreen M. Fidalgo

Qualified in the State of Massachusetts

[Notary Seal]

*[*Signatures Continued on Next Page*]*

[Signature Page to Massachusetts Mortgage Amendment]

Administrative Agent:

**TD BANK, N.A.,
as successor Administrative Agent**

By: /s/ Maria P. Goncalves

Maria P. Goncalves,
Regional Vice President

Commonwealth of Massachusetts

Hampden County, ss.

On this 3 day of December, 2010, before me, the undersigned notary public, personally appeared Maria P. Goncalves, proved to me through satisfactory evidence of identification, being (check whichever applies): o driver's license or other state or federal governmental document bearing a photographic image, o oath or affirmation of a credible witness known to me who knows the above signatory, or my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by her voluntarily for its stated purpose, as a duly authorized Regional Vice President of TD Bank, N.A., a national banking association.

/s/ Zoe Rojas-McCaskill

Notary Public

My commission expires: April 21, 2017

Print Notary Public's Name: Zoe Rojas-McCaskill

Qualified in the State of Mass.

[Notary Seal]

[Signature Page to Massachusetts Mortgage Amendment No. 1]

When recorded return to:
Faith Kaliski, Esq.
Edwards Angell Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
(617) 951-2263

(19 Aviation Drive Houlton,
Southern Aroostook County, ME)

AMENDMENT NO. 1 TO
OPEN-END MORTGAGE DEED, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

THIS AMENDMENT NO. 1 TO OPEN-END MORTGAGE DEED, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Amendment") dated as of December 7, 2010 is made by

SMITH & WESSON CORP., a Delaware corporation with its principal place of business at 2100 Roosevelt Avenue, Springfield, Massachusetts 01102 (the "Mortgagor") to

TD BANK, N.A., a national banking association with an office at 1441 Main Street, Springfield, Massachusetts 01103, in its capacity as administrative agent for itself, the Lenders (as defined below) and the other Secured Parties (as defined in the Credit Agreement defined below) (in such capacity, together with its successors and assigns, the "Administrative Agent").

RECITALS:

A. Reference is made to a certain Open-End Mortgage Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of November 30, 2007 granted by the Mortgagor to TORONTO DOMINION (TEXAS) LLC, a Delaware limited liability company, as administrative agent (in such capacity, the "Predecessor Administrative Agent"), and recorded with the Registry of Deeds for Southern Aroostook County, Massachusetts ("Aroostook Deeds") on December 5, 2007 in Book 4525, Page 4; and

B. The above-referenced document was assigned by the Predecessor Administrative Agent to, and accepted by, the Administrative Agent, pursuant to a certain Assignment and Acceptance of Open-End Mortgage Deed, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of October 31, 2008, recorded with Aroostook Deeds on November 14, 2008 in Book 4647, Page 48 (the

above-referenced document, as so assigned and accepted, and as amended from time to time prior to the date hereof, the "Existing Mortgage"; and

C. The Existing Mortgage secures, among other obligations, a certain Credit Agreement dated as of November 30, 2007 by and among the Mortgagor, the other parties named as borrowers thereunder (the Mortgagor and such other parties, being collectively and jointly and severally, referred to herein as the "Existing Borrowers"), the parties named as lenders thereunder from time to time (the "Lenders"), and the Administrative Agent, successor in such capacity to the Predecessor Administrative Agent (such Credit Agreement, as so assigned and accepted, and as amended from time to time prior to the date hereof, being referred to herein as the "Existing Credit Agreement"); and

D. The Mortgagor and the other Existing Borrowers have requested (a) that the Existing Credit Agreement be amended in certain respects to, *inter alia*, (i) permit an aggregate outstanding principal exposure thereunder of up to \$120,000,000.00, and (ii) permit certain Loans thereunder to be borrowed, repaid and re-borrowed, (b) that certain guarantors of the Obligations of the Existing Borrowers, and other affiliates of the Mortgagor and other Existing Borrowers, be permitted to borrow loans and otherwise benefit directly from the credit facilities provided by the Administrative Agent and the Lenders; (c) that certain other modifications be made to the Existing Credit Agreement, and (d) that for the sake of clarity, the Existing Credit Agreement be restated, as so amended; and

E. The Lenders and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement, pursuant to an Amended and Restated Credit Agreement dated on or about the date hereof among the Mortgagor, the other Existing Borrowers and the other parties from time to time joined as borrowers thereunder (the Mortgagor, the other Existing Borrowers and such other parties, being collectively, jointly and severally, referred to herein as the "Borrowers"), the Lenders and the Administrative Agent (the Existing Credit Agreement, as so amended and restated, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time being referred to herein as the "Amended and Restated Credit Agreement"); and

F. It is the intent of the parties that the Amended and Restated Credit Agreement not constitute a novation of the obligations existing under the Existing Credit Agreement and the other Loan Documents or evidence any repayment of any such obligations and liabilities, but rather that the Amended and Restated Credit Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Existing Borrowers outstanding thereunder, as well as evidence the obligations of the Borrowers to the Lenders, the LC Issuer and the Administrative Agent under the Amended and Restated Credit Agreement; and

G. The Existing Mortgage provides that it was given to secure, not only the obligations of the Mortgagor under the Existing Credit Agreement and other obligations that existed as of the date of execution of the Mortgage, but also, *inter alia*, amendments and restatements of the Existing Credit Agreement and other and future obligations; and

H. The parties desire to enter into this Amendment for the purposes of evidencing their agreement and understanding that the Existing Mortgage, as amended by this Amendment, is intended to secure and benefit, among other obligations, all indebtedness, obligations and liabilities of the Mortgagor and the other Borrowers under the Existing Credit Agreement, as amended and restated pursuant to the Amended and Restated Credit Agreement, including any and all promissory notes which may be executed from time to time to evidence any of such indebtedness;

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The defined terms set forth in the Recitals to this Amendment are hereby added to the Existing Mortgage with the respective meanings set forth in the Recitals. The definitions of any of such terms that are already set forth in the Existing Mortgage are replaced by the definitions herein.

2. **Amendments to the Existing Mortgage.**

- 2.1 All references in the Existing Mortgage to the “Mortgage”, “hereunder”, “hereof”, “herein”, or similar terms, shall, except where the context may otherwise require, mean and refer to the Mortgage as amended by this Amendment, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time. Capitalized terms used herein and not defined or redefined herein have the meanings assigned to them in the Mortgage.
- 2.2 All references to the “Credit Agreement” in the Existing Mortgage shall be deemed to be references to the Existing Credit Agreement, as amended and restated by the Amended and Restated Credit Agreement, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time.
- 2.3 All references in the Existing Mortgage to the “Security Agreement” shall have the meaning set forth in the Credit Agreement, as defined in this Amendment.
- 2.4 The third and fourth paragraphs of the Recitals in the Existing Mortgage (which define the “Holdings/S&W Corp. Guaranty” and the “Operating Companies Guaranty”) are hereby deleted.
- 2.5 The fifth paragraph of the Recitals in the Existing Mortgage (which defines the “Secured Obligations”) is hereby deleted and the following is hereby substituted therefor:

“WHEREAS, this Mortgage secures to the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties (all of the following, collectively, the “Secured Obligations”): (a) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with (x) the Credit Agreement in the aggregate original principal amount of \$120,000,000.00, comprised of (i) Loans in the maximum principal amount of \$115,000,000.00, and any and all promissory notes issued by one or more of the Borrowers to the order of one or more of the Lenders in evidence thereof, including, without limitation, those certain promissory notes dated as of December 7, 2010 in the aggregate original principal amount of \$115,000,000.00 issued by one or more of the Borrowers to the order of one or more of the Lenders (which replace in the entirety but do not evidence a novation or satisfaction of those certain promissory notes in the aggregate original principal amount of \$123,303,400.23) and any and all other promissory notes issued pursuant to the Credit Agreement, as the same may be

amended, extended, restated, substituted or otherwise modified from time to time (the “Notes”), and (ii) the LC Exposure in the maximum principal amount of \$5,000,000.00, and (y) the other Loan Documents, including, without limitation, all advances and readvances of principal and future advances made pursuant to the Credit Agreement and the other Loan Documents, and all other Obligations; (b) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all Swap Agreements, including, without limitation, all Swap Obligations; (c) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all cash management services, including, without limitation, all Cash Management Services Obligations; (d) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all foreign exchange contracts, including, without limitation, all Foreign Exchange Obligations; (e) the due and punctual payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; (f) the performance of the covenants and agreements of the Mortgagor and the other Borrowers contained in this Mortgage, the Credit Agreement, the Security Agreement, the other Loan Documents, and any other agreements, documents or instruments now or hereafter evidencing the Secured Obligations, as applicable; and (g) each amendment, restatement, renewal, extension, consolidation, increase or refinancing of any of the foregoing, in whole or in part; and”.

2.6 The text of Section 1.4 of the Existing Mortgage (entitled “Pledge of Monies Held”) is hereby deleted in its entirety and the following is hereby substituted therefor:

“Section 1.4 Pledge of Monies Held. The Mortgagor hereby assigns to the Administrative Agent all insurance proceeds paid in connection with the Property and all condemnation awards and payments described in Section 3.4, as additional security for the Secured Obligations; provided that the Mortgagor will be entitled to receive and use such insurance proceeds and condemnation awards in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid in accordance with the Credit Agreement.”

2.7 Section 2.1 of the Existing Mortgage (entitled “Loans and Other Obligations; Open-End Mortgage”) is hereby deleted in its entirety and the following is hereby substituted therefor:

“Section 2.1 Loans and Other Obligations; Open-End Mortgage. This Mortgage and the grants, security interests, assignments and transfers made in Article 1 are given for the purpose of securing the Secured Obligations, in such order of priority as specified in the Credit Agreement. This Mortgage is an open-end mortgage which secures existing indebtedness, “Future Advances,” “Protective Advances” and “Contingent Obligations” as such terms are defined in 33 M.R.S.A. § 505, as the same may be amended or replaced. The maximum

aggregate principal amount of all Secured Obligations secured by this Mortgage, including Future Advances but excluding Protective Advances, shall not at any time exceed the total amount of \$120,000,000.00. This Mortgage shall also secure Contingent Obligations in the maximum amount of \$120,000,000.00. The Future Advances secured hereby shall be made to or for the account of the Mortgagor and the other Borrowers and may be made under the Notes or any of the other Loan Documents, as the same may be amended, or may be made pursuant to promissory notes, line of credit agreements or other instruments evidencing such Future Advances which may be hereafter executed and delivered by Mortgagor or the other Borrowers to any of the Secured Parties. All provisions of this Mortgage shall apply to each Future Advance as well as to all other Obligations secured hereby. Nothing herein contained, however, shall limit the amount secured by this Mortgage if such amount is increased by Protective Advances made by the Administrative Agent or any other Secured Party, as herein elsewhere provided. In the event that any notice described in subsections 5(A) or (B) of 33 M.R.S.A. § 505 (or any similar successor provision) is recorded or is received by the Administrative Agent, any commitment, agreement or obligation to make future advances to or for the benefit of the Mortgagor shall immediately cease and, at Administrative Agent's option, any such notice shall constitute an Event of Default hereunder."

2.8 The last sentence of Section 3.2 of the Existing Mortgage (entitled "Insurance") is hereby deleted and the following is hereby substituted therefor:

"Any and all insurance proceeds payable to the Mortgagor from any such casualty or other insured damage are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such insurance proceeds in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement."

2.8 The last sentence of Section 3.4 of the Existing Mortgage (entitled "Condemnation") is hereby deleted and the following is hereby substituted therefor:

"Any and all proceeds payable to the Mortgagor from any award made in respect of any Taking are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such award made in respect of any Taking in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement."

3. **Confirmation of the Mortgage.** The Mortgagor confirms that all representations and warranties contained in the Existing Mortgage, as amended hereby, are true and correct as of the date hereof, as if made as of the date of this Amendment. Except as amended hereby, the Mortgage shall remain in full force and effect and is hereby ratified and confirmed in all respects. It is the intent of the parties hereto that nothing contained herein shall be construed to release, cancel, terminate or otherwise adversely affect the lien, claims, rights and security interests granted to the Mortgagee under the Existing

Mortgage, which shall now secure the Secured Obligations (as modified as aforesaid) with all the priorities enjoyed by the Administrative Agent at its inception. Nothing contained herein will be deemed to constitute a waiver or a release of any provision of the Existing Mortgage. Nothing contained herein will in any event be deemed to constitute an agreement to give a waiver or release or to agree to any amendment or modification of any provision of the Existing Mortgage, as amended hereby, on any other or future occasion. Nothing contained in this Amendment will be deemed to constitute a waiver of any default or Event of Default (whether now known to the Administrative Agent or not) under the Credit Agreement, any Note, the Existing Mortgage, as amended hereby, or any other Loan Document.

4. **Counterparts.** This Amendment may be executed by the parties hereto in several counterparts hereof and by the different parties hereto on separate counterparts hereof, all of which counterparts shall together constitute one and the same agreement.

5. **Governing Law.** This Amendment shall be governed by and construed in accordance with federal law and the laws of the state where the Property is located, without reference or giving effect to any choice of law doctrine.

6. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature pages follow.]

IN WITNESS WHEREOF, the Mortgagor and the Administrative Agent have each duly executed this Amendment as an instrument under seal as of the day and year first above written.

Mortgagor:

SMITH & WESSON CORP.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

State/
Commonwealth of Arizona

Maricopa County, ss.

On this 2nd day of December, 2010, before me, the undersigned notary public, personally appeared John R. Dineen, proved to me through satisfactory evidence of identification, being (check whichever applies): driver's license or other state or federal governmental document bearing a photographic image, o oath or affirmation of a credible witness known to me who knows the above signatory, or o my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him/her voluntarily for its stated purpose, as the duly authorized Interim CFO of Smith & Wesson Corp., a Delaware corporation.

/s/ Sandra K. Weeks

Notary Public

My commission expires: 4-11-13

Print Notary Public's Name: Sandra K. Weeks

Qualified in the State of Arizona

[Notary Seal]

*[*Signatures Continued on Next Page*]*

[Signature Page to Maine Mortgage Amendment]

IN WITNESS WHEREOF, the Mortgagor and the Administrative Agent have each duly executed this Amendment as an instrument under seal as of the day and year first above written.

Administrative Agent:

**TD BANK, N.A.,
as successor Administrative Agent**

By: /s/ Maria P. Goncalves

Maria P. Goncalves,
Regional Vice President

Commonwealth of Massachusetts

Hampden County, ss.

On this 3 day of December, 2010, before me, the undersigned notary public, personally appeared Maria P. Goncalves, proved to me through satisfactory evidence of identification, being (check whichever applies): driver's license or other state or federal governmental document bearing a photographic image, oath or affirmation of a credible witness known to me who knows the above signatory, or my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by her voluntarily for its stated purpose, as a duly authorized Regional Vice President of TD Bank, N.A., a national banking association.

/s/ Zoe Rojas-McCaskill

Notary Public

My commission expires: April 21, 2017

Print Notary Public's Name: Zoe Rojas-McCaskill

Qualified in the State of Mass.

[Notary Seal]

[Signature Page to Maine Mortgage Amendment]

When recorded return to:
Faith Kaliski, Esq
Edwards Angell Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
(617) 951-2263

(400 North Main Street,
Rochester, Strafford County, NH)

**AMENDMENT NO. 1 TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF
LEASES AND RENTS AND FIXTURE FILING**

THIS AMENDMENT NO. 1 TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Amendment") dated as of December 7, 2010 is made by

O.L. DEVELOPMENT, INC., a New Hampshire corporation with its principal place of business at 2100 Roosevelt Avenue, Springfield, Massachusetts 01102 (the "Mortgagor") to

TD BANK, N.A., a national banking association with an office at 1441 Main Street, Springfield, Massachusetts 01103, in its capacity as administrative agent for itself, the Lenders (as defined below) and the other Secured Parties (as defined in the Credit Agreement defined below) (in such capacity, together with its successors and assigns, the "Administrative Agent").

RECITALS:

A. Reference is made to a certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of November 30, 2007 granted by the Mortgagor to TORONTO DOMINION (TEXAS) LLC, a Delaware limited liability company, as administrative agent (in such capacity, the "Predecessor Administrative Agent"), and recorded with the Registry of Deeds for Strafford County, New Hampshire ("Strafford Deeds") on December 4, 2007 in Book 3598, Page 750; and

B. The above-referenced document was assigned by the Predecessor Administrative Agent to, and accepted by, the Administrative Agent, pursuant to a certain Assignment and Acceptance of Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of October 31, 2008, recorded with Strafford Deeds on November 13, 2008 in Book 3693, Page 257 (the above-referenced document, as so assigned and accepted, and as amended from time to time prior to the date hereof, the "Existing Mortgage"); and

C. The Existing Mortgage secures, among other obligations, a certain Subsidiary Guaranty dated as of November 30, 2007 from the Mortgagor and the other parties thereto from time to time named as guarantors in favor of the Administrative Agent, successor in such capacity to the Predecessor Administrative Agent (as amended from time to time prior to the date hereof, the "Subsidiary Guaranty"); and

D. The Mortgagor (i) pursuant to the Subsidiary Guaranty guarantees, *inter alia*, the Obligations of Smith & Wesson Corp., a Delaware corporation ("S&W Corp.") and certain other parties named as borrowers under the Credit Agreement dated as of November 30, 2007, as amended (S&W Corp. and such other parties, being collectively, jointly and severally, referred to herein as the "Existing Borrowers"), the parties named as lenders thereunder from time to time (the "Lenders"), and the Administrative Agent (such Credit Agreement, as amended from time to time prior to the date hereof being referred to herein as the "Existing Credit Agreement"); and (ii) secures its obligations under the Subsidiary Guaranty by the Existing Mortgage and by that certain Pledge and Security Agreement dated as of November 30, 2007 from the Mortgagor and certain other pledgors named therein to the Administrative Agent (as amended from time to time prior to the date hereof, the "Existing Security Agreement")

E. The Existing Borrowers have requested (a) that the Existing Credit Agreement be amended in certain respects to, *inter alia*, (i) permit an aggregate outstanding principal exposure thereunder of up to \$120,000,000.00, and (ii) permit certain Loans thereunder to be borrowed, repaid and re-borrowed; (b) that the Mortgagor, certain other guarantors of the Obligations of the Existing Borrowers, and certain other affiliates of the Mortgagor and the Existing Borrowers be permitted to borrow loans and otherwise benefit directly from the other credit facilities provided to the Existing Borrowers (the Existing Borrowers, the Mortgagor, and the other parties now and from time to time joined as borrowers being collectively, jointly and severally, referred to herein as the "Borrowers"); (c) that certain other modifications be made to the Existing Credit Agreement; and

F. The Lenders and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement, pursuant to an Amended and Restated Credit Agreement on or about the date hereof among the Mortgagor, the other Borrowers, the Lenders and the Administrative Agent (the Existing Credit Agreement, as so amended and restated, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time being referred to herein as the "Amended and Restated Credit Agreement"); and

G. It is the intent of the parties that the Amended and Restated Credit Agreement not constitute a novation of the obligations existing under the Existing Credit Agreement and the other Loan Documents or evidence any repayment of any such obligations and liabilities, but rather that the Amended and Restated Credit Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Existing Borrowers outstanding thereunder, as well as evidence the obligations of the Borrowers to the Lenders, the LC Issuer and the Administrative Agent under the Amended and Restated Credit Agreement; and

H. The parties desire to enter into this Amendment for the purposes of evidencing their agreement and understanding that the Existing Mortgage, as amended by this Amendment, is intended to secure and benefit, among other obligations, all indebtedness, obligations and liabilities of the Mortgagor and the other Borrowers under the Existing Credit Agreement, as amended and restated pursuant to the Amended and Restated Credit Agreement, including any and all promissory notes which may be executed from time to time to evidence any of such indebtedness;

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The defined terms set forth in the Recitals to this Amendment are hereby added to the Existing Mortgage with the respective meanings set forth in the Recitals. The definitions of any of such terms that are already set forth in the Existing Mortgage are replaced by the definitions herein.
2. **Amendments to the Existing Mortgage.**
 - 2.1 All references in the Existing Mortgage to the “Mortgage”, “hereunder”, “hereof”, “herein”, or similar terms, shall, except where the context may otherwise require, mean and refer to the Mortgage as amended by this Amendment, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time. All capitalized terms not otherwise defined or redefined herein shall have the respective meanings assigned to them in the Mortgage.
 - 2.2 All references in the Existing Mortgage to the “Credit Agreement” shall be deemed to be references to the Existing Credit Agreement, as amended and restated by the Amended and Restated Credit Agreement, and as may be further amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time.
 - 2.3 The second and third paragraphs of the Recitals in the Existing Mortgage (which define the “Subsidiary Guaranty” and the “Security Agreement”) are hereby deleted.
 - 2.4 All references in the Existing Mortgage to the “Security Agreement” shall have the meaning set forth in the Amended and Restated Credit Agreement.
 - 2.5 The fourth paragraph of the Recitals in the Existing Mortgage (which defines the “Secured Obligations”) is hereby deleted and the following is hereby substituted therefor:

“WHEREAS, this Mortgage secures to the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties (all of the following, collectively, the “Secured Obligations”): (a) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with (x) the Credit Agreement in the aggregate original principal amount of \$120,000,000.00, comprised of (i) Loans in the maximum principal amount of \$115,000,000.00, and any and all promissory notes issued by one or more of the Mortgagor and the other Borrowers to the order of one or more of the Lenders in evidence thereof, as the same may be amended, restated, assigned, increased, supplemented and/or otherwise modified from time to time, and (ii) the LC Exposure in the maximum principal amount of \$5,000,000.00, and (y) the other Loan Documents, including, without limitation, all advances and readvances of principal and future advances made pursuant to the Credit Agreement and the other Loan Documents, and all other Obligations; (b) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the

Mortgagor and the other Borrowers arising under, out of or in connection with any and all Swap Agreements, including, without limitation, all Swap Obligations; (c) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all cash management services, including, without limitation, all Cash Management Services Obligations; (d) the due and punctual payment and performance of all indebtedness, obligations and liabilities, now or hereafter existing, of the Mortgagor and the other Borrowers arising under, out of or in connection with any and all foreign exchange contracts, including, without limitation, all Foreign Exchange Obligations; (e) the due and punctual payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; (f) the performance of the covenants and agreements of the Mortgagor and the other Borrowers contained in this Mortgage, the Credit Agreement, the Security Agreement, the other Loan Documents, and any other agreements, documents or instruments now or hereafter evidencing the Secured Obligations, as applicable; and (g) each amendment, restatement, renewal, extension, consolidation, increase or refinancing of any of the foregoing, in whole or in part; and”.

2.6 The text of Section 1.4 of the Existing Mortgage (entitled “Pledge of Monies Held”) is hereby deleted in its entirety and the following is hereby substituted therefor:

“Section 1.4 Pledge of Monies Held. The Mortgagor hereby assigns to the Administrative Agent all insurance proceeds paid in connection with the Property and all condemnation awards and payments described in Section 3.4, as additional security for the Secured Obligations; provided that the Mortgagor will be entitled to receive and use such insurance proceeds and condemnation awards in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid in accordance with the Credit Agreement.”

2.7 The last sentence of Section 3.2 of the Existing Mortgage (entitled “Insurance”) is hereby deleted and the following is hereby substituted therefor:

“Any and all insurance proceeds payable to the Mortgagor from any such casualty or other insured damage are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such insurance proceeds in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement.”

2.8 The last sentence of Section 3.4 of the Existing Mortgage (entitled “Condemnation”) is hereby deleted and the following is hereby substituted therefor:

“Any and all proceeds payable to the Mortgagor from any award made in respect of any Taking are hereby assigned to the Administrative Agent; provided that the Mortgagor will be entitled to receive and use such award made in respect of any

Taking in its good-faith discretion unless either (i) an Event of Default has occurred hereunder or (ii) the Credit Agreement provides otherwise, in either of which cases such insurance proceeds and condemnation awards shall be paid and applied in accordance with the Credit Agreement.”

2.9 Section 9.2 of the Existing Mortgage (entitled “Notices”) is hereby deleted and the following is hereby substituted therefor:

“Section 9.2 Notices. All notices or other written communications hereunder shall be given pursuant to Section 10.02 of the Credit Agreement.”

2.10 Section 9.11 of the Existing Mortgage (entitled “Stated Maximum Amount”) is hereby deleted and the following is hereby substituted therefor:

“Section 9.11 Stated Maximum Amount. Notice is hereby given that for the purposes of RSA Section 479:3, this Mortgage secures a maximum amount equal to the principal sum of \$120,000,000.00, plus accrued interest thereon, plus advances, if any, to protect the security of this mortgage, plus foreclosure costs and expenses, including attorney’s fees, if any, plus any other costs and expenses authorized by the Mortgage or the aforesaid notes.”

3. **Confirmation of the Mortgage**. The Mortgagor confirms that all representations and warranties contained in the Existing Mortgage, as amended hereby, are true and correct as of the date hereof, as if made as of the date of this Amendment. Except as amended hereby, the Mortgage shall remain in full force and effect and is hereby ratified and confirmed in all respects. It is the intent of the parties hereto that nothing contained herein shall be construed to release, cancel, terminate or otherwise adversely affect the lien, claims, rights and security interests granted to the Mortgagee under the Existing Mortgage, which shall now secure the Secured Obligations (as modified as aforesaid) with all the priorities enjoyed by the Administrative Agent at its inception. Nothing contained herein will be deemed to constitute a waiver or a release of any provision of the Existing Mortgage. Nothing contained herein will in any event be deemed to constitute an agreement to give a waiver or release or to agree to any amendment or modification of any provision of the Existing Mortgage, as amended hereby, on any other or future occasion. Nothing contained in this Amendment will be deemed to constitute a waiver of any default or Event of Default (whether now known to the Administrative Agent or not) under the Amended and Restated Credit Agreement, any Note, the Existing Mortgage, as amended hereby, or any other Loan Document.
4. **Counterparts**. This Amendment may be executed by the parties hereto in several counterparts hereof and by the different parties hereto on separate counterparts hereof, all of which counterparts shall together constitute one and the same agreement.
5. **Governing Law**. This Amendment shall be governed by and construed in accordance with federal law and the laws of the state where the Property is located, without reference or giving effect to any choice of law doctrine.
6. **Successors and Assigns**. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature pages follow.]

IN WITNESS WHEREOF, the Mortgagor and the Administrative Agent have each duly executed this Amendment as an instrument under seal as of the day and year first above written.

Mortgagor:

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

State/
Commonwealth of Arizona

Maricopa County, ss.

On this 2nd day of December, 2010, before me, the undersigned notary public, personally appeared John R. Dineen, proved to me through satisfactory evidence of identification, being (check whichever applies): driver's license or other state or federal governmental document bearing a photographic image, o oath or affirmation of a credible witness known to me who knows the above signatory, or o my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by him/her voluntarily for its stated purpose, as the duly authorized Interim CFO of O.L. Development, Inc., a New Hampshire corporation.

/s/ Sandra K. Weeks

Notary Public

My commission expires: 4-11-13

Print Notary Public's Name: Sandra K. Weeks

Qualified in the State of Arizona

[Notary Seal]

*[*Signatures Continued on Next Page*]*

[Signature Page to New Hampshire Mortgage Amendment]

IN WITNESS WHEREOF, the Mortgagor and the Administrative Agent have each duly executed this Amendment as an instrument under seal as of the day and year first above written.

Administrative Agent:

**TD BANK, N.A.,
as successor Administrative Agent**

By: /s/ Maria P. Goncalves
Maria P. Goncalves,
Regional Vice President

Commonwealth of Massachusetts

Hampden County, ss.

On this 3 day of December, 2010, before me, the undersigned notary public, personally appeared Maria P. Goncalves, proved to me through satisfactory evidence of identification, being (check whichever applies): driver's license or other state or federal governmental document bearing a photographic image, oath or affirmation of a credible witness known to me who knows the above signatory, or my own personal knowledge of the identity of the signatory, to be the person whose name is signed above, and acknowledged the foregoing to be signed by her voluntarily for its stated purpose, as a duly authorized Regional Vice President of TD Bank, N.A., a national banking association.

/s/ Zoe Rojas-McCaskill

Notary Public

My commission expires: April 21, 2017

Print Notary Public's Name: Zoe Rojas-McCaskill

Qualified in the State of Mass.

[Notary Seal]

[Signature Page to New Hampshire Mortgage Amendment]

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

December 7, 2010

among

SMITH & WESSON HOLDING CORPORATION,
SMITH & WESSON CORP.,
THOMPSON/CENTER ARMS COMPANY, INC.,
UNIVERSAL SAFETY RESPONSE, INC.,
FOX RIDGE OUTFITTERS, INC.,
BEAR LAKE HOLDINGS, INC.,
K.W. THOMPSON TOOL COMPANY, INC.,
O.L. DEVELOPMENT, INC.,
THOMPSON CENTER HOLDING CORPORATION,
and SMITH & WESSON DISTRIBUTING, INC.,
as Borrowers

and

The Lenders Party Hereto,

and

TD BANK, N.A.
as Administrative Agent

and

SOVEREIGN BANK
as Syndication Agent

TD SECURITIES (USA) LLC
As Sole Lead Arranger and Sole Bookrunner

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AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 7, 2010 (as it may be amended, restated or modified from time to time, this "Agreement"), by and among **SMITH & WESSON HOLDING CORPORATION**, a Nevada corporation ("Holdings"), **SMITH & WESSON CORP.**, a Delaware corporation (the "S&W Corp."), **THOMPSON/CENTER ARMS COMPANY, INC.**, a New Hampshire corporation ("TCAC"), **THOMPSON CENTER HOLDING CORPORATION**, a Delaware corporation ("TCHC"), **UNIVERSAL SAFETY RESPONSE, INC.**, a Delaware corporation ("USR"), **FOX RIDGE OUTFITTERS, INC.**, a New Hampshire corporation ("FRO"), **K.W. THOMPSON TOOL COMPANY, INC.**, a New Hampshire corporation ("KWTTC"), **O.L. DEVELOPMENT, INC.**, a New Hampshire corporation ("OLD"), **BEAR LAKE HOLDINGS, INC.**, a Delaware corporation ("BLH"), and **SMITH & WESSON DISTRIBUTING, INC.**, a Delaware corporation ("Distributing") and such other Persons joined hereto as a Borrower from time to time (each a "Borrower" and, together the "Borrowers"), **TD BANK N.A.**, a national banking association, in its capacity as agent for itself and the other Lenders (in said capacity, the "Administrative Agent"), **SOVEREIGN BANK**, a Federal savings bank, in its capacity as Syndication Agent (in said capacity, the "Syndication Agent"), and each lender from time to time party hereto (collectively, the "Lenders", and individually, a "Lender").

The parties hereto hereby agree as follows:

A. Certain of the Borrowers, certain of the Lenders, and the Administrative Agent are currently party to that certain Credit Agreement dated as of November 30, 2007, as amended (as amended, the "Existing Credit Agreement").

B. The Borrowers have requested that the Existing Credit Agreement be amended in certain respects as described below to, *inter alia*, (i) provide for Revolving Commitments from new Lenders, (ii) extend the maturity date and (iii) make certain additional modifications to the Existing Credit Agreement. For the sake of clarity and convenience, the Borrowers have requested that the Existing Credit Agreement be restated as so amended.

C. The Borrowers have requested that certain of the Lenders continue to extend credit to it, and those Lenders, upon the occurrence of the Effective Date and subject to the terms hereof, will continue to lend monies and/or make advances, extensions of credit or other financial accommodations to, on behalf of or for the benefit of the Borrowers.

D. The parties hereto intend that this Agreement shall not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) or evidence repayment of any such obligations and liabilities, but rather that this Agreement shall amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Borrowers (as defined in the Existing Credit Agreement) and the other Loan Parties (as defined in the Existing Credit Agreement) outstanding thereunder, as well as evidence of the additional obligations of the Borrowers to the Lenders, the LC Issuer and the Administrative Agent provided for herein.

In consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Account” means all now owned or hereafter acquired or arising accounts, as defined in the UCC, including any rights to payment for the sale or lease of goods or rendition of services, whether or not they have been earned by performance.

“Accountants” means BDO Seidman, LLP or other independent certified public accountants of nationally-recognized standing.

“Account Debtor” means any Person obligated on an Account.

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the Effective Date, by which any Borrower (a) acquires any going business or all or substantially all of the assets of any Person, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the Equity Interests of a Person which has ordinary voting power for the election of directors or other similar management personnel of a Person (other than Equity Interests having such power only by reason of the happening of a contingency) or a majority of the outstanding Equity Interests of a Person.

“Administrative Questionnaire” means the administrative questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Alternative Currency” means each of Euro, Yen and each other currency (other than Dollars) that is approved by the Administrative Agent and the LC Issuer.

“Applicable Margin” means:

(a) (i) during the period commencing on the date hereof and ending on the date of delivery of the Compliance Certificate for the fiscal quarter ending October 31, 2010, the Applicable Margin for all Loans and unused line fees shall be set at Level 5 on the grid below, and (ii) at all times during each Interest Period thereafter the Applicable Margin as of any date of determination shall be determined based upon the Consolidated Leverage Ratio as of the Determination Date immediately preceding such date as indicated in the following table:

	Consolidated Leverage Ratio	Applicable Margin for Revolving Loan (per annum rates) for Base Rate Loans and Swingline Loans	Applicable Margin for Revolving Loan (per annum rates) for LIBOR Loans	Unused Revolver Fee
Level 1	Greater than 3.00:1.00	2.50%	3.50%	0.75%
Level 2	Greater than 2.50:1.00 but less than or equal to 3.00:1.00	2.25%	3.25%	0.625%
Level 3	Greater than 2.00:1.00 but less than or equal to 2.50:1.00	2.00%	3.00%	0.50%
Level 4	Greater than 1.50:1.00 but less than or equal to 2.00:1.00	1.75%	2.75%	0.50%
Level 5	Greater than 1.00:1.00 but less than or equal to 1.50:1.00	1.50%	2.50%	0.375%
Level 6	Equal to or less than 1.00:1.00	1.25%	2.25%	0.25%

If any Compliance Certificate has not been delivered to the Administrative Agent within the time periods specified in Section 6.01(c), then until the Determination Date, the highest rate set forth above shall apply

“Applicable Percentage” means the initial Applicable Percentage of each Lender in respect of the Revolving Commitment and the LC Commitment as set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such percentage may be adjusted from time to time in accordance with the terms hereof.

“Applicable Revolving Loan Percentage” means the initial Applicable Percentage of each Lender in respect of each Revolving Loan as set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such percentage may be adjusted from time to time in accordance with the terms hereof.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Asset Sale” means any sale, transfer or other disposition (including a sale and leaseback transaction) of any property or asset of any Borrower in excess of \$5,000,000, other than dispositions described in Section 7.05(a).

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an Assignment and Assumption, substantially in the form of Exhibit A.

“Bank Products Documents” means all agreements entered into from time to time by any Borrower in connection with Cash Management Obligations, Swap Obligations and Foreign Exchange Obligations and shall include the Cash Management Agreements and Swap Agreements.

“Base Rate” means, at any time, a fluctuating rate per annum equal to the higher of (a) the rate published from time to time by The Wall Street Journal as the U.S. Prime Rate (if such U.S. Prime Rate is expressed as a range, then the top of such range will be used) or, in the event The Wall Street Journal ceases publication of such U.S. Prime Rate, the base, reference or other rate then designated by the Administrative Agent, in its sole discretion, for general commercial loan reference purposes or (b) the sum of (i) the Federal Funds Rate plus (ii) one-half of one percent (1/2%). It is acknowledged by the parties to this Agreement that the Base Rate is a reference rate, not necessarily the lowest rate of interest charged, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto. The effective interest rate for the Revolving Loans, Swingline Loans and LC Borrowings will change on the date of each change in the U.S. Prime Rate (as published in The Wall Street Journal, as aforesaid) or, if such U.S. Prime Rate is not so published, on the date of each change in the rate designated by the Administrative Agent as provided above.

“Base Rate Basis” means a simple interest rate equal to the sum of (i) the Base Rate and (ii) the Applicable Margin applicable to Base Rate Loans. The Base Rate Basis shall be adjusted automatically as of the opening of business on the effective date of each change in the Base Rate to account for such change, and shall also be adjusted to reflect changes of the Applicable Margin applicable to Base Rate Loans.

“Base Rate Loans” means Loans the rate of interest applicable as to which is the Base Rate Basis.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Bonded Accounts” means any Account arising from a transaction in which USR’s performance is or has been supported or secured by a performance bond, and such Account secures, or is subject to, the claim of a bonding company, insurer or indemnitor.

“Bonded Contract Equipment” means any Equipment of USR that is to be used by USR to manufacture Bonded Inventory sold under government contract that is secured by a performance bond, and that such Equipment secures, or subject to, the claim of a bonding company, insurer or indemnitor.

“Bonded Inventory” means any and all Inventory used or to be used by USR in a transaction in which such USR’s performance is or has been supported or secured by a performance bond or similar undertaking, and such Inventory secures, or is subject to, the claim of a bonding company, insurer or indemnitor.

“Borrower(s)” has the meaning assigned to it in the Preamble.

“Borrower Representative” has the meaning assigned to such term in Section 2.04.

“Borrowing(s)” means, individually and collectively as the context may require, Revolving Borrowing(s) and/or a Swingline Loan, but does not include any LC Borrowings.

“Borrowing Request” means a written request by the Borrower Representative for a Revolving Borrowing in accordance with Section 2.05, which request shall be made in the form of Exhibit B.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks are required or permitted by law to close in the State of New York,

“Capital Expenditures” of any Person means, without duplication, any expenditure or commitment to expend money for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a balance sheet of such Person prepared in accordance with GAAP.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Management Bank” means (i) TD Bank or (ii) any other financial institution that, from time to time, enters into a Deposit Account Control Agreement.

“Cash Management Agreements” means, collectively, one or more agreements entered into from time to time by TD Bank with any Borrower and/or the Borrower Representative relating to cash management services regarding one or more of the Deposit Accounts, as such agreement(s) may be amended, restated or modified from time to time.

“Cash Management Obligations” means any and all obligations of any Borrower, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Cash Management Services.

“Cash Management Services” means any treasury management services provided to any Borrower by any Lender or any of its Affiliates including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of any Borrower; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of any Borrower by Persons who were neither (i) nominated by the board of directors of such Borrower nor (ii) appointed by directors so nominated; (c) the acquisition of direct or indirect Control of any Borrower by any Person or group; or (d) Holdings shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances, at least 100% of the outstanding Equity Interests of any Subsidiary except as may result from any merger, consolidation or other reorganization permitted under this Agreement, including Section 7.03.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Administrative Agent, any Lender, by any lending office of the Administrative Agent or any Lender or by the Administrative Agent’s or any Lender’s holding company, if any with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Class” means, when used in reference to any Loan or Borrowing, whether such Loan or the Loans or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Borrower, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Agent, to secure the Obligations.

“Collateral Access Agreement” means any landlord waiver or other similar agreement between the Administrative Agent and any third party (including any bailee or consignee) in possession of Collateral or any landlord of any Borrower for any leased premises where Collateral is located, as any such waiver or similar agreement may be amended, restated or otherwise modified from time to time.

“Collateral Documents” means, collectively, this Agreement, the Security Agreement, the Mortgages, the Hazardous Materials Indemnity Agreement, the Environmental Reserve Account Agreement, each Deposit Account Control Agreement and any other documents now or hereafter executed and delivered to the Administrative Agent granting a Lien upon the Collateral as security for payment of the Obligations, as the same may be amended, restated or otherwise modified from time to time.

“Commitment(s)” means each and all of the Revolving Commitments and the LC Commitment, as each such Commitment may be changed from time to time pursuant to this Agreement.

“Companies” means Holdings and each of its direct and indirect Subsidiaries, including, without limitation, S&W Corp., TCAC and USR.

“Compliance Certificate” means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit C or another form which is acceptable to the Administrative Agent in its Permitted Discretion.

“consolidated” means the combined financial information and results of Holdings and all its Subsidiaries taken as a whole, after netting out intercompany accounts and transactions.

“consolidating” means the individual financial information and results of each of Holdings and its Subsidiaries taken on a stand alone basis before making any adjustments for intercompany accounts and transactions.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period *plus* (a) without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (i) Consolidated Interest Expense for such period, (ii) income tax expense (with a deduction in case of income tax benefit) for such period, (iii) all amounts attributable to depreciation and

amortization expense for such period, (iv) any extraordinary charges for such period, (v) any non-cash charges for such period related to stock options and restricted stock granting, and (vi) any other nonrecurring non-cash charges for such period (but excluding any non-cash charge in respect of an item that was included in Consolidated Net Income in a prior period), minus (b) without duplication and to the extent included in Consolidated Net Income, any extraordinary gains and any non-cash items of income for such period, all calculated for the Companies on a consolidated basis in accordance with GAAP.

Consolidated EBITDA shall be calculated on a Pro Forma Basis to give effect to Permitted Acquisitions and Asset Sales consummated at any time on or after the first day of the relevant Test Period as if each Permitted Acquisition had been effected on the first day of such period and as if each such Asset Sales had been consummated on the day prior to the first day of such period, provided, that such calculation of Consolidated EBITDA shall be subject to the Administrative Agent's prior written approval of the pro forma calculations.

"Consolidated Fixed Charge Coverage Ratio" means the ratio, determined as of the end of each fiscal quarter of Holdings for the most-recently ended Test Period, of (a) Consolidated EBITDA, plus Consolidated Rental Expense, minus the unfinanced portion of Capital Expenditures minus cash taxes paid, minus dividends and distributions paid in cash, to (b) Consolidated Fixed Charges, all calculated for the Companies on a consolidated basis in accordance with GAAP.

"Consolidated Fixed Charges" means, with reference to any period, without duplication, cash Consolidated Interest Expense for such period, plus Consolidated Rental Expense paid during such period, plus scheduled principal payments on Indebtedness made during such period, plus Capital Lease Obligation payments made during such period, all calculated on a consolidated basis for Holdings and its Subsidiaries for such period in accordance with GAAP.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including that attributable to Capital Lease Obligations) of Holdings and its Subsidiaries for such period with respect to all outstanding Indebtedness of Holdings and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for Holdings and its Subsidiaries for such period in accordance with GAAP.

"Consolidated Leverage Ratio" means the ratio, determined as at the end of each fiscal quarter of Holdings, of (a) Total Funded Debt on such date to (b) Consolidated EBITDA for the Test Period ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date), provided that solely for purposes of Section 7.12, to the extent Holdings or any Subsidiary makes any Acquisition permitted pursuant to Section 7.04 or disposition of assets outside the ordinary course of business that is permitted by Section 7.05 during the Test Period of Holdings most recently ended, the Consolidated Leverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a Pro Forma Basis as certified by the Financial Officer of Holdings).

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of Holdings and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Holdings or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary) in which Holdings or any of its Subsidiaries has an

ownership interest, except to the extent that any such income is actually received by Holdings or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

“Consolidated Rental Expense” means for any period, all obligations in respect of fixed, base and contingent rent paid or due by Holdings or any of its Subsidiaries, on a consolidated basis, during such period under any rental agreements or leases of real or personal property (other than Capital Lease Obligations).

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument, contract, indenture, mortgage, deed of trust or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Conversion/Continuation Notice” means a written request by the Borrower Representative for a conversion or continuation of the interest rate on a Loan in accordance with Sections 2.05, 2.06 and 2.07, which notice shall be in the form of Exhibit D.

“Convertible Notes” means the 4% Senior Convertible Notes due 2026 issued by Holdings, as issuer.

“Convertible Notes Documents” means the Convertible Notes, the Convertible Notes Indenture and all other supplements, agreements and instruments executed in connection therewith, as the same may be amended or supplemented from time to time to the extent permitted under this Agreement.

“Convertible Notes Indenture” means that certain Indenture dated as of December 15, 2006 between Holdings and the Convertible Notes Trustee relating to the Convertible Notes.

“Convertible Notes Trustee” means The Bank of New York Trust Company, N.A., as trustee under the Convertible Notes Indenture.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed to fund any portion of the Revolving Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has failed to fund any portion of its participations in Swingline Loans, (c) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or (d) has been deemed insolvent or become the subject of a bankruptcy, insolvency or similar proceeding.

“Deposit Account Agreements” means, collectively, one or more agreements entered into from time to time by TD Bank with any Borrower and/or the Borrower Representative relating to the opening and/or establishment of one or more Deposit Accounts, as such agreement(s) may be amended, restated or modified from time to time.

“Deposit Accounts” means, collectively, those certain deposit accounts of any Borrower and/or the Borrower Representative maintained with TD Bank from time to time pursuant to the Deposit Account Agreements and described in and subject to the Cash Management Agreements.

“Deposit Account Control Agreement” means any agreement, in form and substance satisfactory to the Administrative Agent, providing (i) that all items received or deposited in a deposit account on behalf of any Borrower are pledged to the Administrative Agent, and that the bank in which such deposit account is maintained will comply with instructions originated by the Administrative Agent directing disposition of the funds in such deposit account without further consent by such Borrower, and (ii) such other substantially similar terms and conditions to which the Administrative Agent in its sole discretion may consent in writing.

“Determination Date” means the third (3rd) Business Day after the Administrative Agent’s receipt of each Compliance Certificate in accordance with the requirements of Section 6.01(c).

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 5.07.

“Dollar” and “\$” mean lawful money of the United States.

“Dollar Equivalent” means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the LC Issuer, as the case may be, at such time on the basis of the Spot Rate for the purchase of Dollars with such Alternative Currency.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States of America.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.01).

“Eligible Assignee” means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent and (ii) unless an Event of Default has occurred and is continuing, the Borrower Representative (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, “Eligible Assignee” shall not include Holdings or any of Holdings’ Affiliates or Subsidiaries.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) material violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Reserve Account Agreement” means that certain Environmental Reserve Account Agreement of even date herewith executed by the Borrowers and the Administrative Agent, the form and substance of which shall be reasonably satisfactory to the Administrative Agent, as the same may be amended, restated, extended, replaced or otherwise modified from time to time.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty (30) day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“EUR” means the official currency of the European Monetary Union.

“Event of Default” has the meaning assigned to such term in Article VIII.

“Excluded Taxes” means, with respect to the Administrative Agent or any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of the Administrative Agent or any Lender, in which its applicable lending office is located and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located.

“Existing Letters of Credit” means the following letters of credit issued by the LC Issuer for the account of a Borrower, as the same may be extended, renewed or amended from time to time, as more specifically described below and based upon exchange rates in effect on the date hereof:

Type	LC Number	Borrower	Beneficiary	Undrawn Amount as of Effective Date
Standby	20001443	S&W Corp.	United Casualty and Surety Insurance Company	US \$3,500,000.00
Standby	20001349	S&W Corp.	Banque Bruxelles Lambert S.A.	EUR139,660.00 (equals US \$187,800.80)
Standby	83009957	S&W Corp.	Banque Bruxelles Lambert S.A.	EUR16,113.08 (equals US \$21,667.26)
Standby	ML20003367	S&W Corp.	Banque Internationale ARABE DE TUNI	US \$4,662.00
Standby	ML20003737	S&W Corp.	Bank of Taiwan	US \$88,185.30
Standby	20004064	S&W Corp.	Safety National Casualty Corp.	US \$425,000.00
Standby	20002882	Holdings	Liberty Mutual Insurance Company	US \$70,000.00

“Federal Funds Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means each of the chief financial officer, principal accounting officer, treasurer or controller of the Borrowers.

“fiscal quarter” means a three month period which commences on the day following the end of the prior fiscal quarter and which ends on any of January 31, April 30, July 31 or October 31.

“fiscal year” means a twelve month period of four consecutive fiscal quarters and which ends on April 30.

“Foreign Exchange Obligations” means any and all obligations in connection with, or under, any foreign exchange contracts of any Borrower to any Persons who are the Administrative Agent and/or any Lender (or any Affiliate of the Administrative Agent or any Affiliate of any Lender) at the time such contracts were entered into (even if the respective Person subsequently ceases to be a party to the Credit Agreement for any reason), whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor).

“Foreign Lender” means a Lender that is not a U.S. Person within the meaning of Section 7701(a)(30) of the Code.

“Foreign Subsidiary” means a Subsidiary other than a Domestic Subsidiary.

“Funding Account” means the principal operating account of the Borrower Representative with TD Bank into which proceeds of the Loans are deposited pursuant to Section 2.06.

“Funding Office” means the office of the Administrative Agent located at 6000 Atrium Way, Mt. Laurel, NJ 08054, or such other office as Administrative Agent may specify from time to time as its funding office by written notice to the Borrower Representative.

“F/X Exposure” means in respect of any Person’s liability under one or more foreign exchange contracts with any Lender, that amount, as determined by such Lender from time to time in its Permitted Discretion, owing to such Lender by such Person on account of the Foreign Exchange Obligations.

“GAAP” means generally accepted accounting principles in the United States of America.

“German Subsidiary” means Smith & Wesson Training Centre GmbH.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hazardous Materials Indemnity Agreement” means the Amended and Restated Hazardous Materials Indemnity Agreement of even date herewith executed by the Borrowers in favor of the Administrative Agent, and any other Person who becomes a party thereto pursuant to the joinder agreement attached thereto and their successors and assigns, as amended, restated or modified from time to time.

“Holdings” has the meaning assigned to it in the preamble.

“Honor Date” means the date on which any LC Disbursement is made.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (k) all obligations, contingent or otherwise, of such Person in respect of cash management services, (l) all obligations, contingent or otherwise, of such Person in respect of foreign exchange contracts, (m) obligations under any liquidated earn-out and (n) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property or any other Off-Balance Sheet Liability. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning assigned to such term in Section 10.04(b).

“Information” has the meaning assigned to such term in Section 10.07.

“Interest Payment Date” means (a) as to any Base Rate Loan (other than a Swingline Loan), the last day of each month while such Loan is outstanding and the final maturity date of such Loan, (b) as to any LIBOR Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any LIBOR Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, (d) as to any Loan, the date of any repayment or prepayment made in respect thereof, and (e) as to any Swingline Loan, the day that such Loan is required to be repaid and on the Revolving Maturity Date.

“Interest Period” means with respect to any LIBOR Loan, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months, thereafter, as the Borrower Representative may elect, provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a LIBOR Loan only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) no Interest Period shall extend beyond the Revolving Maturity Date and (iii) any Interest Period pertaining to a LIBOR Loan that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Loan, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Inventory” means goods, other than farm products, which: (a) are leased by a Person as lessor; (b) are held by a Person for sale or lease or to be furnished under a contract of service; (c) are furnished by a Person under a contract of service; or (d) consist of raw materials, work in process, or materials used or consumed in a business.

“Joinder Agreement” has the meaning assigned to such term in Section 6.13.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“LC Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the Honor Date.

“LC Collateral Account” has the meaning assigned to such term in Section 2.09(h), and includes any such account established in the name of the Administrative Agent with TD Bank to cash collateralize LC Exposure.

“LC Commitment” means an amount equal to the Dollar Equivalent of \$5,000,000.00.

“LC Disbursement” means a payment made by the LC Issuer pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all (i) LC Disbursements that have not yet been reimbursed by or on behalf of any Borrower on the Honor Date, and (ii) all LC Borrowings. The determination of LC Exposure shall take into account the then current Dollar Equivalent amount of all Letters of Credit issued in Alternative Currencies.

“LC Issuer” means TD Bank in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“Lead Arranger” means TD Securities (USA) LLC in its capacity as sole lead arranger and sole bookrunner for the credit facility evidenced by this Agreement.

“Lender” has the meaning assigned to such term in the introductory paragraph hereto, together with any Person that subsequently becomes a Lender by way of assignment in accordance with the terms of Section 10.06, together with their respective successors, other than any Person that ceases to be a Lender as a result of an assignment in accordance with Section 10.06 or an amendment of this agreement. Unless the context otherwise requires, the term “Lender” includes the Swingline Lender and the LC Issuer.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower Representative and the Administrative Agent.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement, and any Existing Letter of Credit.

“Letter of Credit Availability Period” means the period from and including the Effective Date and ending on the sixth Business Day before the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitment.

“Letter of Credit Documents” means collectively, any letter of credit application and other related documents executed by any Borrower in form satisfactory to the LC Issuer in connection with each Letter of Credit, including, without limitation, the Existing Letters of Credit, and any letter of credit application and other related documents executed by any Borrower in form satisfactory to the LC Issuer in connection with any Letter of Credit.

“Letter of Credit Fee” as defined in Section 2.12(c).

“Liabilities” of any Person shall mean and include all obligations of such Person which in accordance with GAAP shall be classified on a balance sheet of such Person as liabilities of such Person, and in any event shall include all (i) obligations of such Person for borrowed money or which has been incurred in connection with the acquisition of property or assets, (ii) obligations secured by any Lien or other charge upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender, or lessor under such agreement in the event of default are limited to repossession or sale of property, (iv) obligations under guaranties, and (v) obligations under any capitalized lease.

“LIBOR” means, in the case of Dollars, the rate of interest in Dollars, or in the case of an Alternative Currency, the rate of interest in such Alternative Currency (rounded upwards, at the Administrative Agent’s option, to the next 100th of one percent) equal to the British Bankers’ Association LIBOR (“BBA LIBOR”) for the equivalent Interest Period as published by Bloomberg (or such other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 A.M. (London Time) 2 London Banking Days prior to the first day of such Interest Period; provided, however, if more than one BBA LIBOR is specified, the applicable rate shall be the arithmetic mean of all such rates. If, for any reason, such rate is not available, the term LIBOR shall mean, with respect to any Interest Period, the rate of interest per annum determined by the Administrative Agent to be the average rate per annum which deposits in Dollars or in such Alternative Currency, as applicable, are offered for such Interest Period by major banks in London, England at approximately 11:00 A.M. (London time) to London Banking Days prior to the reset date. Notwithstanding the foregoing, LIBOR Loans shall be deemed to constitute eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credits for proration, exceptions or offsets that may be available from time to time to any Lender. LIBOR shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Percentage for each Loan comprising part of the same Borrowing (including conversions, extensions and renewals), to a per annum interest rate determined pursuant to the following formula:

$$\text{Adjusted LIBOR Rate} = \frac{\text{LIBOR}}{1 \text{ Minus LIBOR Reserve Percentage}}$$

“LIBOR Basis” means an interest rate equal at all time to the sum of (a) the Adjusted LIBOR Rate, *plus* (b) the Applicable Margin for LIBOR Loans. The LIBOR Basis shall apply to Interest Periods of one (1), two (2), three (3) or six (6) months, and, once determined, shall remain unchanged during the applicable Interest Period, except for changes to reflect the adjustments in the LIBOR Reserve Percentage and the Applicable Margin.

“LIBOR Loan” means any Loan the rate of interest applicable to which is based on the LIBOR Basis.

“LIBOR Reserve Percentage” means, for any day, that percentage (expressed as a decimal) which is in effect from time to time under Regulation D of the Board, as such Regulation may be amended from time to time or any successor Regulation, as the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency, special or marginal reserves) applicable with respect to eurocurrency liabilities as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of LIBOR Loans is determined), whether or not any Lender has any eurocurrency liabilities subject to such reserve requirement at that time.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Documents” means collectively, (i) this Agreement, (ii) the Notes, (iii) the Letters of Credit, (iv) the Letter of Credit Documents, (v) the Collateral Documents, (vi) each Assignment and Assumption and (vii) any and all other agreements, instruments, certificates or reports executed by any Borrower in connection with this Agreement, as amended from time to time, including any replacements therefor.

“Loan(s)” means any and all loans and advances made by the Lenders pursuant to this Agreement, including, without limitation, any Revolving Loans and Swingline Loans.

“London Banking Days” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England.

“Master Account” means that certain deposit account (account number 8245726051) of the Borrower Representative maintained with TD Bank and described in and subject to the Cash Management Agreements, and such other account(s) as the Borrowers (or the Borrower Representative) and TD Bank may, from time to time, designate as master account(s).

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of Holdings and the Subsidiaries taken as a whole, (b) the ability of any Borrower to perform any of its obligations under the Loan Documents to which it is a party, (c) a material portion of the Collateral, or the Administrative Agent’s Liens (on behalf of itself and the Lenders) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent and the Lenders thereunder.

“Material Agreement” means those agreements described on Schedule 5.14.

“Material Foreign Subsidiary” means any Foreign Subsidiary that has aggregate assets greater than \$500,000.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of Holdings or its Subsidiaries in an aggregate principal amount exceeding \$2,000,000. For purposes of determining Material Indebtedness, the “obligations” of Holdings or any Subsidiary in respect of any Swap Agreement

at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maximum Rate” has the meaning assigned to such term in Section 10.09.

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

“Mortgages” means (i) those mortgages granted on November 30, 2007, as amended, in favor of the Administrative Agent with respect to the Mortgaged Premises, and (ii) any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent to secure the Obligations, on real property of a Borrower, including any amendment, modification or supplement thereto.

“Mortgaged Premises” means the parcels of land with improvements thereon located at 2100 Roosevelt Avenue, Springfield, Massachusetts 01104; 299 Page Boulevard, Springfield, Massachusetts 01104; 19 Aviation Drive, Houlton, Maine 04730, and 400 North Main Street, Rochester, New Hampshire.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Note(s)” means any and all of the Revolving Line Notes and the Swingline Note.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all Cash Management Obligations, all Swap Obligations, all Foreign Exchange Obligations, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrowers arising under the Loan Documents to the Administrative Agent, the Lenders, the LC Issuer, any indemnified party, any holder of Cash Management Obligations, and any holder of Swap Obligations, including, without limitation, any Foreign Exchange Obligations.

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any sale and leaseback transaction which is not a Capital Lease Obligation, (c) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (d) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

“Organization Documents” means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“Participant” has the meaning set forth in Section 10.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Perfection Certificate” means that certain Perfection Certificate of even date herewith substantially in the form of Exhibit 4 to the Security Agreement delivered to the Administrative Agent by the Borrowers, as may have been amended or updated from time to time.

“Permitted Acquisition” means any Acquisition by Holdings or any Subsidiary in a transaction that satisfies each of the following requirements:

(a) receipt by the Administrative Agent of an officer’s certificate of the Borrower Representative certifying that both before and after giving effect to such Acquisition, each of the representations and warranties in the Loan Documents is true and correct (except (i) any such representation or warranty which relates to a specified prior date and (ii) to the extent the Administrative Agent has been notified in writing by the Borrower Representative that any representation or warranty is not correct and the Administrative Agent has explicitly waived in writing compliance with such representation or warranty) and no Default or Event of Default exists, will exist, or would result therefrom;

(b) as soon as available, but not less than forty-five (45) days prior to the closing date of such Acquisition, the Borrower Representative shall have provided the Administrative Agent (i) notice of such Acquisition, specifying the purchase price and closing date, together with a general description of the acquisition target’s business, (ii) copies of all business and financial information reasonably requested by the Administrative Agent, from time to time, including financial statements of the Companies on a Pro Forma Basis reflecting the financial impact of the Acquisition, (iii) drafts of any purchase and sale agreement, together with any available schedules and exhibits, (iv) if available, at least three (3) years of audited financial statements with respect to the acquisition target (or, if the acquisition target is a start-up company, any available financial statements of such acquisition target plus stand-alone projections for such acquisition target), and (v) intentionally omitted;

(c) if such Acquisition is an acquisition of assets or Equity Interests of any foreign Person, such Acquisition is a Permitted Foreign Subsidiary Loan and Investment;

(d) if such Acquisition is an acquisition of the Equity Interests of a Person, the Acquisition is structured so that the acquired Person shall become a wholly-owned Subsidiary of Holdings, and shall become a Borrower pursuant to the terms of this Agreement if such Subsidiary is a Domestic Subsidiary;

(e) if such Acquisition is an acquisition of assets, the Acquisition is structured so that a Borrower shall acquire such assets;

(f) if such Acquisition is an acquisition of Equity Interests, such Acquisition will not result in any violation of Regulations T, U or X;

(g) if such Acquisition involves a regulated business, such as firearm manufacturing, the Borrower Representative has provided evidence reasonably satisfactory to the Administrative Agent that acquisition target is compliant with all applicable regulations and has all licenses, permits and governmental approvals necessary to operate its business and that the acquiring Borrower has obtained the necessary consents to the transfer of such licenses, permits and governmental approvals;

(h) no Borrower shall, as a result of or in connection with any such Acquisition, assume or incur any direct or contingent liabilities (whether relating to environmental, tax, litigation, or other matters) that could have a Material Adverse Effect;

(i) in connection with an Acquisition of the Equity Interests of any Person, all Liens on property of such Person shall be terminated unless the Administrative Agent in its Permitted Discretion consents otherwise, and in connection with an Acquisition of the assets of any Person, all Liens on such assets shall be terminated; and

(j) the Financial Officer of Holdings shall certify (and provide the Administrative Agent with a *pro forma* calculation in form and substance reasonably satisfactory to the Administrative Agent) to the Administrative Agent that, immediately after giving effect to the completion of such Acquisition, on a consolidated basis, the Companies will be in compliance with all financial covenants set forth in Section 7.12 hereof.

“Permitted Discretion” means a determination made in good faith and in the exercise of reasonable (from the perspective of prudent banking practices) business judgment.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.10;

(b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 5.06;

(c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 8.01(k);

(f) Liens granted by USR to Zurich America Insurance Company, its subsidiaries and affiliates pursuant to an Agreement of Indemnity dated July 20, 2009, in USR’s Bonded Accounts, Bonded Inventory and Bonded Contract Equipment; and

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Borrower;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness other than provided in (f) above.

“Permitted Foreign Subsidiary Loan and Investment” means, so long as the aggregate of the following do not exceed \$20,000,000.00 at any time outstanding:

(a) an investment of cash or property by a Borrower in a Foreign Subsidiary (other than the German Subsidiary) made on or after the Effective Date;

(b) a loan by a Borrower to a Foreign Subsidiary (other than the German Subsidiary), a Guarantee by a Borrower of Indebtedness of a Foreign Subsidiary (other than the German Subsidiary) or a pledge, security interest or hypothecation by a Borrower to secure Indebtedness of a Foreign Subsidiary (other than the German Subsidiary), in each case made on or after the Effective Date; and

(c) an investment of cash or property by a Borrower in, or loan from a Borrower to a Foreign Subsidiary (other than the German Subsidiary) for the purpose of making for one or more Permitted Acquisitions.

“Permitted Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within two hundred seventy (270) days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one hundred eighty (180) days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000; and

(f) Permitted Acquisitions.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Pro Forma Basis” means on a pro forma basis with such adjustments as would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article XI of Regulation S-X under the Securities Act.

“Refinancing Indebtedness” means high yield indebtedness issued by Holdings in the aggregate principal amount not to exceed \$50,000,000 to the holders of the Convertible Notes, refinancing an equal principal amount of the Convertible Notes outstanding as of the Effective Date, provided that (A) the Borrower Representative shall notify the Administrative Agent of the issuance of such indebtedness, and such indebtedness shall be unsecured, (B) the aggregate combined principal amount of such indebtedness and the remaining Convertible Notes shall not, at any time, exceed the principal amount of the Convertible Notes outstanding as of the Effective Date, and (C) such indebtedness shall not mature or be redeemable prior to the date that is six (6) months following the Revolving Maturity Date.

“Refinancing Indebtedness Documents” means any indenture entered into in respect of the Refinancing Indebtedness and all other supplements, agreements and instruments executed in connection therewith, as the same may be amended or supplemented from time to time to the extent permitted under this Agreement.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Report” means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the Borrowers’ assets from information furnished by or on behalf of the Borrowers, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement.

“Required Lenders” means, as of any date of determination, at least two Lenders holding more than 66.67% of all Commitments or, if the commitment of each Lender to make Loans and the obligation of the LC Issuer to issue Letters of Credit have been terminated hereunder, at least two Lenders holding in the aggregate more than 66.67% of all outstanding Loans and LC Exposure; provided that the Commitments of, and the portion of all outstanding Loans and LC Exposure held by any Defaulting Lender shall be excluded for the purposes of making a determination of Required Lenders.

“Requirement of Law” means as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of Holdings or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests of Holdings or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests of Holdings or any Subsidiary.

“Revolving Availability” means, at any time, an amount equal to (a) the Revolving Commitment *minus* (b) the Revolving Exposure.

“Revolving Borrowing(s)” means Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of LIBOR Loans, as to which a single Interest Period is in effect.

“Revolving Commitment” means the commitment of the Lenders to make Revolving Loans and to acquire participation in Swingline Loans hereunder, as such commitment may be reduced from time to time pursuant to Section 2.10. The initial amount of the Lenders’ Revolving Commitment is

\$115,000,000. Each Lender's Revolving Commitment is set forth on Schedule 2.01 or in the Assignment Assumption to which such Lender becomes a party hereto, as applicable as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Commitment at such time.

"Revolving Exposure" means, at any time, the sum of (x) the outstanding principal amount of Revolving Loans and (y) the Swingline Exposure at such time.

"Revolving Line Notes" means those certain Revolving Line of Credit Notes of even date herewith made by the Borrowers to the order of the Lenders in their respective Applicable Revolving Loan Percentage in the original aggregate principal amount of \$115,000,000, substantially in the form of Exhibit E-1, as the same may be amended, restated, extended, replaced or otherwise modified from time to time.

"Revolving Loan" means a Loan made pursuant to Section 2.01 and evidenced by the Revolving Line Notes.

"Revolving Loan Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitment.

"Revolving Maturity Date" means December 7, 2014 or any earlier date on which the Revolving Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. or any successor thereto.

"S&W Corp." has the meaning assigned to it in the preamble.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Security Agreement" means the Amended and Restated Pledge and Security Agreement of even date herewith made by the Borrowers in favor of the Administrative Agent, as amended, restated or modified from time to time.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the LC Issuer, the Persons holding the Cash Management Obligations, the Persons holding the Swap Obligations, the Persons holding the Foreign Exchange Obligations, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons the Obligations to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents.

"Spot Rate" has the meaning assigned to it in Section 1.05.

"Subsidiary" means, of a Person, a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned by such Person or any other Person which is or is required to be consolidated with such Person in the consolidated financial statements of such Person in accordance with GAAP. Unless the context

otherwise requires, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of Holdings.

“Swap Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement; provided, that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of any Borrower or any Subsidiaries shall be deemed a Swap Agreement.

“Swap Obligations” means any and all obligations under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction, of any Borrower to Persons who are the Administrative Agent and/or any Lender (or any Affiliate of the Administrative Agent or any Affiliate of any Lender) at the time such contracts were entered into (even if the respective Person subsequently ceases to be a party to the Credit Agreement for any reason), whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor).

“Swap Termination Value” means in respect of any Borrower’s liability to any Lender or any Affiliate of any Lender under one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s) that would be payable by such Person thereunder and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market values for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Revolving Loan Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means TD Bank, in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.03.

“Swingline Note” means that certain Swingline Note of even date herewith made by the Borrowers to the order of the Swingline Lender in the original principal amount of \$5,000,000.00, substantially in the form of Exhibit E-2, as the same may be amended, restated, extended, replaced or otherwise modified from time to time.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“TCAC” has the meaning assigned to it in the preamble.

“TCHC” has the meaning assigned to it in the preamble.

“TD Bank” means TD Bank, N.A. (as successor-in-interest to TD Banknorth, N.A.), a national banking association and a Lender.

“Test Period” means, at any time, the four consecutive fiscal quarters of the Borrowers then last ended (in each case taken as one accounting period).

“Title Company” means any title insurance company as shall be retained by the Borrowers and reasonably acceptable to the Administrative Agent.

“Title Policy” means with respect to each Mortgage, a policy of title insurance (or pro forma or marked-up title insurance commitment having the effect of a policy of title insurance) insuring the Lien of such Mortgage as a valid first mortgage Lien on the Mortgaged Premises and fixtures described therein subject to Permitted Encumbrances in the amount equal to not less than 100% of the fair market value of such Mortgaged Premises and fixtures, which fair market value shall be determined by the Administrative Agent and the Borrowers in their reasonable judgment and which policy (or such pro forma or marked-up commitment) shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements as shall be reasonably acceptable to the Administrative Agent and approved by the Borrowers, (C) have been supplemented by such endorsements (unless endorsements are not available or are prohibitively expensive) as shall be reasonably requested by the Administrative Agent, and (D) evidence reasonably acceptable to the Administrative Agent of payment by the Borrowers of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages and issuance of the Title Policies referred to herein.

“Total Funded Debt” means, at any date, without duplication, the aggregate principal amount of all Indebtedness of the Companies at such date (excluding undrawn amount of Letters of Credit, Foreign Exchange Obligations, other Swap Obligations and Cash Management Obligations), determined on a consolidated basis in accordance with GAAP, provided, however, for purposes of calculating the financial covenants set forth in Section 7.12, any Guarantee and Off-Balance Sheet Liability shall be deemed to be fully funded. In the case of any Guarantee, the amount deemed fully funded shall be the greater of (x) the amount then due on the Guarantee, or (y) the maximum principal amount of the indebtedness then subject to such Guarantee. In the case of any Off-Balance Sheet Liability, the amount deemed fully funded shall be the amount that would be due if such Off-Balance Sheet Liability was due on the date of determination.

“Total Percentage” means, with respect to any Lender, a percentage equal to a fraction the numerator of which is the aggregate amount of such Lender’s Revolving Commitment and LC Commitment under this Agreement and the denominator of which is the aggregate amount of all Commitments of all Lenders. If the Commitments have terminated or expired, the Total Percentage shall be determined based upon such Lender’s percentage share of the aggregate unpaid principal amount of all Loans and LC Exposure on any date of determination.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBOR Basis or the Base Rate.

“UCC” or “Uniform Commercial Code” means unless otherwise specified, the Uniform Commercial Code as in effect in the State of New York on the date of this Agreement, as the same may be amended or otherwise modified.

“Unreimbursed Amount” has the meaning assigned to it in Section 2.14(i).

“Unused Revolver Fee” has the meaning assigned to it in Section 2.12(a).

“Unutilized Revolving Commitment” means, at any time, the Revolving Commitment less the outstanding principal amount of the Revolving Loans.

“USR” means Universal Safety Response, Inc. (formerly known as SWAC-USR II, Inc.), a Delaware corporation, successor by merger to Universal Safety Response, Inc., a New York corporation, successor by merger to SWAC-USR I, Inc., a Delaware corporation.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “LIBOR Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring

after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05. Currency Equivalents. Any amount specified in this Agreement (other than in Articles II, III, IX and X) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.05, the “Spot Rate” for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

ARTICLE II

The Credits

SECTION 2.01. Revolving Loans. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make Revolving Loans in Dollars to the Borrowers from time to time during the Revolving Loan Availability Period in such amount of such Revolving Credit Lender’s Applicable Revolving Loan Percentage in an aggregate principal amount at any one time outstanding that will not result in the Revolving Exposure exceeding the Revolving Commitment. During the Revolving Loan Availability Period the Borrowers may borrow, prepay and reborrow the Revolving Loans. The Revolving Loans may from time to time be LIBOR Loans or Base Rate Loans, as determined by the Borrowers in accordance with Section 2.07.

SECTION 2.02. Repayments of Loans.

(a) Maturity of Loans. The Borrowers shall pay to the Administrative Agent, for the account of the Revolving Credit Lenders, all then outstanding principal, interest, fees and other amounts with respect to Revolving Loans on the Revolving Maturity Date. The Borrowers shall pay to the Administrative Agent for the account of the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided, that on each date that a Revolving Borrowing is made, the Borrowers shall repay all Swingline Loans then outstanding. Notwithstanding anything to the contrary in the prior sentence, the Borrowers shall repay Swingline Loans pursuant to Section 2.02(b)(ii), below.

(b) Mandatory Repayments of Loans.

- (i) The Borrowers hereby agree to promptly deposit, or cause to be promptly deposited, into the Deposit Accounts all cash, checks, electronic funds transfers and all other funds and payments received by the Borrowers. All funds from time to time deposited into the Deposit Accounts shall be

subject to full cash dominion by the Administrative Agent and shall be deemed received by the Administrative Agent in accordance with Section 2.13(a) of the Credit Agreement. Subject to the terms and provisions of the Deposit Account Agreements and the Cash Management Agreements, the Administrative Agent shall determine the collected funds in the Master Account on each Business Day. Such collected funds shall be used to pay the fees and charges owed to TD Bank pursuant to the Deposit Account Agreements and the Cash Management Agreements, and then shall be used to pay checks and all other forms of debit activity that are properly drawn on the Deposit Account(s) and presented for payment. Subject to Section 3.03 of the Credit Agreement, to the extent there remain excess collected funds in the Master Account after the payment of the fees, charges and checks as described in the previous sentence, all such excess collected funds (the “Excess Collected Funds”) shall be automatically applied, on each Business Day to repay Swingline Loans to the extent then outstanding. After the application of the collected funds in accordance with this Section 2.02(b)(i), so long as no default or Event of Default has occurred and is continuing, any Excess Collected Funds shall remain on deposit in the Master Account, or at the written request of the Borrower Representative, all or a portion of such remaining balance shall be deposited into one or more securities and/or deposit accounts of the Borrowers maintained with the Administrative Agent.

- (ii) Notwithstanding anything in this Agreement to the contrary, if at any time the Revolving Exposure exceeds the Revolving Commitment, the Borrowers shall repay immediately the Revolving Loans in an aggregate amount equal to such excess. All such amounts repaid and applied to repay the Revolving Loans shall be applied first to repay Revolving Loans that are Base Rate Loans and, then, to repay Revolving Loans that are LIBOR Loans, in each case without a corresponding reduction in the Revolving Commitment.

SECTION 2.03. Swingline Loans.

(a) To the extent there are insufficient collected funds in the Master Account as determined on any Business Day to pay the fees and charges and other account activity described in the fourth sentence of Section 2.06(b)(i) for such Business Day, the Borrowers shall be deemed to have given notice to the Administrative Agent and the Swingline Lender, and automatically and irrevocably requested, the borrowing of a Swingline Loan from the Swingline Lender in the amount of such insufficiency (the “Insufficiency”). So long as no Default or Event of Default has occurred and is continuing, and subject to the terms and conditions of this Agreement, the Swingline Lender agrees to make a Swingline Loan to the Borrowers on such Business Day in the amount of the Insufficiency; provided, however, the making of such Swingline Loan shall not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$5,000,000 or (ii) the Revolving Exposure exceeding the Revolving Commitment; provided, further, however, that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. The proceeds of each Swingline Loan shall be credited to the Master Account by the Swingline Lender. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Swingline Loans. Each such Swingline Loan shall be a Base Rate Loan. Each Swingline Loan shall be

subject to all the terms and conditions applicable to Revolving Loans, except that all payments thereon shall be payable to the Swingline Lender for its our account.

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Lenders will participate. Promptly upon such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Revolving Loan Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Revolving Loan Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner provided in Section 2.06 with respect to Revolving Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, through the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amount so received by it from the Lenders. The Administrative Agent shall notify the Borrower Representative of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrowers (or other party on behalf of the Borrowers) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale or participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interest may appear; provided, however, that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent that such payment is required to be refunded to the Borrowers for any reason. The purchase or participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrowers of any default in the payment thereof.

SECTION 2.04. Appointment of Borrowers' Representative. Each other Borrower hereby irrevocably appoints Holdings as its representative (the "Borrower Representative"), and Holdings shall act under this Agreement as the representative of each Borrower for all purposes, including, without being limited to, requesting borrowings and receiving account statements and other notices and communications to the Borrowers (or any of them) from the Administrative Agent or any Lender. The Administrative Agent and the Lenders may rely, and shall be fully protected in relying, on any request for borrowing, disbursement instruction, report, information or any other notice or communication made or given by Holdings, whether in its own name, on behalf of any Borrower, on behalf of "the Borrowers," and neither the Administrative Agent nor any Lender shall have any obligation to make any inquiry or request any confirmation from or on behalf of any Borrower as to the binding effect on it of any such request, instruction, report, information, notice or communication, nor shall the joint and several character of the Borrowers' liability for the Obligations be affected.

SECTION 2.05. Procedure for Borrowing. Each Revolving Borrowing, each conversion of Revolving Loans of one Type to the other, and each continuation of LIBOR Loans shall be made upon delivery by the Borrower Representative of an irrevocable notice to the Administrative Agent, by facsimile, or by electronic communication, if arrangements for doing so have been approved by the Administrative Agent. Each Borrowing Request and Conversion/Continuation Notice must be received

by the Administrative Agent not later than 2:00 p.m. New York time (i) three (3) Business Days prior to the requested date of any borrowing of, conversion to or continuation of LIBOR Loans, (ii) three (3) Business Days prior to the conversion of a LIBOR Loan to a Base Rate Loan, and (iii) one (1) Business Day prior to the requested date of any borrowing of any Base Rate Loan. Each written notice of borrowing or conversion shall specify (i) whether the requested borrowing is to be a Revolving Borrowing, a conversion of Revolving Loans from one Type to the other, or a continuation of a LIBOR Loan, (ii) the requested date of the borrowing, continuation or conversion, as the case may be (which shall be a Business Day), (iii) the principal amount of the Revolving Loan to be borrowed, continued or converted, (iv) if applicable, the duration of the Interest Period applicable thereto; and (v) if applicable, the Type of Revolving Loans to be borrowed or to which existing Revolving Loans are to be converted. Each borrowing of, conversion to or continuation of LIBOR Loans shall be in an amount equal to \$250,000 or whole multiples of \$100,000 in excess thereof. If the Borrower Representative fails to specify a Type of Revolving Loan in a Borrowing Request or Conversion/Continuation Notice or if the Borrower Representative fails to give timely notice requesting a conversion or continuation, then the Revolving Loans, as the case may be, shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loan shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Loan. If the Borrower Representative requests a borrowing of, conversion to or continuation of a LIBOR Loan in any such borrowing or conversion notice, but fails to specify an Interest Period, the Borrower Representative will be deemed to have specified an Interest Period of one month. Notwithstanding any contrary provision hereof, if a Default has occurred and is continuing and the Administrative Agent so notifies the Borrower Representative, then, so long as a Default is continuing (i) no outstanding Revolving Loan may be converted to or continued as a LIBOR Loan and (ii) unless repaid, each LIBOR Loan shall be converted to a Base Rate Loan at the end of the Interest Period applicable thereto. All Swingline Loans shall be made as provided in Section 2.03.

SECTION 2.06. Funding of Loans. (a) Following receipt of a Borrowing Request or a Conversion/Continuation Notice, subject to the terms and provisions of this Agreement, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Revolving Loan Percentage, under the applicable Loan or the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower Representative, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.05. In the case of Revolving Borrowing, (i) each appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Dollars in immediately available funds at the Administrative Agent's Office not later than 2:00 p.m. on the Business Day specified in the applicable Borrowing Request or Conversion/Continuation Notice and (ii) upon satisfaction or waiver of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Borrowing, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower Representative in like funds as received by the Administrative Agent either by (A) crediting the account of the applicable Borrower or Borrowers on the books of the Administrative Agent with the amount of such funds or (B) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower Representative.

(b) The Administrative Agent shall make each Loan to be made by it hereunder on the proposed date thereof available to the Borrower Representative by promptly crediting the amounts in immediately available funds, to the Funding Account.

SECTION 2.07. Interest Elections. (a) Each borrowing of Loans initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a LIBOR Loan, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Revolving Loan to a different Type or to continue a LIBOR Loan and, in the case of converting to or continuing a LIBOR Loan, shall elect an Interest Period therefor, all as provided in

Section 2.05. The Borrower Representative may elect different options with respect to different portions of the affected Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Loans, which may not be converted or continued.

(b) Notwithstanding any other provision of this Agreement, (i) the Borrower Representative shall not be entitled to request, or to elect to convert or continue any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date and (ii) at no time shall the aggregate number of all LIBOR Loans then outstanding exceed five (5).

SECTION 2.08. Interest. (a) Each Base Rate Loan (including each Swingline Loan) shall bear interest at the Base Rate Basis.

(b) Each LIBOR Loan shall bear interest at the LIBOR Basis for the Interest Period in effect for such Loan.

(c) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent may, at its option, or shall, at the request of the Required Lenders, by notice to the Borrower Representative, declare that all Revolving Loans and Swingline Loans shall bear interest at 2% above the rate otherwise applicable to such Loan. Each LC Borrowing shall bear interest at 2% above the Base Rate Basis and be payable on demand.

(d) Borrowers shall pay accrued interest on each Loan in arrears on each Interest Payment Date for such Loan and upon termination of the applicable maturity date of such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBOR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year consisting of (i) in the case of Base Rate Loans, 365 or 366 days, as the case may be, or (ii) in the case of LIBOR Loans, 360 days; and in each instance under (i) and (ii) above, shall be payable for the actual number of days elapsed. The applicable Base Rate or LIBOR Basis shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) If, for any fiscal quarter, the Consolidated Leverage Ratio set forth in the Compliance Certificate with respect to the applicable Test Period shall be determined to have been incorrectly reported, then at the Required Lender's election, the Applicable Margins may be retroactively adjusted to reflect any higher rate that would have been applicable had the Consolidated Leverage Ratio been correctly reported on such Compliance Certificate. The Borrowers shall pay on demand the unpaid interest that should have been paid had the correct Applicable Margins been in effect for the interest periods affected thereby.

SECTION 2.09. Alternate Rate of Interest. (a) If prior to the commencement of any Interest Period for a LIBOR Loan:

- (i) any Lender determines in its Permitted Discretion (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBOR Basis for such Interest Period; or

(ii) any Lender determines in its Permitted Discretion the LIBOR Basis for such Interest Period will not adequately and fairly reflect the cost to such Lender of making or maintaining its Loans included in such Borrowing for such Interest Period; or

(b) if after the Effective Date, any Lender shall have determined that the adoption or modification of any Change of law that has or would have the effect of making it unlawful for the Lender to honor its obligations to make LIBOR Loans or to continue to make or maintain LIBOR Loans,

then the Administrative Agent shall give notice thereof to the Borrower Representative by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative that the circumstances giving rise to such notice no longer exist, any Borrowing Request that requests the borrowing of, or any Conversion/Continuation Notice that elects a continuation of or conversion to a LIBOR Loan, shall be ineffective and such Borrowing shall be made as, converted to or continued as a Base Rate Loan.

SECTION 2.10. Termination and Reduction of Commitments. (a) Unless otherwise terminated under Article VIII or clause (b) of this Section, the Revolving Commitment shall terminate upon the expiration of the Revolving Loan Availability Period.

(b) The Borrower Representative may at any time terminate the Revolving Commitment upon (i) the payment in full of all outstanding Loans, together with accrued and unpaid interest thereon and on any Letters of Credit, (ii) the payment in full of the accrued and unpaid fees with respect to the Revolving Commitment, and (iii) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon.

(c) Intentionally Omitted.

(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate the Revolving Commitment under paragraph (b) or (c) of this Section at least five (5) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitment shall be permanent.

(e) The Administrative Agent shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to the Administrative Agent and the Lenders resulting from each Loan made by the Lenders, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder.

(f) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to the Administrative Agent and the Lenders hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder.

(g) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by

such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(h) The entries made in the accounts maintained pursuant to paragraph (e), (f) or (g) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(i) The Loans shall be evidenced by the Notes.

SECTION 2.11. Optional Prepayment of Loans. (a) Prepayments. The Borrowers shall have the right at any time and from time to time, to prepay any Loan in whole or in part, subject to: (i) as to Revolving Loans, prior notice in accordance with paragraph (c) of this Section; and (ii) the payment of any applicable fees payable under Section 3.03.

(b) Application of Prepayments. So long as no Default or Event of Default has occurred and is then continuing, the Borrowers shall have the right to specify how principal prepaid pursuant to Section 2.11(a) shall be applied. All such amounts prepaid and applied to prepay the Revolving Loans shall be applied first to repay Revolving Loans that are Base Rate Loans and, then, to repay Revolving Loans that are LIBOR Loans, in each case without a corresponding reduction in the Revolving Commitment.

(c) The Borrower Representative shall notify the Administrative Agent by telephone (confirmed by facsimile or by electronic communication, if arrangements for doing so have been approved by the Administrative Agent) of any prepayment hereunder (i) in the case of prepayment of a LIBOR Loan, not later than 10:00 a.m., New York time, three (3) Business Days before the date of prepayment, or (ii) in the case of prepayment of a Base Rate Loan not later than 10:00 a.m., New York time, the day of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Loan or portion thereof to be prepaid. Each partial prepayment of any Loan shall be in an amount equal to \$100,000.00 or whole multiples of \$100,000.00 in excess thereof. Prepayments shall be accompanied by accrued interest and the payment of any applicable fees payable under Section 3.03.

SECTION 2.12. Fees and Other Charges. (a) Unused Revolver Fee. The Borrowers agree to pay to the Administrative Agent for the account of the Revolving Credit Lenders in accordance with their Applicable Revolving Loan Percentage a commitment fee (the "Unused Revolver Fee") for the period from and including the Effective Date to the last day of the Revolving Loan Availability Period, which shall accrue at the rate designated on the grid in the definition "Applicable Margin" on the average daily amount of the Unutilized Revolving Commitment. The rate of the Unused Revolver Fee shall be reset on each Determination Date. The accrued Unused Revolver Fee shall be payable in arrears on the last day of each October, January, April and July and on the date on which the Revolving Commitment terminates. The Unused Revolver Fee shall be computed on the basis of a year of three hundred sixty (360) days and shall be payable for the actual number of days elapsed.

(b) Letter of Credit Fee. The Borrowers agree to pay to the Administrative Agent for the account of the LC Issuer a letter of credit fee in respect of each Letter of Credit ("Letter of Credit Fee"), at a per annum rate equal to 0.75% of the undrawn face amount of the Letter of Credit, payable in advance (i) on the issuance date, and (ii) on each anniversary date thereof. In addition, the Borrowers agree to pay the Administrative Agent for the account of the LC Issuer standard fees with respect to the issuance, administration, amendment, renewal or extension of any Letter of Credit or the processing of

any presentation or payment made thereunder. Any other fees payable under this Section 2.12(c) shall be payable within ten (10) days after demand. All Letter of Credit Fees shall be computed on the basis of a three hundred sixty (360) day year and shall be payable for the actual number of days elapsed.

(c) Arrangement Fee. The Borrowers shall pay to the Administrative Agent an arrangement fee in accordance with a certain fee letter (the "Fee Letter") by and among the Administrative Agent, TD Bank, the Lead Arranger and the Borrower Representative.

(d) Agency Fee. The Borrowers shall pay to the Administrative Agent the annual agency fee in accordance with the Fee Letter.

(e) Upfront Fee. The Borrowers shall pay to the Administrative Agent for the accounts of all Lenders (including TD Bank in its capacity as a Lender) the upfront fees in accordance with the Fee Letter.

(f) Late Charge. The Borrowers agree to pay the Administrative Agent for the account of the Lenders holding such Obligations, with respect to any payment of principal, interest or fees due under this Agreement that is not made within ten (10) days after its due date, a late charge equal to six percent (6%) of the amount past due.

(g) Non-Refundability. All fees payable under this Section 2.12 shall be paid on the dates due, in immediately available funds, to the Administrative Agent. All fees paid under this Section 2.12 shall not be refundable under any circumstances.

SECTION 2.13. Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders and/or LC Issuer to which such payment is owed, at the Funding Office in Dollars and in immediately available funds not later than 11:00 a.m. New York time on the date specified herein. The Administrative Agent will promptly distribute to each Lender and the LC Issuer its Applicable Percentage of such payment in like funds as received by wire transfer to such Lender and/or LC Issuer. All payments received by the Administrative Agent after 11:00 a.m. New York time shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrowers (other than payments on the LIBOR Loans) shall come due on a day other than a Business Day, payment shall be made on the next following Business Day. If any payment on a LIBOR Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to this paragraph, such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Funding Account. The Borrowers hereby irrevocably authorize the Administrative Agent to charge to the Funding Account, or if the funds therein are insufficient, so long as the Revolving Availability as a result thereof will be greater than \$0, to advance to the Funding Account as a Revolving Loan that is a Base Rate Loan and simultaneously charge to the Funding Account, a sum sufficient to pay when due all scheduled payments of principal and all interest accrued on the Obligations and to pay when due all costs, fees and expenses at any time owed by the Borrowers to the Administrative Agent, the Lenders, the LC Issuer and/or the other Secured Parties hereunder. The Administrative Agent

will account to the Borrower Representative monthly with a statement of Loans, charges and payments made pursuant to this Agreement, and such account rendered by the Administrative Agent shall be deemed final, binding and conclusive upon the Borrowers unless the Administrative Agent is notified by the Borrower Representative in writing to the contrary within thirty (30) days of the date each accounting is mailed to the Borrower Representative. Such notice shall only be deemed an objection to those items specifically objected to therein.

(c) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.06 and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing.

(ii) Payments by the Borrowers; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the LC Issuer hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the LC Issuer, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the LC Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the LC Issuer in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(iii) A notice of the Administrative Agent to any Lender or the Borrower Representative with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(d) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the Loans set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Swingline Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(f) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(g) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, LC Disbursements, LC Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal, LC Disbursements and LC Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, LC Disbursements and LC Borrowings then due to such parties.

SECTION 2.14. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the LC Issuer at any time and from time to time during the Letter of Credit Availability Period denominated in Dollars or in one or more Alternative Currencies. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Document, the terms and conditions of this Agreement shall control. The Existing Letters of Credit shall be deemed Letters of Credit issued hereunder, and subject to the terms of this Agreement. All payments applicable to the Letters of Credit shall be payable to the LC Issuer solely for its own account.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower for whose account the Letter of Credit is to be issued shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the LC Issuer) to the LC Issuer (with a copy to the Administrative Agent), reasonably in advance of the requested date of issuance, amendment, renewal or extension, a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the LC Issuer, the Borrower for whose account the Letter of Credit is to be issued also shall submit a letter of credit application on the LC Issuer's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension the LC Exposure shall not exceed the LC Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in

the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Revolving Maturity Date.

(d) Reimbursement. The LC Issuer shall, promptly after its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. If, after such examination, the LC Issuer shall make any LC Disbursement in respect of a Letter of Credit, the LC Issuer shall notify the Borrower Representative and Administrative Agent thereof. The Borrowers shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 2:00 p.m., New York time, on the date that such LC Disbursement is made, if the Borrower Representative shall have received notice of such LC Disbursement prior to 10:00 a.m., New York time, on such date, or, if such notice has not been received by the Borrower Representative prior to such time on such date, then not later than 3:00 p.m., New York time, on (i) the Business Day that the Borrower Representative receives such notice, if such notice is received prior to 1:00 p.m., New York time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower Representative receives such notice, if such notice is not received prior to such time on the day of receipt. In the case of any Letter of Credit denominated in an Alternative Currency, the Borrowers shall reimburse the LC Issuer in Dollars. In each such case, the LC Issuer shall notify the Borrower Representative and the Administrative Agent of the Dollar Equivalent amount of the drawing promptly following the determination thereof. Any failure of the LC Issuer to furnish notice to the Borrower Representative as described in the first sentence of this Section 2.14(d) shall not relieve the Borrowers of their obligation to reimburse the LC Issuer with respect to any such LC Disbursement. The liability of the Borrowers with respect to LC Disbursements and LC Borrowings shall be joint and several.

(e) Obligations Absolute. The Borrowers' obligation to reimburse LC Disbursements as provided in paragraph (d) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the LC Issuer under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. Neither the LC Issuer nor any of its Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the LC Issuer; provided that the foregoing shall not be construed to excuse the LC Issuer from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the Borrowers that are caused by the LC Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the LC Issuer (as finally determined by a court of competent jurisdiction), the LC Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the LC Issuer may, in its Permitted Discretion, either accept and make payment upon such documents without responsibility for further investigation,

regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(f) Termination of LC Commitment. Unless otherwise terminated under Article VIII or the next sentence, the LC Commitment shall terminate upon the expiration of the Letter of Credit Availability Period. The Borrower Representative may at any time terminate the LC Commitment (i) upon the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such letter of Credit, the furnishing to the Administrative Agent of a cash deposit, equal to 105% of the LC Exposure as of such date), and (ii) the payment in full of all accrued and unpaid fees and expenses with respect to the LC Commitment.

(g) <Intentionally omitted.>

(h) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Administrative Agent demanding that the Borrowers cash collateralize the LC Exposure, the Borrowers shall deposit in an account with TD Bank in the name of Administrative Agent and for the benefit of the LC Issuer and the Lenders (the "LC Collateral Account"), an amount in cash equal to 105% of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in Section 8.01(h) or (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Borrowers hereby grant the Administrative Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and Permitted Discretion of the Administrative Agent and at the Borrowers' joint and several risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent for LC Borrowing for which have not been repaid and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other Obligations. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three (3) Business Days after all such Events of Defaults have been waived.

(i) Payment. If the Borrowers fail to reimburse the LC Issuer in accordance with Section 2.14(d) for the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof, in the case of a Letter of Credit denominated in an Alternative Currency) (the "Unreimbursed Amount"), such amount shall be deemed to have been incurred by the Borrowers from the LC Issuer as an LC Borrowing in the amount of the Unreimbursed Amount, which LC Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate set forth in Section 2.08(c).

(j) <Intentionally omitted.>

(k) <Intentionally omitted.>

(l) Role of LC Issuer. The Borrowers agree that, in paying any drawing under a Letter of Credit, the LC Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire

as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrowers' pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the LC Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the LC Issuer shall be liable or responsible for any of the matters described in clauses (i) through (iv) of Section 2.14(e); provided, however, that anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against the LC Issuer, and the LC Issuer may be liable to a Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves were caused by the LC Issuer's willful misconduct or gross negligence or the LC Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the LC Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the LC Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(m) Applicability of ISP and UCP. Unless otherwise expressly agreed by the LC Issuer and the Borrowers when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each commercial Letter of Credit.

SECTION 2.15. Sharing Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (x) Obligations in respect of any the Loans or LC Exposure due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Loans and LC Exposure due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of the Loans and LC Exposure due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (y) Obligations in respect of any of the Loans and LC Exposure owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of the Loans and LC Exposure owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payment on account of the Obligations in respect of the Loans owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and participations in LC Exposure of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations in respect of the Loans then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

- (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be

rescinded and the purchase price restored to the extent of such recovery, without interest; and

- (ii) the provisions of this section shall not be construed to apply to (x) any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in LC Exposure to any assignee or participant, other than to a Borrower or any Subsidiary thereof (as to which the provisions of this section shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

ARTICLE III

Illegality, Increased Costs, Break Funding and Taxes

SECTION 3.01. Illegality. If any Change in Law has made it unlawful, or any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBOR Loans, or to determine or charge interest rates based upon the LIBOR, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower Representative through the Administrative Agent, any obligation of such Lender to make or continue LIBOR Loans or to convert Base Rate Loans to LIBOR Loans shall be suspended until such Lender notifies (and each Lender agrees that it will provide promptly such notice) the Administrative Agent and the Borrower Representative that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), convert all LIBOR Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Loans. Upon any such conversion, the Borrowers shall also pay accrued interest on the amount so converted.

SECTION 3.02. Increased Costs. (a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the LIBOR Basis); or
- (ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or LIBOR Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to any Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by any Lender hereunder (whether of principal, interest or otherwise),

then the Borrowers will pay to such Lender such additional amount or amounts to compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, as a consequence of this Agreement or the Loans made or Letters of Credit issued by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than two hundred seventy (270) days prior to the date that such Lender notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the two hundred seventy (270) day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 3.03. Break Funding. In the event of (a) the payment of any principal of any LIBOR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBOR Loan other than on the last day of the Interest Period applicable thereto or (c) the failure to borrow, convert, continue or prepay any LIBOR Loan on the date specified in any notice delivered pursuant hereto, then, in any such event, the Borrowers shall compensate the Lenders for the loss, cost and expense attributable to such event. In the case of a LIBOR Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the LIBOR Basis that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for Dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of such Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 3.04. Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.02, or any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.05, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.02 or 3.05, as the case may be, in the future, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.02, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.05, the Borrowers may replace such Lender in accordance with Section 10.13.

SECTION 3.05. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, the LC Issuer or the applicable Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrowers. In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrowers. The Borrowers shall indemnify the Administrative Agent and each Lender (and in the case of any such party that is a pass-through entity for purposes of the Indemnified Tax or Other Tax in question, any of the beneficial owners of such party) within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or any Lender on or with respect to any payment by or on account of any obligation of any Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by the Administrative Agent shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Lender (and, if a pass-through entity, any of its beneficial owners) that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, to the

extent it may lawfully do so, deliver to the Borrower Representative (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower Representative or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender (and, if a pass-through entity, any of its beneficial owners), if requested by the Borrower Representative or the Administrative Agent, shall, to the extent it may lawfully do so, deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not any payment made hereunder or under any other Loan Document to such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in this subclause (e), no Lender (or, in the case of a Lender that is a pass-through entity, its owners) will be required to provide any documentation with regard to any tax imposed by a jurisdiction other than the United States if in such party's good faith sole discretion, such submission would subject it to unreimbursed expense or would otherwise be disadvantageous to such party.

Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States, any Foreign Lender (and, if a pass-through entity, any of its beneficial owners) shall, to the extent it may lawfully do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent, but only if such Foreign Lender or beneficial owner is legally entitled to do so), whichever of the following is applicable:

- (i) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor thereto) claiming eligibility for benefits of an income tax treaty to which the United States is a party,
- (ii) duly completed copies of Internal Revenue Service Form W-8ECI (or any successor thereto),
- (iii) in the case of a Foreign Lender (or, in the case of a pass-through entity, any of its beneficial owners) claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender or beneficial owner is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor thereto), and/or
- (iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrowers to determine the withholding or deduction required to be made.

From time to time, each Lender shall promptly notify the Administrative Agent of any change in such Lender's or beneficial owner's circumstances that would modify or render invalid any claimed exemption or reduction.

A Lender that is a United States person within the meaning of Code section 7701(a)(30) shall deliver a duly completed IRS Form W-9 to the Borrower Representative and the Administrative Agent at the times described above with respect to the other withholding forms; provided, however, that a Lender or Assignee that the Borrowers may treat as an "exempt recipient" within the meaning of Treasury Regulations section 1.6049-4(c) (without regard to the third sentence thereof) shall not be required to provide an IRS Form W-9, except to the extent required under Treasury Regulations section 1.1441-1.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its good faith sole discretion, that it has received a refund (in cash or as an offset against other taxes otherwise then due and payable) of any Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this section, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section 3.05 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that such Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority other than penalties, interest and other charges arising out of the willful misconduct or gross negligence of Administrative Agent or such Lender) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such amount to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Borrower or any other Person. Notwithstanding anything to the contrary, in no event will any Lender be required to pay any amount to any Borrower the payment of which would place such Lender in a less favorable net after-tax position than such Lender would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

(g) Notwithstanding anything contained herein to the contrary, the provisions of Sections 3.02, 3.03 and 3.05 shall survive the expiration or termination of this Agreement and the other Loan Documents and the payment in full of the Loans.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of each Lender to make Loans and the LC Issuer to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.01):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents, including, without limitation, the Notes, and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including a written opinion of the

Borrowers' counsel, addressed to the Administrative Agent in form and substance satisfactory to the Administrative Agent and its counsel.

(b) Financial Projections. The Administrative Agent shall have received satisfactory projections of consolidated financial statements of Holdings for the 2011-2013 fiscal years and such financial statements shall not, in the reasonable judgment of the Administrative Agent, reflect any material adverse change in the consolidated financial condition of Holdings.

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Borrower, dated the Effective Date and executed by its Secretary or Assistant Secretary, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Borrower authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Borrower certified by the relevant authority of the jurisdiction of organization of such Borrower and a true and correct copy of its by-laws or operating, management or partnership agreement, and (ii) a long form good standing certificate for each Borrower from its jurisdiction of organization.

(d) No Default Certificate. The Administrative Agent shall have received a Compliance Certificate, signed by the Financial Officer, on the Effective Date (i) stating that no Default has occurred and is continuing, (ii) stating that the representations and warranties contained in Article V are true and correct as of such date, (iii) demonstrating compliance with the financial covenants set forth in Section 7.12, and (iv) certifying any other factual matters as may be reasonably requested by the Lender.

(e) Fees. The Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date.

(f) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Borrowers are located, and such search shall reveal no liens on any of the assets of the Borrowers except for liens permitted by Section 7.02 or discharged on or prior to the Effective Date pursuant to a pay-off letter or other documentation satisfactory to the Lender.

(g) Personal Property Requirements. The Administrative Agent shall have received:

- (i) satisfactory evidence that all certificates or instruments representing or evidencing the Securities Collateral (as defined in the Security Agreement) (other than Equity Interests in the German Subsidiary) accompanied by instruments of transfer and stock powers undated and endorsed in blank have been delivered to the Administrative Agent;
- (ii) satisfactory evidence that all other certificates, agreements, including control agreements, or instruments necessary to perfect the Administrative Agent's security interest in all Chattel Paper, all Instruments, all Deposit Accounts, all Securities Accounts, all Commodity Accounts, and all Investment Property of each Borrower (as each such term is defined in the Security Agreement and to the extent

required by the Security Agreement) have been delivered to the Administrative Agent;

- (iii) UCC financing statements in appropriate form for filing under the UCC, and such other documents under applicable law in each jurisdiction as may be necessary or appropriate or, in the opinion of the Administrative Agent, desirable to perfect the Liens created, or purported to be created, by the Collateral Documents (to the extent required by the Security Agreement);
 - (iv) copies of UCC, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches, each of a recent date in each of the jurisdictions set forth in Schedule 6(a) and Schedule 6(b) attached to the Perfection Certificate; and
 - (v) evidence reasonably acceptable to the Administrative Agent of payment or arrangements for payment by the Borrowers of all applicable recording taxes, fees, charges, costs and expenses required for the recording of the Collateral Documents.
- (h) Real Property Requirements. The Administrative Agent shall have received:
- (i) Amendments to each Mortgage, duly executed and acknowledged by each Borrower that is the owner of or holder of any interest in such Mortgaged Premises, and otherwise in form for recording in the recording office of each applicable political subdivision where each such Mortgaged Premises is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof to create a lien under applicable Requirements of Law, and such financing statements and any other instruments necessary to grant a mortgage Lien under the laws of any applicable jurisdiction, all of which shall be in form and substance reasonably satisfactory to Administrative Agent;
 - (ii) with respect to each Mortgaged Premises, such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as necessary to consummate the Transactions or as shall reasonably be deemed necessary by the Administrative Agent in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Premises to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Premise;
 - (iii) with respect to each Mortgaged Premises that is owned in fee, a Title Policy;
 - (iv) with respect to each Mortgaged Premises that is owned in fee, such affidavits, certificates, information (including financial data) and instruments of indemnification (including a so-called "gap" indemnification) as shall be required to induce the Title Company to issue the Title Policy/ies and endorsements contemplated above;

- (v) evidence reasonably acceptable to the Administrative Agent of payment by Borrowers of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Amendments to Mortgages and issuance of the Title Policies referred to above;
- (vi) with respect to each Mortgaged Premises, copies of all Leases in which any Borrower holds the lessor's interest or other agreements relating to possessory interests, if any. Such agreement shall be subordinate to the Lien of the Mortgage to be recorded against such Mortgaged Premises, either expressly by its terms or pursuant to a subordination, non-disturbance and attornment agreement, and shall otherwise be acceptable to the Administrative Agent;
- (vii) with respect to each Mortgaged Premises, the Borrowers shall have made all notifications, registrations and filings, to the extent required by, and in accordance with, all Governmental Real Property Disclosure Requirements applicable to such Mortgaged Premise;
- (viii) a completed Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each Mortgaged Premise;
- (ix) With respect to each location set forth on Schedule 5.06 that is not owned in fee simple by a Borrower (except for the Companies' locations at 7377 E. Doubletree Ranch Road, Suite 200, Scottsdale, Arizona and Suite 1200, 1001 19th Street North, Arlington, Virginia 22209, Washington, D.C.), the Borrowers shall have delivered to the Administrative Agent a fully-executed Collateral Access Agreement.

(i) Insurance. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 6.09 and the applicable provisions of the Collateral Documents, each of which shall be endorsed or otherwise amended to include a "standard" or "New York" lender's loss payable or mortgagee endorsement (as applicable) and shall name the Administrative Agent, on behalf of the Secured Parties, as additional insured, in form and substance reasonably satisfactory to the Administrative Agent.

(j) Litigation. No litigation shall be pending with respect to the Loans or the definitive documentation in respect of the Loans. There shall not exist any judgment, order, injunction or other restraint prohibiting the consummation of the Transactions.

(k) Fees and Expenses. All accrued fees and expenses of the Administrative Agent and the Lenders (including the reasonable out-of-pocket the fees and expenses of Edwards Angell Palmer & Dodge LLP, counsel for the Administrative Agent and of local counsel for the Lenders) shall have been paid.

(l) PATRIOT Act. The Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

(m) Field Examination, Etc. The Administrative Agent shall have completed its field audit examinations of the Borrowers' assets, liabilities, books and records and appraisals of the Borrowers' property, plant & equipment, and shall have reviewed environmental assessment reports and studies and other related matters of the Borrowers, which results shall be reasonably satisfactory to the Administrative Agent.

(n) Notice to Convertible Notes Trustee. The Borrowers shall have delivered to the Administrative Agent a copy of the notice to the Convertible Notes Trustee pursuant to, and demonstrating, Holdings' compliance with, Section 10.12 of the Convertible Notes Indenture.

(o) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent or its counsel may have reasonably requested.

(p) Escrowed Funds. The Administrative Agent shall have received satisfactory evidence that the Borrowers have deposited \$812,000 with the Administrative Agent pursuant to the Environmental Reserve Account Agreement.

SECTION 4.02. Each Revolving Loan. The obligation of the Lenders to make a Loan on the occasion of any Borrowing (but excluding Revolving Loans the proceeds of which are to reimburse the Swingline Bank for Swingline Loans), are subject to the satisfaction of the following conditions:

(a) Receipt by the Administrative Agent of a Borrowing Request.

(b) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct on and as of the date of such Borrowing.

(c) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

(d) After giving effect to any requested Revolving Borrowing, Revolving Availability is not less than zero.

(e) A copy of the notice to the Convertible Notes Trustee pursuant to, and demonstrating, after giving effect to any requested Revolving Borrowing, compliance with, Section 10.12 of the Convertible Notes Indenture; provided, however, a copy of such notice shall not be required to be delivered with the Borrowing Request in the event that (x) after giving effect to any requested Revolving Borrowing, the aggregate amount of the outstanding Revolving Exposure and LC Exposure does not exceed \$62,000,000, (y) the subject Borrowing Request relates to a fiscal period as to which Holdings has previously delivered to the Administrative Agent a copy of the appropriate notice to the Convertible Notes Trustee or (z) the Convertible Notes Indenture has been terminated.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b), (c), (d) and (e) of this Section.

SECTION 4.03. Each Letter of Credit. The obligation of the LC Issuer to issue, amend, renew or extend any Letter of Credit is subject to the satisfaction of the following conditions:

(a) Receipt by the LC Issuer and the Administrative Agent of a request in the form required under Section 2.14(b).

(b) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct on and as of the date of issuance, amendment, renewal or extension of such Letter of Credit.

(c) At the time of and immediately after giving effect to the issuance, amendment, renewal or extension of such Letter of Credit, no Default or Event of Default shall have occurred and be continuing.

(d) After giving effect to the issuance of any requested Letter of Credit, the LC Exposure shall not exceed the LC Commitment.

Each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b), (c) and (d) of this Section.

ARTICLE V

Representations and Warranties

Each Borrower represents and warrants to the Administrative Agent, each Lender and the LC Issuer that:

SECTION 5.01. Existence, Qualification and Power; Compliance with Laws. Each Borrower and each Subsidiary thereof (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has the organizational power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and consummate the Transaction, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws, except in each case referred to in clause (b) (i), (c) or (d), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Authorization; No Contravention. The execution, delivery and performance by each Borrower of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under (i) any Contractual Obligation (including, without limitation, the Convertible Note Indenture) to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, except for matters that would not reasonably be expected to have a Material Adverse Effect, or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject, except for matters that would not reasonably be expected to have a Material Adverse Effect, or (c) violate any Law. Each Borrower and each Subsidiary thereof is in compliance with all Contractual Obligations referred to in clause (b)(i), except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.03. Governmental Authorization; Other Consents. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by any Borrower of this Agreement or any other Loan Document or for the consummation of the

Transactions, (b) the grant by any Borrower of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the priority thereof) or (d) the exercise by any Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral, except for (i) filings necessary to perfect the Liens on the Collateral granted by the Borrowers in favor of the Secured Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force, (iii) those approvals, consents, exemptions, authorizations, actions, notices or filings described in the Security Agreement and (iv) those approvals, consents, exemptions, authorizations, actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect. All applicable waiting periods in connection with the Transactions have expired without any action having been taken by any Governmental Authority restraining, preventing or imposing materially adverse conditions upon the Transactions or the rights of the Borrowers or their Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them.

SECTION 5.04. Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Borrower that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Borrower, enforceable against each Borrower that is party thereto in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

SECTION 5.05. Financial Condition; No Material Adverse Change. (a) Holdings has heretofore furnished to the Administrative Agent its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended April 30, 2010, reported on by the Accountants, and (ii) as of and for the fiscal quarter ended July 31, 2010 certified by a Financial Officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Holdings and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since April 30, 2010.

SECTION 5.06. Properties. (a) As of the date of this Agreement, Schedule 5.06 sets forth the address of each parcel of real property that is owned or leased by each Borrower and each Subsidiary. Each of such leases and subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists. Each Borrower and each Subsidiary has good and indefeasible title to, or valid leasehold interests in, all its real and personal property, free of all Liens other than those permitted by Section 7.02 and Liens that are being contested in good faith by appropriate proceedings and for which such Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves.

(b) Each Borrower and each Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business as currently conducted and the use thereof by the Borrowers and the Subsidiaries does not infringe in any material respect upon the rights of any other Person, and the Borrowers' rights thereto are not subject to any licensing agreement or similar arrangement.

SECTION 5.07. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting the Borrowers or any of their Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) on any Borrower or any Subsidiary or (ii) that involve this Agreement or the Transactions.

(b) Except for the Disclosed Matters (i) no Borrower nor any of its Subsidiaries has received notice of any claim with respect to any material Environmental Liability or knows of any basis for any material Environmental Liability and (ii) and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect on any Borrower or Subsidiary, no Borrower nor any of its Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 5.08. Compliance with Laws and Agreements. Each Borrower and its Subsidiaries is in compliance with all Requirements of Law applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect on any Borrower or Subsidiary. No Default has occurred and is continuing.

SECTION 5.09. Investment Company Status. No Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 5.10. Taxes. The Borrowers and their Subsidiaries have timely filed or caused to be filed all Federal, state, provincial, foreign and other tax returns and reports required to be filed, and have timely paid all Federal, state, provincial, foreign and other Taxes levied or imposed upon them or their properties, income or assets otherwise due and payable (whether or not shown on any Tax return) including in their capacity as withholding agent, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and which would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. There is no proposed Tax assessment against any Borrower or their Subsidiaries that, if made, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Except for gross-up provisions applicable to employee payments in the ordinary course of business or contained in employment agreements, the agreements to acquire any option, stock or other equity interest in any Borrower and the Loan Documents, neither any Borrower nor any Subsidiary thereof is party to any tax sharing agreement that is currently in effect. Each Borrower and each Subsidiary has made adequate provision in accordance with GAAP for all material taxes not yet due and payable. Neither any Borrower nor any Subsidiary has ever been a party to any understanding or arrangement constituting a "tax shelter" within the meaning of Section 6662(d)(2)(C)(iii) of the Code or within the meaning of Section 6111(c) or Section 6111(d) of the Code as in effect immediately prior to the enactment of the American Jobs Creation of 2004, or has ever "participated" in a "reportable transaction" within the meaning of Treas. Reg. Section 1.6011-4, except as would not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. Except any liabilities for taxes of any consolidated, combined or unitary tax group of which any Borrower is the common

parent, neither any Borrower nor any Subsidiary thereof has any liabilities for the taxes of any Person under Treas. Reg. Section 1.1502-6 or any similar provision of state, local or foreign law, as a transferee or successor, by contract or otherwise, except as would not result in a Material Adverse Effect. No tax liens have been filed and no claims are being asserted with respect to any such taxes.

SECTION 5.11. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. Each of the Borrowers and its Subsidiaries is in compliance in all material respects with the presently applicable provisions of ERISA, the Code and any other applicable Law with respect to each Plan. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$2,000,000.00 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$2,000,000.00 the fair market value of the assets of all such underfunded Plans.

SECTION 5.12. Margin Regulations. Neither any Borrower nor any of such Borrower's Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulations T, U or X issued by the Board), or extending credit for the purpose of purchasing or carrying margin stock.

SECTION 5.13. Disclosure. The Borrowers have disclosed to the Administrative Agent, the Lenders and the LC Issuer all material agreements, instruments and corporate or other restrictions to which it or any Subsidiary is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect on any Borrower or any Subsidiary. Neither the Perfection Certificate nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of any Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Effective Date, as of the Effective Date.

SECTION 5.14. Material Agreements. All material agreements and contracts to which any Borrower is a party or is bound as of the date of this Agreement are listed on Schedule 5.14. No Borrower is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any material agreement to which it is a party or (ii) any agreement or instrument evidencing or governing Indebtedness.

SECTION 5.15. Solvency. (a) Immediately after the consummation of the Transactions to occur on the Effective Date, (i) the fair value of the assets of each Borrower, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property of each Borrower will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, and (iv)

each Borrower will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

(b) No Borrower intends to, or will permit any of its Subsidiaries to, or believes that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary. No Borrower will permit any of its Subsidiaries to incur debts beyond its ability to pay such debts as they mature, if, as a result of doing so, it could be reasonably expected to have a Material Adverse Effect on any Borrower or Subsidiary.

SECTION 5.16. Insurance. Schedule 5.16 sets forth a description of all insurance maintained by or on behalf of the Borrowers and the Subsidiaries as of the Effective Date. As of the Effective Date, all premiums in respect of such insurance have been paid. The Borrowers believe that the insurance maintained by or on behalf of the Borrowers and Subsidiaries is adequate. Each Borrower has caused its Subsidiaries to maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company adequate insurance in such amounts and for such risks where the failure to do so could be reasonably expected to have a Material Adverse Effect on any Borrower or Subsidiary.

SECTION 5.17. Capitalization and Subsidiaries. Schedule 5.17 sets forth (a) a correct and complete list of the name and relationship to Holdings of each and all of Holdings' Subsidiaries, (b) a true and complete listing of each class of each of Holdings' and Holdings' Subsidiaries' authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 5.17, and (c) the type of entity of Holdings and each of its Subsidiaries. All of the issued and outstanding Equity Interests owned by any Borrower has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 5.18. Security Interest in Collateral.

(a) Security Agreement. The Security Agreement is effective to create in favor of the Administrative Agent for the benefit of the Secured Parties, legal and valid Liens on, and security interests in, the Collateral described therein and (i) when financing statements and other filings in appropriate form are filed in the offices specified on Schedule 6 to the Perfection Certificate, (ii) upon the taking of possession or control by the Administrative Agent of the Collateral described therein with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Administrative Agent to the extent possession or control by the Administrative Agent is required by the Security Agreement), (iii) upon recording by the Administrative Agent of its Lien on the certificates of title of motor vehicles and (iv) upon compliance with the applicable perfection requirements of the laws of jurisdictions other than the United States with respect to Collateral as to which perfection of the Agent's Lien thereon is not subject to the laws of the United States, the Liens created by the Security Agreement shall (to the extent provided therein) constitute perfected first priority Liens on, and security interests in, all right, title and interest of the grantors in the Collateral described therein (other than such Collateral in which a security interest cannot be perfected under the UCC as in effect at the relevant time in the relevant jurisdiction), in each case subject to no Liens other than Permitted Encumbrances and Liens otherwise permitted by Section 7.02.

(b) Mortgages. Each Mortgage is effective to create, in favor of the Administrative Agent, for its benefit and the benefit of the Secured Parties, legal and valid Liens on, and security interests in, all of the Borrowers' right, title and interest in and to the Mortgaged Premises thereunder and

the proceeds thereof, subject only to Permitted Encumbrances or other Liens acceptable to the Administrative Agent, and when the Mortgages are duly filed in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Sections 4.01 or 6.13, the Mortgages shall (to the extent provided therein) constitute perfected first priority Liens on, and security interests in, all right, title and interest of the Borrowers in the Mortgaged Premises and the proceeds thereof, in each case prior in right to any other Person, other than Liens permitted by such Mortgage.

SECTION 5.19. Employment Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against any Borrower or any Subsidiary pending or, to the knowledge of the Borrowers, threatened. The hours worked by and payments made to employees of the Borrowers and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from any Borrower or any Subsidiary, or for which any claim may be made against any Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Borrower or such Subsidiary. There are no collective bargaining agreements or Multiemployer Plans covering the employees of Holdings or any of its Subsidiaries as of the Effective Date and neither Holdings nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five years.

SECTION 5.20. Affiliate Transactions. Except as set forth on Schedule 5.20, as of the Effective Date, there are no existing or proposed agreements, arrangements, understandings, or transactions between any Borrower and any of the officers, members, managers, directors, stockholders, parents, other interest holders, employees, or Affiliates (other than Subsidiaries) of any Borrower or any members of their respective immediate families, and none of the foregoing Persons are directly or indirectly indebted to or have any direct or indirect ownership, partnership, or voting interest in any Affiliate of any Borrower or any Person with which any Borrower has a business relationship or which competes with any Borrower.

SECTION 5.21. OFAC; PATRIOT Act.

(a) No Borrower or Subsidiary (i) is or will become a Person whose Property or interests in property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages or will engage in any dealings or transactions prohibited by Section 2 of such Executive Order, or be otherwise associated with any such Person in any manner violative of Section 2, or (iii) will otherwise become a Person on the list of Specifically Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other OFAC regulation or executive order.

(b) The Borrowers and their Subsidiaries are in compliance in all material respects with the Patriot Act. No part of the proceeds of the Loans hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTION 5.22. Intellectual Property Matters. Each Borrower owns, or is licensed to use, all patents, patent applications, trademarks, trade names, service marks, copyrights, technology, trade secrets, proprietary information, domain names, know-how and processes necessary for the conduct of its business as currently conducted (the "Intellectual Property"), except for those the failure to own or license which, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse

Effect. To the knowledge of each Borrower, no claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor to the knowledge of each Borrower does the use of such Intellectual Property by each Borrower infringe the rights of any Person, except for such claims and infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.23. Use of Proceeds. The Borrowers will use the proceeds of the Loans to effect the Transactions and pay related fees and expenses and as otherwise permitted by Section 6.08.

ARTICLE VI

Affirmative Covenants

Until the Revolving Commitments and the LC Commitment have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements and LC Borrowings shall have been reimbursed, each Borrower executing this Agreement covenants and agrees, jointly and severally with all of the Borrowers, with the Administrative Agent, the Lenders and the LC Issuer that:

SECTION 6.01. Financial Statements and Other Information. The Borrower Representative will furnish to the Administrative Agent (and the Administrative Agent will furnish to each Lender promptly after the receipt thereof):

(a) within one hundred twenty (120) days after the end of each fiscal year of Holdings, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows and consolidating balance sheet and income statement as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by the Accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated and consolidating financial statements present fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied, accompanied by any management letter prepared by said Accountants;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of Holdings, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows and consolidating balance sheet and income statement as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, (i) a Compliance Certificate (A) certifying, in the case of the financial statements delivered under clause (a) or (b), as presenting fairly in all material respects the financial condition and results of operations of Holdings and its Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, (B) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details

thereof and any action taken or proposed to be taken with respect thereto, (C) setting forth reasonably detailed calculations demonstrating compliance with Section 7.12, and (D) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.05 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (ii) so long as (x) the aggregate amount of the outstanding Revolving Exposure and LC Exposure exceeds \$62,000,000 as of the end of such fiscal year or fiscal quarter, as applicable, and (y) the Convertible Notes Indenture has not been terminated, a copy of a notice to the Convertible Notes Trustee pursuant to, and demonstrating compliance, with Section 10.12 of the Convertible Notes Indenture;

(d) as soon as available, but in any event not later than ninety-two (92) days after the beginning of each fiscal year of Holdings, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and cash flow statement and a consolidating balance sheet and income statement) of Holdings for each such fiscal year in form reasonably satisfactory to the Administrative Agent;

(e) promptly following the formation of any Subsidiary, information regarding such Subsidiary so that such Subsidiary may become a Borrower;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, as the case may be;

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrowers or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent may reasonably request; and

(h) in lieu of providing hard copies of the documents Holdings is required to deliver pursuant to paragraph (f) above, Holdings shall be deemed to have delivered the reports, proxy statements and other material to the Administrative Agent at such time such reports, proxy statements and other material are posted to the internet or filed with the Securities and Exchange Commission; provided, however, access to such documents must be (i) available free of charge; (ii) exist in a format downloadable by the Administrative Agent (as determined by the Administrative Agent); and (iii) downloadable by the Administrative Agent or if such statements are not in a format downloadable by the Administrative Agent then upon notice by the Administrative Agent, Holdings will provide copies of such postings or filings.

SECTION 6.02. Notices of Material Events. The Borrower Representative will furnish to the Administrative Agent (and the Administrative Agent will furnish to each Lender promptly after the receipt thereof) prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) receipt of any notice of any governmental investigation or any litigation commenced or threatened against any Borrower or Subsidiary that (i) seeks damages in excess of \$4,000,000.00, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan, its fiduciaries or its assets, (iv) alleges criminal misconduct by any Borrower or Subsidiary, (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Laws, (vi) contests any tax, fee, assessment, or other governmental charge in excess of \$2,000,000.00, or (vii) involves any product recall;

- (c) any Lien (other than Permitted Encumbrances) or claim made or asserted against any of the Collateral;
- (d) any loss, damage, or destruction to the Collateral in the amount of \$4,000,000.00 or more, whether or not covered by insurance;
- (e) any and all default notices received under or with respect to any leased location or public warehouse where Collateral is located (which shall be delivered within two (2) Business Days after receipt thereof);
- (f) all material amendments to any Material Agreement together with a copy of each such amendment;
- (g) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Holdings and its Subsidiaries in an aggregate amount exceeding \$2,000,000.00; and
- (h) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower Representative setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03. Existence; Conduct of Business. Each Borrower will, and will cause each Subsidiary to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is presently conducted; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.03 and (b) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted.

SECTION 6.04. Payment of Obligations. Each Borrower will, and will cause each Subsidiary to, pay or discharge all Material Indebtedness and all other material liabilities and obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) such liabilities would not result in aggregate liabilities in excess of \$2,000,000.00 and none of the Collateral becomes subject to forfeiture or loss as a result of the contest.

SECTION 6.05. Maintenance of Properties. Each Borrower will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 6.06. Books and Records; Inspection Rights. Each Borrower will, and will cause each Subsidiary to, (i) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities and (ii) permit any representatives designated by the Administrative Agent (including employees of the Administrative Agent, or any consultants, accountants, lawyers and appraisers retained by the Administrative Agent), upon reasonable prior notice and during regular business hours, to visit and inspect its properties, to examine and make

extracts from its books and records, including environmental assessment reports and Phase I or Phase II studies, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. The Borrowers acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare certain Reports pertaining to the Borrowers' assets for internal use by the Administrative Agent. Each Borrower will permit the Administrative Agent to conduct field audit examinations of the Borrowers' assets, liabilities, books and records at a frequency not less than once every 365 days; provided further that the Borrowers will permit the Administrative Agent to conduct such examinations at any reasonable time and with any reasonable frequency after a Default. In connection with such field audits, the Borrowers will permit the Administrative Agent to make test verifications of the Accounts with the Borrowers' customers.

SECTION 6.07. Compliance with Laws. Each Borrower will, and will cause each Subsidiary to, comply with all Requirements of Law applicable to it or its property.

SECTION 6.08. Use of Proceeds and Letters of Credit. The proceeds of the Revolving Loans will be used only for (i) general working capital purposes, (ii) the payment of fees and expenses incurred in connection with the closing of the Loans and (iii) to purchase Convertible Notes in the open market or in privately negotiated transactions. In addition, the proceeds of the Revolving Loans may be used to pay the purchase price and related expenses of a tender offer for the Convertible Notes pursuant to any registered tender offer with respect thereto so long as the Administrative Agent has approved any and all references to this Agreement, the Lenders and the Administrative Agent in any materials relating thereto, which approval shall not be unreasonably withheld. No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, (i) for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X or (ii) to make any Acquisition other than Permitted Acquisitions.

SECTION 6.09. Insurance. (a) Generally. Each Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company (i) insurance in such amounts (with no greater risk retention) and against such risks (including (A) loss or damage by fire and loss in transit; (B) theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; (C) business interruption; (D) general liability and (E) and such other hazards), as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) all insurance required pursuant to the Collateral Documents. The Borrowers will furnish to the Administrative Agent information in reasonable detail as to the insurance so maintained.

(b) Requirements of Insurance. All such insurance shall (i) provide that no cancellation, reduction in amount or change in coverage thereof shall be effective until at least 30 days (or 10 days for nonpayment of premiums) after receipt by the Administrative Agent of written notice thereof, (ii) name the Administrative Agent as additional insured on behalf of the Administrative Agent and the Secured Parties (in the case of liability insurance) or loss payee (in the case of property insurance), as applicable, and (iii) be reasonably satisfactory in all other respects to the Administrative Agent.

(c) Flood Insurance. The Borrowers will, and shall cause each Subsidiary to, with respect to each Mortgaged Premises, obtain flood insurance in such total amount as the Administrative Agent may from time to time reasonably require, except that such total amount shall not exceed the principal amount of the outstanding Indebtedness secured by such Mortgaged Premises, if at any time the area in which any improvements are located on any Mortgaged Premises is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended from time to time.

SECTION 6.10. Casualty and Condemnation. The Borrowers (a) will furnish to the Administrative Agent prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the net proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Collateral Documents.

SECTION 6.11. Appraisals. At any time that the Administrative Agent requests, the Borrowers will provide the Administrative Agent with appraisals or updates thereof of the Inventory, equipment, intellectual property and real property from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulations; provided, however, that if no Event of Default has occurred and is continuing, the Administrative Agent may require one appraisal of each type per calendar year, each of which shall be at the sole expense of the Borrowers.

SECTION 6.12. Depository Banks. Each Borrower and each Domestic Subsidiary will maintain TD Bank as a principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of its business. Schedule 6.12 sets forth the details for all deposit and investments accounts maintained by each Borrower and each Domestic Subsidiary.

SECTION 6.13. Additional Collateral; Further Assurances. (a) Subject to applicable law, each Borrower and each Domestic Subsidiary that is or becomes a Borrower shall, unless the Administrative Agent otherwise consents, cause each Domestic Subsidiary of Holdings formed or acquired after the date of this Agreement in accordance with the terms of this Agreement to become a Borrower by executing the Joinder Agreement set forth as Exhibit F hereto (the "Joinder Agreement"). Upon execution and delivery thereof, each such Person (i) shall become a Borrower and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, in any property of such Borrower which constitutes Collateral, including any parcel of real property located in the U.S. owned by any Borrower by executing and delivering Collateral Documents.

(b) The Borrowers will cause (i) 100% of the issued and outstanding Equity Interests of each of its Domestic Subsidiaries, (ii) 65% of the issued and outstanding Equity Interests of each of its Foreign Subsidiaries (other than the German Subsidiary) (or such greater percentage that, due to a change in applicable law after the date hereof, (1) could not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for U.S. federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's U.S. parent and (2) could not reasonably be expected to cause any material adverse tax consequences) entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and (iii) 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary (other than the German Subsidiary) directly owned by a Borrower to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent pursuant to the terms and conditions of the Loan Documents or other Collateral Documents as the Administrative Agent shall reasonably request. Notwithstanding the foregoing, at any time after an Event of Default has occurred and is continuing, each Borrower will, upon the request of the Administrative Agent, cause each Foreign Subsidiary to become a Borrower and to grant Liens to the Administrative Agent on its assets and have the balance of its stock pledged to the Administrative Agent.

(c) Without limiting the foregoing, each Borrower will, and will cause each Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Borrowers.

(d) If any material assets (including any Equity Interests and any real property or improvements thereto or any interest therein) are acquired by any Borrower after the Effective Date (other than assets constituting Collateral under any Collateral Document that become subject to the Lien in favor of the Administrative Agent under any Collateral Document upon acquisition thereof), the Borrower Representative will notify the Administrative Agent, and, if requested by the Administrative Agent, the Borrowers will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Borrowers.

(e) If, after the date of this Agreement, any Foreign Subsidiary becomes a Material Foreign Subsidiary, in the reasonable discretion of the Required Lenders, the Administrative Agent shall have the right to perfect, at the Borrowers' joint and several cost, payable upon request therefor (including, without limitation, any foreign counsel, or foreign notary, filing, registration or similar, fees, costs or expenses), its Lien in the Equity Interests of such Material Foreign Subsidiary in the respective foreign jurisdiction; provided that the Required Lenders, in their reasonable discretion and in consultation with the Borrower Representative, may waive the requirements of this Subsection (e) with respect to the perfection of the Administrative Agent's Lien in any Equity Interest in any foreign jurisdiction to the extent that they determine that the costs of perfecting such Liens in such Equity Interests are excessive in relation to the value of the security to be afforded thereby.

ARTICLE VII

Negative Covenants

Until the Revolving Commitments and the LC Commitment have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrowers covenant and agree, jointly and severally, with the Administrative Agent, the Lenders and the LC Issuer that:

SECTION 7.01. Indebtedness. No Borrower will, nor will it permit any Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 7.01(b) and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness that is unsecured and subordinated to the Obligations on terms satisfactory to the Administrative Agent in its Permitted Discretion provided that after giving effect to the incurrence of such Indebtedness, the Borrowers will remain in compliance with Section 7.12;

(d) Indebtedness of any Borrower to any other Borrower; provided that (i) such Indebtedness shall be subject to Section 6.04 and (ii) such Indebtedness shall be subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(e) Indebtedness of any Borrower or any Subsidiary incurred to finance the acquisition of any capital assets (constituting purchase money Indebtedness), including Capital Lease Obligations, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided that after giving effect to the incurrence of such Indebtedness, the Companies will remain in compliance with Section 7.12;

(f) Indebtedness which represents an extension, refinancing, or renewal of any of the Indebtedness described in clause (b) hereof; provided that, (i) the principal amount or interest rate of such Indebtedness is not increased, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Borrower, (iii) no Borrower that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iv) such extension, refinancing or renewal does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced or renewed, (v) the terms of any such extension, refinancing, or renewal are not less favorable to the obligor thereunder than the original terms of such Indebtedness and (vi) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent as those that were applicable to the refinanced, renewed, or extended Indebtedness;

(g) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(h) Indebtedness of any Borrower or any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(i) Guarantees made by any Borrower on behalf of any Subsidiary (other than a Foreign Subsidiary except to the extent permitted under the definition of "Permitted Foreign Loan Investment"), provided that after giving effect thereto, the Companies will remain in compliance with Section 7.12;

(j) Indebtedness of any Borrower incurred as an account party in respect of Letter(s) of Credit;

(k) Indebtedness of any Borrower secured only by patents, patent applications and registrations, trademarks, trademark applications and registrations, copyrights and copyright applications and registrations of any Borrower, and any rights related to the foregoing; provided, that after giving effect thereto, the Companies will remain in compliance with Section 7.12; and

(l) Indebtedness in respect of the Convertible Notes and any Refinancing Indebtedness.

SECTION 7.02. Liens. No Borrower will, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of any Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 7.02(c); provided that (i) such Lien shall not apply to any other property or asset of any Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on capital assets acquired by any Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 7.01, and (ii) such security interests shall not apply to any other property or assets of any Borrower or any Subsidiary;

(e) in connection with any Acquisition, any Lien on personal property of the acquisition target with respect to Capital Lease Obligations or purchase money Indebtedness existing prior to acquisition by Holdings or any Subsidiary, provided that (i) such Lien shall be limited to the assets financed by such capital lease or purchase money Indebtedness, (ii) such Lien shall not apply to the inventory, accounts and general intangibles of the acquisition target, (iii) such Lien shall not apply or extend to any other assets or property of any Borrower, (iv) such Lien shall secure only those obligations it secures on the date of such acquisition, including any extensions, renewals and replacements thereof, and no future obligations, and (v) such Lien was not granted in contemplation of or in connection with such Acquisition;

(f) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(g) Liens arising out of sale and leaseback transactions permitted by Section 7.06; and

(h) Liens solely on patents, patent applications and registrations, trademarks, trademark applications and registrations, copyrights and copyright applications and registrations of any Borrower, and any rights related to the foregoing; provided, that such Liens secure only Indebtedness permitted by clause (k) of Section 7.01.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 7.02 may at any time attach to any Borrower's (1) Accounts, other than those permitted under clause (a) of the definition of Permitted Encumbrance and clause (a) above and (2) Inventory, other than those permitted under clauses (a) and (b) of the definition of Permitted Encumbrance and clause (a) above.

SECTION 7.03. Fundamental Changes. (a) No Borrower will, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing, (i) any Subsidiary of any Borrower may merge into such Borrower in a transaction in which such Borrower is the surviving

corporation, (ii) any Subsidiary that is not a Borrower may liquidate or dissolve if the Borrower Representative determines in good faith that such liquidation or dissolution is in the best interests of the Borrowers and is not materially disadvantageous to the Administrative Agent; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 7.04, and (iii) any Borrower or Subsidiary may merge with another Person in connection with a Permitted Acquisition so long as such Borrower is the surviving entity in any such merger involving a Borrower.

(b) No Borrower will, nor will it permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by such Borrower or such Subsidiary on the date of execution of this Agreement and businesses reasonably related thereto.

(c) No Borrower will, nor will it permit any of its Subsidiaries to, form any new Subsidiary which is a Foreign Subsidiary, except to the extent permitted under the definition of "Permitted Foreign Subsidiary Loan and Investment".

(d) Holdings will not engage in any business or activity other than the ownership of all the outstanding shares of capital stock of S&W Corp., TCHC, USR and the other Subsidiaries and activities incidental thereto. Holdings will not own or acquire any assets (other than Equity Interests of S&W Corp., TCHC, USR or other Subsidiaries as permitted hereunder and the cash proceeds of any Restricted Payments permitted by Section 7.08) or incur any liabilities (other than liabilities under the Loan Documents and liabilities reasonably incurred in connection with its maintenance of its existence), except in accordance with this Agreement.

SECTION 7.04. Investments, Loans, Advances, Guarantees and Acquisitions. No Borrower will, nor will it permit any Subsidiary to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Borrower and a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise), except:

(a) Permitted Investments, provided that, in the case of investments described in clauses (a) through (e) of the definition of Permitted Investments, such investments (other than investments in any Excluded Account (as defined in the Security Agreement)) shall be subject to control agreements in favor of the Administrative Agent or otherwise subject to a perfected security interest in favor of the Administrative Agent;

(b) (i) investments in existence on the date of this Agreement by a Borrower in Equity Interests of its Subsidiaries and (ii) other investments in existence on the date of this Agreement as described in Schedule 7.04(b); provided, that, other than to the extent permitted by clause (c) below, the amount in each case of (i) and (ii) is not increased after the date of this Agreement;

(c) investments after the date hereof by a Borrower in Equity Interests in its Domestic Subsidiaries, provided that any such Equity Interests shall be pledged to the Administrative Agent for the benefit of the Secured Parties in accordance with Section 6.13(b);

(d) loans or advances made by any Borrower to any Domestic Subsidiary and made by any Subsidiary to any Borrower or any other Domestic Subsidiary;

(e) guarantees constituting Indebtedness permitted by Section 7.01(i) or arising by endorsement of items for deposit or collection received in the ordinary course of business;

(f) investments by Holdings in any Subsidiary to the extent required to make a Permitted Acquisition in accordance with the terms of this Agreement; provided with respect to any Foreign Subsidiary, (i) such investment is a Permitted Foreign Subsidiary Loan and Investment, (ii) the Equity Interests held by a Borrower in such Foreign Subsidiary shall be pledged to the Administrative Agent for the benefit of the Secured Parties in accordance with Section 6.13(b) and (iii) such Foreign Subsidiary must have the capacity to obtain its own financing without recourse to any Borrower;

(g) subject to Section 8.02 hereof, notes payable, or stock or other securities issued by Account Debtors to a Borrower pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, consistent with past practices;

(h) investments in the form of Swap Agreements permitted by Section 7.07;

(i) investments of any Person existing at the time such Person becomes a Subsidiary of Holdings or consolidates or merges with Holdings or any of the Subsidiaries so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(j) investments received in connection with the dispositions of assets permitted by Section 7.05; and

(k) investments constituting deposits described in clauses (c) and (d) of the definition of the term "Permitted Encumbrances";

SECTION 7.05. Asset Sales. No Borrower will, nor will it permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will any Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than to a Borrower or another Subsidiary in compliance with Section 7.04), except:

(a) sales, transfers and dispositions of (i) inventory in the ordinary course of business and (ii) used, obsolete, worn out or surplus equipment or property in the ordinary course of business;

(b) sales, transfers and dispositions to a Borrower;

(c) sales, transfers and dispositions of accounts receivable in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of investments permitted by clauses (h) and (j) of Section 7.04;

(e) sale and leaseback transactions permitted by Section 7.06;

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Subsidiary; and

(g) sales, transfers and other dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary are sold) that are not permitted by any other paragraph of this Section, provided that the aggregate fair market value of all assets sold, transferred or

otherwise disposed of in reliance upon this paragraph (g) shall not exceed \$5,000,000 during any fiscal year of the Companies;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraphs (b) and (f) above) shall be made for fair value and for at least 100% cash consideration.

SECTION 7.06. Sale and Leaseback Transactions. No Borrower will, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except as permitted by Schedule 7.06 and except for any such sale of any fixed or capital assets by any Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within ninety (90) days after such Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 7.07. Swap Agreements. No Borrower will, nor will it permit any Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which a Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of any Borrower or any of its Subsidiaries), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Subsidiary, and (c) Foreign Exchange Obligations.

SECTION 7.08. Restricted Payments; Certain Payments of Indebtedness. (a) No Borrower will, nor will it permit any Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except (i) the Borrowers may declare and pay dividends with respect to their common stock payable solely in additional shares of its common stock and in cash to the extent after giving effect thereto the Borrowers will remain in compliance with Section 7.12, and (ii) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests.

(b) No Borrower will, nor will it permit any Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

- (i) payment of Indebtedness created under the Loan Documents;
- (ii) with the prior written consent of the Administrative Agent, payment of Indebtedness permitted by Section 7.01 with the proceeds of the issuance of Equity Interests;
- (iii) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness (subject to any subordination agreements);

- (iv) prepayment of Indebtedness permitted by Section 7.01 provided that (A) no Default or Event of Default has occurred and is continuing; (B) the making of such prepayment will not result in the occurrence of a Default or Event of Default after giving effect thereto; and (C) except as to prepayment of the Indebtedness permitted by Section 7.01(l), the Administrative Agent has given its prior written consent, which consent shall not be unreasonably withheld;
- (v) refinancings of Indebtedness to the extent permitted by Section 7.01; and
- (vi) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness.

SECTION 7.09. Transactions with Affiliates. No Borrower will, nor will it permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions that (i) are in the ordinary course of business and (ii) are at prices and on terms and conditions not less favorable to a Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among a Borrower and any Subsidiary that is a Borrower not involving any other Affiliate, (c) any loan, advance or investment permitted by Sections 7.04(c), 7.04(d) or 7.04(f), (d) any Indebtedness permitted under Sections 7.01(d) and 7.01(i), (e) any Restricted Payment permitted by Section 7.08, (f) loans or advances to employees permitted under Section 7.04, (g) the payment of reasonable fees to directors of any Borrower or any Subsidiary who are not employees of such Borrower or such Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of any Borrower or its Subsidiaries in the ordinary course of business and (h) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by any Borrower's board of directors.

SECTION 7.10. Restrictive Agreements. No Borrower will, nor will it permit any Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Borrower or any of its Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to any Borrower or any other Subsidiary or to Guarantee Indebtedness of any Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 7.10 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (v) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 7.11. Amendment of Certain Documents. No Borrower will, nor will it permit any Subsidiary to, amend, modify or waive (a) any of its rights under its Organization Documents, (b) any

term or condition of any Convertible Notes Document in any manner materially adverse to the interests or rights of the Administrative Agent or any Lender under the Loan Documents, provided that Holdings may agree with the holders of the Convertible Notes to amend Section 10.12 of the Convertible Notes Indenture to remove the restriction on Holdings' ability to incur additional indebtedness and liens and the requirement for Holdings to deliver notices as set forth therein, or (c) any term or condition of any Refinancing Indebtedness Document in any manner materially adverse to the interests and rights of the Administrative Agent or any Lender under the Loan Documents.

SECTION 7.12. Financial Covenants.

(a) Consolidated Fixed Charge Coverage Ratio. The Companies will not permit the Consolidated Fixed Charge Coverage Ratio, determined for any Test Period ending on October 31, 2010 and the end of each fiscal quarter thereafter, to be less than 1.50:1.00.

(b) Consolidated Leverage Ratio. The Companies will not permit the Consolidated Leverage Ratio, determined for any Test Period ending on October 31, 2010 and the end of each fiscal quarter thereafter, to be greater than 3.25:1.00.

ARTICLE VIII

Events of Default

SECTION 8.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any Letter of Credit when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, and such failure shall continue unremedied for a period of five (5) days;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) days;

(c) any representation or warranty made or deemed made by or on behalf of any Borrower or any Subsidiary in or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) any Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02(a), 6.03 (with respect to a Borrower's existence) or 6.08 or in Article VII;

(e) any Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those which constitute a default under another Section of this Article), and such failure shall continue unremedied for a period of (i) five (5) Business Days after the earlier of knowledge of such breach or notice thereof from the Administrative Agent if such breach relates to terms or provisions of Section 6.02 (other than Section 6.02(a)), 6.03 through 6.07, 6.09, 6.10 or

6.12 of this Agreement or (ii) thirty (30) days after the earlier of knowledge of such breach or notice thereof from the Administrative Agent if such breach relates to terms or provisions of any other Section of this Agreement;

(f) any Borrower or any Subsidiary shall fail to make any payment within 10 days (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Borrower or any Subsidiary, or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower or any Subsidiary of any Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Borrower or Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount of \$4,000,000.00 or more (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) shall be rendered against any Borrower or any Subsidiary or any combination thereof and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Borrower or any Subsidiary to enforce any such judgment or any Borrower or any Subsidiary shall fail within sixty (60) days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal or otherwise being appropriately contested in good faith by proper proceedings diligently pursued;

(l) an ERISA Event shall have occurred that, in the opinion of the Administrative Agent, when taken together with all other ERISA Events that have occurred, could reasonably be

expected to result in liability of a Borrower or any Subsidiary in an aggregate amount exceeding \$2,000,000.00;

(m) a Change in Control shall occur;

(n) the occurrence of any "default", as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided;

(o) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any Collateral purported to be covered thereby, except as permitted by the terms of any Collateral Document, or any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document, or any Borrower shall fail to comply with any of the terms or provisions of any Collateral Document;

(p) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Borrower shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

(q) any one or more material licenses, permits or authorizations now or hereafter held by any Borrower permitting the manufacture and/or sale of firearms shall be terminated, suspended or revoked or shall not be renewed, which terminations, suspensions, revocations or failures to renew would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect; or

(r) any Borrower or any Subsidiary shall fail to make any payment (regardless of amount) in respect of any Cash Management Obligation, Swap Obligation or Foreign Exchange Obligation, and such failure shall continue unremedied for a period of five (5) days.

SECTION 8.02. Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent may, and shall at the request of the Required Lenders and the LC Issuer, as applicable, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the LC Issuer to issue Letters of Credit to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(c) require that the Borrowers cash collateralize the LC Exposure as provided in Section 2.09(h); and

(d) exercise on behalf of itself, the Lenders and the LC Issuer all rights and remedies available to it, the Lenders, the LC Issuer and the other Secured Parties under the Loan Documents;

provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the LC Issuer to issue Letters of Credit to be terminated shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable and the obligations of the Borrowers to cash collateralize the LC Exposure as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

The Administrative Agent, for the benefit of the Lenders and the LC Issuer shall also have the right of the appointment of a receiver for the assets and property of each of the Borrowers, and each of the Borrowers consent to such rights and such appointment and hereby waive any objection such Borrower may have thereto.

SECTION 8.03. Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the LC Exposure have automatically been required to be cash collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations from proceeds of Collateral shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest but including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to any Lender and the LC Issuer (including fees, charges and disbursements of counsel to the respective Lenders payable under Section 10.04 and amounts payable under Article III), ratably among them in proportion to the amounts respectively described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees, Unused Revolver Fees, interest on the Loans, LC Disbursements, LC Borrowings and other Obligations, ratably among the Lenders and the LC Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, LC Disbursements, LC Borrowings, amounts owing under Cash Management Agreements, the Swap Termination Value of Swap Agreements, including, without limitation, Foreign Exchange Obligations, ratably among the Lenders, the LC Issuer and other Secured Parties in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the LC Issuer, to cash collateralize that portion of LC Exposure comprised of the aggregate undrawn amount of Letters of Credit;

Sixth, to payment of breakage, termination, prepayment, yield maintenance or other amounts owing in respect of any between any Borrower and any Secured Party, to the extent such Obligations are permitted hereunder, ratably among such Secured Parties; and

Last, the balance, if any, after all of the Obligations then due have been paid in full, to the Borrowers or as otherwise required by Law.

Subject to Section 2.09(h), amounts used to cash collateralize the LC Exposure pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Each Borrower acknowledges the relative rights, priorities and agreements of the Secured Parties, as set forth in this Agreement, including as set forth in this Section 8.02.

ARTICLE IX

Administrative Agent

SECTION 9.01. Appointment and Authority.

(a) Each of the Lenders and the LC Issuer hereby irrevocably appoints TD Bank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the LC Issuer, and no Borrower shall have rights as a third party beneficiary of any of such provisions.

(b) The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (in its capacities as a Lender, potential counterparty to Swap Agreements, including with respect to Foreign Exchange Obligations, and potential Cash Management Bank) and the LC Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the LC Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Borrowers to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X including Section 10.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 9.02. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its capacity as a Lender. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 9.03. Exculpatory Provisions. Administrative Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or by any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower Representative or a Lender.

The Administrative Agent shall not be responsible to the Lenders or any of their respective Related Parties for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 9.04. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the LC Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the LC Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the LC Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable to the Lenders or any of their respective Related Parties for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 9.05. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

SECTION 9.06. Resignation of Administrative Agent. (a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the LC Issuer and the Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor Administrative Agent, which shall be a depository institution with an office in the United States, or an Affiliate of any such depository institution with an office in the United States. If no such successor shall have been so appointed by the Required Lenders or such successor shall not have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the LC Issuer appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower Representative and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the retiring Administrative Agent on behalf of the Lenders or the LC Issuer under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the LC Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section.

(b) If the Administrative Agent is a Defaulting Lender, the Required Lenders may remove the Administrative Agent from such capacity by giving written notice to the Administrative Agent and the other Lenders, and shall have the right, in consultation with the Borrower Representative, to appoint a successor Administrative Agent, which shall be a depository institution with an office in the United States, or an Affiliate of any such depository institution with an office in the United States. If no such successor shall have been so appointed by the Required Lenders or such successor shall not have accepted such appointment by the date which is 15 days after the Required Lenders deliver such notice of removal, the removal shall nevertheless thereupon become effective, and (a) the removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the removed Administrative Agent on behalf of the Lenders or the LC Issuer under any of the Loan Documents, the removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the removed Administrative Agent shall instead be made by or to each Lender and the LC Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section.

(c) Upon the acceptance of a successor's appointment as Administrative Agent under subsections (a) or (b) of this Section, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring, retired or removed Administrative Agent, as applicable, and the retiring, retired or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom)

as provided above in subsections (a) or (b) of this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's resignation or removal pursuant to subsections (a) or (b) of this Section, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring, retired or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring, retired or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation by or removal of the Administrative Agent pursuant to subsections (a) or (b) of this Section shall also constitute its resignation or removal as the LC Issuer. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring, retired or removed LC Issuer, (ii) the retiring, retired or removed LC Issuer shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents, and (iii) the successor LC Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring, retired or removed LC Issuer to effectively assume the obligations of the retiring, retired or removed LC Issuer with respect to such Letters of Credit.

SECTION 9.07. Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the LC Issuer acknowledges that it has, independently and without reliance upon any Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the LC Issuer also acknowledges that it will, independently and without reliance upon any Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 9.08. No Other Duties, Etc. Anything herein to the contrary notwithstanding, the Administrative Agent, shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as an Administrative Agent, a Lender or the LC Issuer hereunder. None of the Lenders or other entities identified on the facing page of this Agreement as a "Syndication Agent", "Sole Lead Arranger" or "Sole Bookrunner" shall have any right, power, obligation, liability, responsibility or duty under this Agreement or any other Loan Document other than those applicable to all Lenders as such if such entity is also a Lender. Without limiting the foregoing, none of the Lenders or other entities so identified shall have or be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other entities so identified in deciding to enter into this Agreement or any other Loan Document or in taking or not taking action hereunder or thereunder.

SECTION 9.09. Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Borrower, any Administrative Agent (irrespective of whether the principal of any Loan or LC Exposure shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether such Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and

to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the LC Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the LC Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.12 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the LC Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the LC Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.18 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the LC Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the LC Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the LC Issuer in any such proceeding.

SECTION 9.10. Collateral Matters. The Lenders and the LC Issuer irrevocably authorize the Administrative Agent to, and the Administrative Agent shall, at the request of the Borrower Representative:

(a) release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Revolving Commitments and LC Commitment and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, (iii) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders, or (iv) owned by a Borrower upon release of such Borrower from its obligations under this Agreement pursuant to clause (c) below;

(b) release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.02(d); and

(c) release any Borrower (other than Holdings) from its obligations under this Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; provided that no such release shall occur if such Borrower continues to be a guarantor in respect of any other Indebtedness of a Borrower unless and until such Borrower is (or is being simultaneously) released from its guaranty with respect to such other Indebtedness.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's, as the case may be, authority to release or subordinate its interest in particular types or items of property, or to release any Borrower from its obligations under this Agreement pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrowers expense and provided that the Borrowers shall have provided the Administrative Agent such certifications or documents as the Administrative Agent shall reasonably

request in order to demonstrate compliance with the provisions of this Agreement described above, execute and deliver to the applicable Borrower such documents as such Borrower may reasonably request to evidence the release of such item of Collateral from the security interest granted under the Collateral Documents, or to release such Borrower from its obligations under this Agreement, in each case in accordance with the terms of the Loan Documents.

ARTICLE X

Miscellaneous

SECTION 10.01. Amendments, Etc. Except as otherwise specified in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Borrower therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrowers or the applicable Borrower, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(a) extend or increase any Revolving Commitment or LC Commitment of any Lender (or reinstate any Revolving Commitment or LC Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood that no amendment, modification, termination, waiver or consent with respect to any condition precedent, covenant or Default shall constitute an increase in the Revolving Commitment or LC Commitment of any Lender);

(b) (A) change the scheduled final maturity of any Loan, (B) postpone the date for payment of any principal, interest fees or any other amount payable hereunder or under any Loan Documents, (C) reduce the amount of, waive or excuse any such payment or (D) postpone the scheduled date of expiration of any Revolving Commitment or LC Commitment, in any case, without the written consent of each Lender directly affected thereby;

(c) reduce or forgive the principal of, or the rate of interest specified herein on, any Loan or LC Disbursement, or any fees or other amounts payable hereunder or under any other Loan Document or change the form or currency of payment without the written consent of each Lender directly affected thereby (it being understood that any amendment or modification to the financial definitions in this Agreement shall not constitute a reduction in the rate of interest for purposes of this clause (c));

(d) change Section 2.15 or Section 8.02 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section 10.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(f) change any provision of Section 10.06 in a manner which would restrict the ability of any Lender to assign any of its rights or obligations hereunder without the written consent of each Lender;

(g) other than in a transaction permitted under Section 7.05, except as otherwise provided in any other Loan Document, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender; or

(h) amend or waive any provision contained in Section 2.02(b) without the consent of each Lender.

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the LC Issuer in addition to the Lenders required above, affect the rights or duties of the LC Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Revolving Commitments and LC Commitments, if any, of such Lender may not be increased or extended without the consent of such Lender.

If, in connection with any proposed change, waiver, discharge or termination of the provisions of this Agreement as contemplated by this Section 10.01, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then the Borrowers shall have the right to replace all non-consenting Lenders required to obtain such consent with one or more Eligible Assignees in accordance with Section 10.13, so long as at the time of such replacement each such new Lender consents to the proposed change, waiver, discharge or termination.

Notwithstanding anything to the contrary, without the consent of any other Person, the applicable Borrower or Borrowers and the Administrative Agent may (in its or their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable law.

SECTION 10.02. Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Administrative Agent, Swingline Lender or LC Issuer at:

TD Bank, N.A.
1441 Main Street
Springfield, MA 01103
Attention: Maria P. Goncalves,
Regional Vice President
E-mail: maria.goncalves@tdbanknorth.com

And

TD Bank, N.A.
1441 Main Street
Springfield, MA 01103
Attention: Joanne Lavoie
Commercial Sales Assistant
E-mail: joanne.lavoie@tdbanknorth.com

with copy to:

Edwards Angell Palmer & Dodge LLP
111 Huntington Avenue
Boston, MA 02199
Attention: James I. Rubens, Esq.
E-mail: jrubens@eapdlaw.com

(ii) if to any Borrower, to the Borrower Representative at:

Smith & Wesson Holding Corporation
c/o Smith & Wesson Corp.
2100 Roosevelt Avenue
Springfield, MA 01102-2208
Attention: John Dineen
E-mail: jdineen@smith-wesson.com

with a copy to:

Smith & Wesson Holding Corporation
c/o Smith & Wesson Corp.
2100 Roosevelt Avenue
Springfield, MA 01102-2208
Attention: Deana McPherson
E-mail: dmcpherson@smith-wesson.com

and with a copy to:

Greenberg Traurig, LLP
2375 E. Camelback Road
Suite 700
Phoenix, AZ 85016
Attention: Karl A. Freeburg
E-mail: Freeburgk@gtlaw.com

(iii) if to any other Lender, to the address, electronic mail address or telephone number set forth for such Lender on Schedule 10.02(a).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic mail transmission to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. (i) Notices and other communications to the Lenders and the LC Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender or the LC Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

(ii) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (iii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (ii) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE INTRALINKS OR OTHER ELECTRONIC DOCUMENT POSTING PLATFORM THAT MAY BE USED BY THE ADMINISTRATIVE AGENT IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION REGARDING THE BORROWERS (THE "BORROWER MATERIALS") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower or any Lender, the LC Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of any Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Borrower, any Lender, the LC Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of any Borrower, the Administrative Agent and the LC Issuer may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower Representative, the Administrative Agent and the LC Issuer.

(e) Reliance by Administrative Agent, the LC Issuer, the Administrative Agent and Lenders. The Administrative Agent, the LC Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Borrowing Requests or Conversion/Continuation Notices) purportedly given by or on behalf of the Borrower Representative even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent the LC Issuer, each Lender and the Related Parties

of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower Representative. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

SECTION 10.03. No Waiver; Cumulative Remedies. No failure by the Administrative Agent, any Lender, the LC Issuer or any other Secured Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 10.04. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and one local counsel per jurisdiction on behalf of the Administrative Agent) and the Lead Arranger, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the LC Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the LC Issuer (including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or the LC Issuer and one separate counsel for all Lenders (other than the Administrative Agent)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including without limitation (x) its rights under this Section 10.04 and (y) during any workout or restructuring, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrowers. The Borrowers shall jointly and severally indemnify the Lead Arranger, Administrative Agent (and any sub-agent thereof), each Lender and the LC Issuer and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the LC Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release or threatened release of Hazardous Material on, at, under or from any property owned, leased, operated or used by any Borrower or any of the Subsidiaries, or any environmental claim related in any way to any Borrower or any of the Subsidiaries, or (iv) any actual or threatened claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any other Borrower, and regardless of whether any Indemnitee is a party

thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) 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 or its Affiliates and the respective officers, directors, employees, attorneys, agents and advisors of such Indemnitee and its Affiliates or (y) result from a claim brought by any Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction, and provided further that Article III (instead of this Section 10.04) shall govern indemnity with respect to the matters addressed in such Article.

(c) Reimbursement by Lenders. To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section 10.04 to be paid by it to Administrative Agent (or any sub-agent thereof), the Swingline Lender, or any Related Party of any of the foregoing Persons, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Swingline Lender or such Related Party, as the case may be, such Lender's pro rata share of the Total Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Swingline Lender, in its capacity as such, or against such Related Party; provided further that no Lender shall be liable for any loss, claim, damage, liability or related expense required to be paid to the Administrative Agent (or any such sub-agent) or the Swingline Lender in connection with such capacity, or to such Related Party, as the case may be, under Section 10.04(b), if and to the extent that such loss, claim, damage, liability or related expense is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent (or any such sub-agent), the Swingline Lender or such Related Party, as the case may be. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.13(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrowers shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section 10.04 shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section 10.04 shall survive the resignation of the Administrative Agent, the LC Issuer, the replacement of any Lender, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations.

SECTION 10.05. Payments Set Aside. To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent, the LC Issuer or any Lender, or the Administrative Agent, the LC Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or

required (including pursuant to any settlement entered into by the Administrative Agent, the LC Issuer, or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any debtor relief law (including, without limitation, the US Bankruptcy Code) or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender, the LC Issuer and each other Secured Party severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders, the LC Issuer and the other Secured Parties under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

SECTION 10.06. Successors and Assigns. (a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section 10.06, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section 10.06, (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section 10.06 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and the Loans (including for purposes of this Section 10.06(b), participations in LC Exposure) at the time owing to it); provided that

- (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Revolving Commitment or the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment, is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than the lesser of (x) \$5,000,000 and (y) the Revolving Commitment and Loans held by the assigning Lender unless, in each case, the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single

assignment for purposes of determining whether such minimum amount has been met;

- (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Revolving Commitment assigned;
- (iii) Required Consents. No consent shall be required for any assignment by a Lender except to the extent required by this subsection (b)(iii):
 - (A) the consent of the Borrowers (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;
 - (B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment in respect of the applicable facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and
 - (C) the consent of the LC Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and
- (iv) the parties of each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The Eligible Assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.02, 3.03, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrowers (at their expense) shall execute and deliver the applicable Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a

sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 10.06.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by only the Borrowers and by any Lender (with respect to itself only) at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers, the Administrative Agent or the Swingline Lender, sell participations to any Person (other than a natural person or the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitments and/or the Loans; provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders and the LC Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; provided that such Lender may agree that it will not, without the consent of such Participant, agree to any amendment, modification or waiver described Section 10.01(b) or (c), to the extent affecting such Participant.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 10.01(b) or (c) that affects such Participant. Subject to subsection (e) of this Section, Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.02, 3.03 and 3.05 (subject to the requirements of those sections) to the same extent as if it were a Lender and had acquired its interest by assignment Pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided such Participant agrees to be subject to Section 2.15 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.02 or 3.03 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent (not to be unreasonably withheld or delayed); provided that, for purposes of this clause (e), entering into this Agreement or other Loan Document shall not be construed as providing such consent, or the right to a greater payment results from a Change in Law after the Participant becomes a Participant with respect to such participation. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a copy of each participation and each Participant to which the Borrowers have so consented, from time to time (the "Participant Register"). The entries in the Participant Register shall be conclusive in the absence of manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as a Participant hereunder for all purposes of this Agreement. The Participant Register shall be available for inspection by only the Borrowers and by any Lender (with respect to its participations only) at any reasonable time and from time to time upon reasonable prior notice.

(f) Certain Pledges. Any Lender may, without the consent of any Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note(s), if any) to secure obligations of such Lender, including (i) any pledge or assignment to secure obligations to a Federal Reserve Bank and (ii) any pledge or assignment to any holders of obligations owed, or securities issued, by such Lender as collateral security for such obligations or securities, or to any trustee for, or any other representative of, such holders; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words “execution,” “signed,” “signature” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10.07. Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the LC Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates’ respective partners, directors, officers, trustees, employees, agents, advisors and representatives, (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; provided that the Administrative Agent or such Lender, unless prohibited by any Law, shall use reasonable efforts to notify the Borrowers in advance of any disclosure pursuant to this clause (c) but only to the extent reasonably practicable under the circumstances and on the understanding that neither the Administrative Agent nor any Lender shall incur any liability for failure to give such notice, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Agreement with any Borrower or any Subsidiary, (g) with the consent of the Borrowers or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the LC Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrowers.

For purposes of this Section, “Information” means all information received from the Borrowers or any Subsidiary relating to any Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the LC Issuer on a nonconfidential basis prior to disclosure by Holdings or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the LC Issuer acknowledges that (a) the Information may include material non-public information concerning a Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public

information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

Each Borrower consents to the publication by the Administrative Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using such Borrower's name, product photographs, logo or trademark. The Administrative Agent or such Lender shall provide a draft of any advertising material to the Borrower Representative for review and comment prior to the publication thereof.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the LC Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the LC Issuer or any such Affiliate to or for the credit or the account of any Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or the LC Issuer, irrespective of whether or not such Lender or the LC Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower may be contingent or unmaturing or are owed to a branch or office of such Lender or the LC Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the LC Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the LC Issuer or their respective Affiliates may have. Each Lender and the LC Issuer agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.09. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 10.10. Counterparts; Integration; Effectiveness. 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 and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic mail (including, without limitation, by PDF) shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.11. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any credit extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

SECTION 10.12. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.13. Replacement of Lenders. If any Lender requests compensation under Section 3.02, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.05, and such amounts or compensation do not affect Lenders generally, or if any Lender is a Defaulting Lender or a non-consenting Lender as provided in Section 10.01, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(a) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and, if such Lender is also the LC Issuer, its LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.03) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.02 or payments required to be made pursuant to Section 3.05, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

SECTION 10.14. Governing Law, Jurisdiction, Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, BUT NOT LIMITED TO, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) SUBMISSION TO JURISDICTION. EACH BORROWER AND EACH OTHER PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMIT, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF SUCH STATE, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK 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 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 OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH BORROWER AND EACH OTHER PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE, 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 OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. 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.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 10.15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE

BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.16. USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Improvement and Reauthorization Act, Pub.L.109-177 (signed into Law March 9, 2006) (the "Act"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers in accordance with the Act.

SECTION 10.17. Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "Original Currency") into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase in the New York foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Each Borrower agrees that its obligation in respect of any Original Currency due from it hereunder or under any other Loan Document to which it is party shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Administrative Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or that could have been so purchased is less than the amount originally due in the Original Currency, each Borrower agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify the Administrative Agent and the Lenders against such loss. The term "rate of exchange" in this Section 10.17 means the spot rate at which the Administrative Agent, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

SECTION 10.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of each of the Transactions contemplated hereby, each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrowers and its Affiliates, on the one hand, and the Lead Arranger and the Administrative Agent, on the other hand, and the Borrowers are capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Lead Arranger and the Administrative Agent are and have been acting solely as a principal and is not the financial advisor, agent or fiduciary, for any Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Lead Arranger nor the Administrative Agent has assumed and will not assume an advisory, agency or fiduciary responsibility in favor of any Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Lead Arranger or the Administrative Agent has advised or is currently advising any Borrower or any of its Affiliates on other matters) and the Lead Arranger and the Administrative Agent have no obligation to any Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Lead Arranger and the

Administrative Agent and their Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and neither the Lead Arranger nor the Administrative Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) neither the Lead Arranger nor the Administrative Agent has provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Borrowers has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Borrowers hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Lead Arranger and the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty.

SECTION 10.19. All Obligations to Constitute Joint and Several Obligations.

(a) All Obligations of the Borrowers shall be secured by the Administrative Agent's Lien upon all of the Collateral, and by all other Liens heretofore, now or at any time hereafter granted by the Borrowers to the Administrative Agent, for the benefit of the Secured Parties, to the extent provided in the Loan Documents or Bank Product Documents under which such Lien arises.

(b) Each of the Borrowers expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any financial accommodations by the Administrative Agent and the other Lenders to any other Borrower hereunder and under the other Loan Documents and the Bank Product Documents are and will be of direct and indirect interest, benefit and advantage to the Borrowers. Each Borrower hereby agrees that such Borrower is jointly and severally liable for, and hereby absolutely and unconditionally guarantees to the Administrative Agent and Lenders and their respective successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to the Administrative Agent and Lenders by each other Borrower. Each Borrower agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, that its obligations under this Section 10.19 shall not be discharged until payment and performance, in full, of the Obligations has occurred, and that its obligations under this Section 10.19 shall be absolute, unconditional and irrevocable, irrespective of, and unaffected by, (i) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any other Loan Document, any Bank Product Document or any other agreement, document or instrument to which any Borrower is or may become a party; (ii) the absence of any action to enforce this Agreement (including this Section 10.19), any other Loan Document or any Bank Product Document or the waiver or consent by the Administrative Agent and Lenders with respect to any of the provisions thereof; (iii) the insolvency of any Borrower or Subsidiary; and (iv) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. Each Borrower shall be regarded, and shall be in the same position, as principal debtor with respect to the Obligations guaranteed hereunder.

(c) The Borrowers acknowledge that any Borrowing Request, Conversion/Continuation Notice, request for issuance of a Letter of Credit or other notice or request given by the Borrower Representative to the Administrative Agent shall bind the Borrowers, and that any notice given by the Administrative Agent or any other Lender to the Borrowers shall be effective with respect to the Borrowers. Each of the Borrowers acknowledges and agrees that the Borrowers shall be liable, on a joint and several basis, for all of the Loans and other Obligations, regardless of which Borrower actually may have received the proceeds of any of the Loans or other extensions of credit or have had Letters of Credit issued hereunder or the amount of such Loans received, Letters of Credit issued or the manner in which the Administrative Agent or any other Lender accounts among the Borrowers for such Loans, Letters of Credit or other extensions of credit on its books and records, and further acknowledges and agrees that Loans and other extensions of credit to the Borrowers inure to the mutual benefit of all of the

Borrowers and that the Administrative Agent and the other Lenders are relying on the joint and several liability of the Borrowers in extending the Loans and other financial accommodations hereunder.

(d) Each Borrower expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel the Administrative Agent or Lenders to marshal assets or to proceed in respect of the Obligations guaranteed hereunder against any other Borrower, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Borrower. Each Borrower consents and agrees that the Administrative Agent or the Lenders may, at any time and from time to time, without notice or demand, whether before or after any actual or purported termination, repudiation or revocation of this Agreement by any Borrower, and without affecting the enforceability or continuing effectiveness hereof as to such Borrower: (i) with the consent of the other Borrowers, supplement, restate, modify, amend, increase, decrease, extend, renew or otherwise change the time for payment or the terms of this Agreement or any part thereof, including any increase or decrease of the rate(s) of interest thereon; (ii) with the consent of the other Borrowers, supplement, restate, modify, amend, increase, decrease, or enter into or give any agreement with respect to, this Agreement or any part thereof, or any of the Collateral Documents; (iii) waive, approve or consent to any action, condition, covenant, default, remedy, right, representation or term of this Agreement or any other Loan Document; (iv) accept partial payments; (v) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer or enforce any security or guarantees, and apply any security and direct the order or manner of sale thereof as the Agents or Lenders in their sole and absolute discretion may determine; (vi) release any person from any personal liability with respect to this Agreement or any part thereof; (vii) settle, release on terms satisfactory to the Required Lenders or by operation of applicable laws or otherwise liquidate or enforce any security or guaranty in any manner, consent to the transfer of any security and bid and purchase at any sale; or (viii) consent to the merger, change or any other restructuring or termination of the corporate or partnership existence of any Borrower or any other person, and correspondingly restructure the obligations evidenced hereby, and any such merger, change, restructuring or termination shall not affect the liability of any Borrower or the continuing effectiveness hereof, or the enforceability hereof with respect to all or any part of the obligations evidenced hereby. It is agreed among each Borrower, the Administrative Agent and Lenders that the foregoing consents and waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for the provisions of this Section 10.19 and such waivers, the Administrative Agent and Lenders would decline to enter into this Agreement.

(e) Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, and except as set forth in Section 10.19(f), each Borrower hereby expressly and irrevocably waives any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor. Each Borrower acknowledges and agrees that this waiver is intended to benefit the Administrative Agent and Lenders and shall not limit or otherwise affect such Borrower's liability hereunder or the enforceability of this Section 10.19, and that the Administrative Agent, Lenders and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 10.19.

(f) In the event any Borrower (a "Funding Borrower") shall make any payment or payments under this Agreement or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations hereunder, such Funding Borrower shall have the right to seek contribution payments from each other Borrower (each, a "Contributing Borrower") to the extent permitted by any Requirement of Law. Nothing in this Section 10.19 shall affect any Borrower's joint and several liability to the Lenders for the entire amount of its Obligations. Each Borrower covenants and agrees that its right to receive any contribution hereunder from a Contributing Borrower shall be

subordinate and junior in right of payment to all Obligations of the Borrowers to the Lenders Group . No Borrower will exercise any rights that it may acquire by way of subrogation hereunder or under any other Loan Document or any Bank Product Document or at law by any payment made hereunder or otherwise, nor shall any Borrower seek or be entitled to seek any contribution or reimbursement from any other Borrower in respect of payments made by such Borrower hereunder or under any other Loan Document or under any Bank Product Document, until all amounts owing to the Lenders on account of the Obligations are paid in full in cash (or, with respect to Letters of Credit, are either cash collateralized or supported by a letter of credit) and the Revolving Loan Commitment and the LC Commitment are terminated. If any amounts shall be paid to any Borrower on account of such subrogation or contribution rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Borrower in trust for the Lenders segregated from other funds of such Borrower, and shall, forthwith upon receipt by such Borrower, be turned over to the Administrative Agent in the exact form received by such Borrower (duly endorsed by such Borrower to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, as provided for herein.

(g) If the Administrative Agent or any Lender may, under applicable law, proceed to realize its benefits under any of the Loan Documents, the Administrative Agent or any Lender may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Section 10.19. If, in the exercise of any of its rights and remedies, the Administrative Agent or any Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable laws pertaining to “election of remedies” or the like, each Borrower hereby consents to such action by the Administrative Agent or such Lender and waives any claim based upon such action, even if such action by the Administrative Agent or such Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by the Administrative Agent or such Lender. Any election of remedies that results in the denial or impairment of the right of the Administrative Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower’s obligation to pay the full amount of the Obligations.

ARTICLE XI

Amendment and Restatement

SECTION 11.01. Acknowledgements. The Borrowers acknowledge and agree that, immediately prior to the Effective Date, (a) the aggregate outstanding principal amount of the Revolving Loans is \$0.00 and (b) the aggregate outstanding face amount of the Existing Letters of Credit is \$4,297,315.36.

SECTION 11.02. Effect of this Agreement. Upon this Agreement becoming effective pursuant to Article 4, from and after the Effective Date: (a) all “Revolving Loans” and “Letters of Credit” outstanding under the Existing Credit Agreement shall continue outstanding hereunder without offset, defense, counterclaim, abatement, reduction, set off, deduction or charge of any kind, nature or description whatsoever, and the modification effected by this Agreement shall not be deemed to provide for or to effect a repayment and re-advance of any of the Indebtedness to the Lenders now outstanding under the Existing Credit Agreement, it being the intention of the Borrowers, Administrative Agent and the Lenders that a portion of the Indebtedness owing under this Agreement be and is the same Indebtedness as that owing under the Existing Credit Agreement immediately prior to the Effective Date; (b) all terms and conditions of the Existing Credit Agreement and any other Loan Document (as defined in the Existing Credit Agreement), as amended and restated by this Agreement and the other Loan Documents executed and delivered on the Effective Date, shall be and remain in full force and effect, as so amended and restated, and shall constitute the legal, valid, binding and enforceable obligations of the Borrowers to the Administrative Agent and Lenders; (c) the terms and conditions of the Existing Credit

Agreement shall be amended as set forth herein and, as so amended, shall be restated in their entirety; (d) this Agreement shall not in any way release or impair the Liens created pursuant to the Existing Credit Agreement or any other Loan Document (as defined in the Existing Credit Agreement) or the rights, duties or Obligations relating thereto or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Effective Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties, Obligations and Liens are assumed, ratified and affirmed by the Borrowers; (e) all indemnification obligations of the Borrowers under the Existing Credit Agreement and any other Loan Document (as defined in the Existing Credit Agreement) shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Administrative Agent, Lenders and any other Person indemnified under the Existing Credit Agreement or any other Loan Document (as defined in the Existing Credit Agreement) at any time prior to the Effective Date; (f) the Obligations incurred under the Existing Credit Agreement shall, to the extent outstanding on the Effective Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder; (g) any and all references in the Loan Documents to the Existing Credit Agreement shall, without further action of the parties, be deemed a reference to the Existing Credit Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended, amended and restated, supplemented or otherwise modified from time to time hereafter; and (h) all security interests created under the Existing Credit Agreement and the other Loan Document (as defined in the Existing Credit Agreement) executed and delivered on the Effective Date continue to be in full force and effect after giving effect to the consummation of this Agreement. Furthermore, the parties hereto acknowledge and agree that this Agreement may, as an administrative matter, delete, amend or otherwise modify certain terms of the Existing Credit Agreement that are not applicable as of the Effective Date or thereafter; provided, however, that nothing in this Agreement shall affect, limit or otherwise modify the validity or enforceability of any such term for so long as such term was effective or applicable in accordance with the Existing Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Borrowers:

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

Administrative Agent:

**TD BANK, NA.,
as Administrative Agent**

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Regional Vice President

LC Issuer

**TD BANK, N.A.,
as LC Issuer**

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Regional Vice President

Lenders

TD BANK, N.A.

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Regional Vice President

SOVEREIGN BANK

By: /s/ Edward S. Borden

Name: Edward S. Borden

Title: Senior Vice President

BERKSHIRE BANK

By: /s/ Michael T. Mancuso

Name: Michael T. Mancuso

Title: Vice President

CHICOPEE SAVINGS BANK

By: /s/ Kathi L. Donahue

Name: Kathi L. Donahue

Title: Senior Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: /s/ Enrique Landaeta

Name: Enrique Landaeta

Title: Vice President

By: /s/ Marguerite Sutton

Name: Marguerite Sutton

Title: Director

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between **[Insert Name of Assignor]** (the “Assignor”) and **[Insert Name of Assignee]** (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below, receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: [_____]
- 2. Assignee: [_____] [and is an Affiliate/Approved Fund of *[identify Lender]*¹]
- 3. Borrowers: Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc. and Smith & Wesson Distributing, Inc. (collectively, the “Borrowers”)
- 4. Administrative Agent: TD Bank, N.A.

¹ Select as applicable.

5. Credit Agreement:

Amended and Restated Credit Agreement, dated as of December 7, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrowers, the Lenders from time to time party thereto (the "Lenders"), and TD Bank, N.A., as Administrative Agent (in such capacity, the "Administrative Agent")

6. Assigned Interest:

<u>Aggregate Amount of Revolving Commitment/Loans for all Lenders</u>	<u>Amount of Revolving Commitment/Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans²</u>	<u>CUSIP Number</u>
\$ _____	\$ _____	_____ %	_____
\$ _____	\$ _____	_____ %	_____
\$ _____	\$ _____	_____ %	_____

[7. Trade Date:

] ³

Effective Date: _____, 20__ [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

³ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

[Consented to and]⁴ Accepted:

TD BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

[Consented to:]⁵

[BORROWERS]

By: _____
Name:
Title:

⁴ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁵ To be added only if the consent of the Borrowers is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any of the Borrowers, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any of the Borrowers, any of their Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Lead Arranger, Administrative Agent (and any sub-agent thereof) or any other Lender, and (v) if it is not incorporated under the laws of the United States or a State thereof, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Lead Arranger, Administrative Agent (and any sub-agent thereof), the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and performed in said state.

EXHIBIT B
FORM OF BORROWING REQUEST

[Date]

TD Bank, N.A.
1441 Main Street
Springfield, Massachusetts 01103
Attention: Maria P. Goncalves, Regional Vice President

Ladies and Gentlemen:

The undersigned, as Borrower Representative, refers to that certain Amended and Restated Credit Agreement dated as of December 7, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc. and Smith & Wesson Distributing, Inc., as borrowers, the Lenders from time to time party thereto, and TD Bank, N.A., as Administrative Agent, and, pursuant to Section 2.05 of the Credit Agreement, hereby gives irrevocable notice that the undersigned, as Borrower Representative, hereby requests a Revolving Borrowing under the Credit Agreement, and to that end sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required under Section 2.05 of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is _____¹ (the "Borrowing Date").
- (ii) The aggregate principal amount of the Proposed Borrowing is \$_____.
- (iii) The Loans comprising the Proposed Borrowing shall be initially maintained as [Base Rate Loans] [LIBOR Loans].
- [(iv) The initial Interest Period for each Loan made as part of the Proposed Borrowing shall be [one/two/three or six months]]²
- (v) The Applicable Margin for the Loans made in the Proposed Borrowing will be _____.

The undersigned hereby certifies that the following statements are true on and as of the date hereof and will be true on and as of the Borrowing Date:

(A) Each of the representations and warranties contained in Article V of the Credit Agreement and in the other Loan Documents is and will be true and correct in all material respects before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on each such date (except to the extent any such representation or warranty relates solely to a prior date);

¹ Shall be a Business Day at least (i) three (3) Business Days after the date hereof for the borrowing of a LIBOR Loan, and (ii) one (1) Business Day after the date hereof for the borrowing of a Base Rate Loan.

² To be included for a Proposed Borrowing comprised of LIBOR Loans.

(B) No Default or Event of Default has occurred and is continuing or would result from the Proposed Borrowing or from the application of the proceeds therefrom; and

(C) After giving effect to the Proposed Borrowing, Revolving Availability will not be less than zero.

Very truly yours,

SMITH & WESSON HOLDING CORPORATION,
as Borrower Representative

By: _____

Name:

Title:

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished pursuant to that certain Amended and Restated Credit Agreement dated as of December 7, 2010, (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among Smith & Wesson Holding Corporation ("Holdings"), Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc. and Smith & Wesson Distributing, Inc. (collectively, the "Borrowers"), the Lenders from time to time party thereto and TD Bank, N.A., as Administrative Agent. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES, ON ITS BEHALF AND ON BEHALF OF THE BORROWERS, THAT:

1. I am the duly elected _____ of the Borrower Representative;

2. [The representations and warranties contained in Article V of the Credit Agreement and in the other Loan Documents are true and correct on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.]¹

3. [No Default or Event of Default has occurred and is continuing or could result from giving effect to the transactions contemplated by the Credit Agreement and the other Loan Documents.]²

4. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a review of the transactions and conditions of Holdings and its consolidated Subsidiaries during the accounting period covered by the attached financial statements [**for quarterly financial statements add:** and such financial statements present fairly in all material respects the financial position and results of operations of Holdings and its Subsidiaries on a consolidated and consolidating basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes];

5. The examinations described in paragraph 2 did not disclose[, except as set forth below],³ and I have no knowledge of (i) the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or (ii) any change in GAAP or in the application thereof that has occurred since the date of the audited financial statements referred to in Section 6.01 of the Credit Agreement;

6. Schedule I attached hereto sets forth reasonably detailed calculations demonstrating the Borrowers' compliance with the covenants in Section 7.12 of the Credit Agreement; and

[Describe the exceptions, if any, to paragraph 3 by listing, in detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are

1 To be included in the Compliance Certificate delivered at closing.

2 To be included in the Compliance Certificate delivered at closing.

3 Include only if including bracketed paragraph below.

taking, or propose to take with respect to each such condition or event or (ii) the change in GAAP or the application thereof and the effect of such change on the attached financial statements:

[_____]]

The Borrower Representative hereby certifies that the above information, together with the computations set forth in Schedule I hereto, are true and accurate. The Borrower Representative recognizes that the Administrative Agent and the Lenders are relying on this certificate and making credit decisions based upon the same which it might otherwise not do but for the accuracy of this certificate.

SMITH & WESSON HOLDING CORPORATION,
as Borrower Representative

By: _____
Name:
Title:

SCHEDULE I

Compliance as of _____, 20____,
with the provisions of Section 7.12 of the Credit Agreement

Loans Outstanding

Revolving Loan(s) (including L/C Disbursements):	\$ _____
Swingline Loan(s):	\$ _____
Total Loans outstanding:	\$ _____

I. Minimum Consolidated Fixed Charge Coverage Ratio:

The actual Fixed Charge Coverage Ratio for such period is:	____ to 1.00
The minimum Fixed Charge Coverage Ratio required for such period is:	1.50 to 1.00
In Compliance:	[Yes][No]

The Fixed Charge Coverage Ratio has been calculated as follows:

A.	Consolidated Net Income	\$ _____
B.	<i>Plus:</i> Consolidated Interest Expense	\$ _____
C.	<i>Plus:</i> Income Tax Expense (with a deduction in case of income tax benefit)	\$ _____
D.	<i>Plus:</i> Depreciation and Amortization Expense	\$ _____
E.	<i>Plus:</i> Extraordinary Charges	\$ _____
F.	<i>Plus:</i> Non-Cash Charges for such period related to Stock Options and Restricted Stock Grants	\$ _____
G.	<i>Plus:</i> Other Nonrecurring Non-Cash Charges (but excluding any non-cash charge included in Consolidated Net Income in a prior period)	\$ _____
H.	<i>Less:</i> Extraordinary Gains and Non-Cash Income	\$ (_____)
I.	Consolidated EBITDA	\$ _____
J.	<i>Plus:</i> Consolidated Rental Expense	\$ _____
K.	<i>Less:</i> Unfinanced Capital Expenditures	\$ (_____)
L.	<i>Less:</i> Cash Taxes Paid	\$ (_____)
M.	<i>Less:</i> Dividends and Distributions Paid in Cash	\$ (_____)
N.	Consolidated Net Cash Available for Debt Service	\$ _____
O.	Cash Consolidated Interest Expense	\$ _____
P.	<i>Plus:</i> Consolidated Rental Expense Paid	\$ _____

Q.	Plus:	Scheduled Principal Repayments on Indebtedness made	\$ _____
R.	Plus:	Capital Lease Obligation Payments Made	\$ _____
S.		Consolidated Fixed Charges	\$ _____
U.		Consolidated Fixed Charge Coverage Ratio (N divided by S)	_____x

II. Maximum Consolidated Leverage Ratio:

The actual Consolidated Leverage Ratio for such period is:	_____ to 1.00
The Maximum Consolidated Leverage Ratio allowed for such period is:	3.25 to 1.00
In Compliance:	[Yes][No]

The Consolidated Leverage Ratio has been calculated as follows:

A.	Total Loans outstanding (from above)	\$ _____
B.	Plus: Other Outstanding Indebtedness of the Companies:	\$ _____
C.	i. Amount due on Guaranties	\$ _____
	ii. Maximum Principal Amount of Indebtedness Guaranteed	\$ _____
	iii. Greater of (i) or (ii)	\$ _____
	iv. Off-Balance Sheet Liabilities	\$ _____
	v. Contingent Liabilities (Sum of iii and iv)	\$ _____
D.	Total Funded Debt (A plus B plus C(v))	\$ _____
E.	Consolidated EBITDA (from above)	\$ _____
F.	Consolidated Leverage Ratio (D divided by E)	_____x

EXHIBIT D

FORM OF CONVERSION/CONTINUATION NOTICE

[Date]

TD Bank, N.A.
1441 Main Street
Springfield, Massachusetts 01103
Attention: Maria P. Goncalves, Regional Vice President

Ladies and Gentlemen:

The undersigned, as Borrower Representative, refers to that certain Amended and Restated Credit Agreement dated as of December 7, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc. and Smith & Wesson Distributing, Inc., as borrowers, the Lenders party from time to time party thereto, and TD Bank, N.A., as Administrative Agent, and, pursuant to Section 2.07 of the Credit Agreement, hereby gives irrevocable notice that the undersigned, as Borrower Representative, hereby requests a [conversion] [continuation] of Loans under the Credit Agreement, and to that end sets forth below the information relating to such [conversion] [continuation] (the "Proposed [Conversion].[Continuation]") as required under Section 2.07 of the Credit Agreement:

- (i) The Business Day of the Proposed [Conversion] [Continuation] is _____.¹
- (ii) The Proposed [Conversion] [Continuation] involves \$_____ in the aggregate principal amount of Revolving Loans [made pursuant to a Borrowing on _____.]
- (iii) The Loans referred to in clause (ii) above are presently maintained as [LIBOR] [Base Rate] Loans and are proposed hereby to be [converted into LIBOR/Base Rate Loans] [continued as LIBOR].
- [(iv) The initial Interest Period for each Loan being [converted into] [continued as] a LIBOR Loan as part of the Proposed [Conversion] [Continuation] shall be [one/two/three or six months]]²
- [(v) The Applicable Margin for the Loans resulting from the Proposed [Conversion] [Continuation] will be _____.

¹ Shall be a Business Day at least (i) three (3) Business Days after the date hereof for the conversion to or continuation of LIBOR Loans, and (ii), three (3) Business Days after the date hereof for the conversion of LIBOR Loans to Base Rate Loans, and additionally, in the case of any conversion of LIBOR Loans into Base Rate Loans, or continuation of LIBOR Loans, shall be the last day of the Interest Period applicable thereto.

² To be included in the case of any conversion of Base Rate Loans into, or continuation of, LIBOR Loans.

The undersigned, as Borrower Representative, hereby certifies that the following statement is true on and as of the date hereof and will be true on and as of the effective date of the Proposed [Conversion] [Continuation]: No Default of Event of Default has occurred and is continuing or would result from the Proposed [Conversion] [Continuation].

Very truly yours,

SMITH & WESSON HOLDING CORPORATION,
as Borrower Representative

By: _____
Name:
Title:

EXHIBIT E-1
REVOLVING LINE OF CREDIT NOTE

\$ _____, 20__

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of _____ (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

_____ **DOLLARS AND** ____ **CENTS (\$** _____ **)**

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in

terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: _____
Name: _____
Title: _____

SMITH & WESSON CORP.

By: _____
Name: _____
Title: _____

THOMPSON/CENTER ARMS COMPANY, INC.

By: _____
Name: _____
Title: _____

UNIVERSAL SAFETY RESPONSE, INC.

By: _____
Name: _____
Title: _____

FOX RIDGE OUTFITTERS, INC.

By: _____
Name: _____
Title: _____

BEAR LAKE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

K.W. THOMPSON TOOL COMPANY, INC.

By: _____
Name: _____
Title: _____

O.L. DEVELOPMENT, INC.

By: _____
Name: _____
Title: _____

THOMPSON CENTER HOLDING COMPANY

By: _____
Name: _____
Title: _____

SMITH & WESSON DISTRIBUTING, INC.

By: _____
Name: _____
Title: _____

EXHIBIT E-2
SWINGLINE NOTE

\$5,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of TD BANK, N.A. (the "Swingline Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

FIVE MILLION DOLLARS AND 00 CENTS (\$5,000,000)

or, if less, the principal amount of, and interest accrued on, all Swingline Loans made by the Swingline Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Swingline Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Swingline Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Swingline Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Swingline Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Swingline Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS SWINGLINE NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in

terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Swingline Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Swingline Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Swingline Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Swingline Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Swingline Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Swingline Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: _____
Name: _____
Title:

SMITH & WESSON CORP.

By: _____
Name: _____
Title:

THOMPSON/CENTER ARMS COMPANY, INC.

By: _____
Name: _____
Title:

UNIVERSAL SAFETY RESPONSE, INC.

By: _____
Name: _____
Title:

FOX RIDGE OUTFITTERS, INC.

By: _____
Name: _____
Title:

BEAR LAKE HOLDINGS, INC.

By: _____
Name: _____
Title:

K.W. THOMPSON TOOL COMPANY, INC.

By: _____
Name: _____
Title: _____

O.L. DEVELOPMENT, INC.

By: _____
Name: _____
Title: _____

THOMPSON CENTER HOLDING COMPANY

By: _____
Name: _____
Title: _____

SMITH & WESSON DISTRIBUTING, INC.

By: _____
Name: _____
Title: _____

EXHIBIT F
JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of _____, _____, 20____, is entered into between _____, a _____ (the "New Subsidiary") and TD Bank, N.A. (the "Administrative Agent") under that certain Amended and Restated Credit Agreement, dated as of December 7, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Smith & Wesson Holding Corporation, Smith & Wesson Corp., Thompson/Center Arms Company, Inc., Thompson Center Holding Corporation, Universal Safety Response, Inc., Fox Ridge Outfitters, Inc., K.W. Thompson Tool Company, Inc., O.L. Development, Inc., Bear Lake Holdings, Inc, and Smith & Wesson Distributing, Inc., as borrowers, the Lenders from time to time party thereto and the Administrative Agent. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a Borrower under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Borrower thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article V of the Credit Agreement, and (b) all of the covenants set forth in Articles VI and VII of the Credit Agreement and strictly in accordance with the terms thereof. The New Subsidiary has delivered to the Administrative Agent an executed Joinder Agreement to the Pledge and Security Agreement.

2. If required by the Administrative Agent, the New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Administrative Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 10.02 of the Credit Agreement is as follows:

4. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

6. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name:
Title:

Acknowledged and accepted:

TD BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

By

SMITH & WESSON HOLDING CORPORATION,
SMITH & WESSON CORP.,
THOMPSON/CENTER ARMS COMPANY, INC.,
UNIVERSAL SAFETY RESPONSE, INC.,
FOX RIDGE OUTFITTERS, INC.,
BEAR LAKE HOLDINGS, INC.
K.W. THOMPSON TOOL COMPANY, INC.,
O.L. DEVELOPMENT, INC.,
THOMPSON CENTER HOLDING CORPORATION,
and SMITH & WESSON DISTRIBUTING, INC.
as Pledgors

and

TD BANK, N.A.,
as Administrative Agent

Dated as of December 7, 2010

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AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

This AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT, dated as of December 7, 2010 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement") made by and among SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation, SMITH AND WESSON DISTRIBUTING, INC., a Delaware corporation, and such other Persons from time to time party hereto by execution of a Joinder Agreement, as pledgors, assignors and debtors (collectively, and in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of TD BANK N.A., in its capacity as administrative agent pursuant to the Credit Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Administrative Agent").

R E C I T A L S :

A. Certain of the Pledgors, the lenders party thereto and the Administrative Agent are parties to that certain Credit Agreement, dated as of November 30, 2007 (as amended, the "Existing Credit Agreement"), which is secured by, *inter alia*, that certain Pledge and Security Agreement dated as of November 30, 2007 (as amended, the "Existing Security Agreement") among such Pledgors and the Administrative Agent.

B. The Pledgors, the lenders party thereto (the "Lenders"), TD Bank, N.A., as issuer of Letters of Credit thereunder (the "LC Issuer") and the Administrative Agent are amending and restating the Existing Credit Agreement in its entirety with an Amended and Restated Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used and not defined herein are used with the meanings assigned to such terms in the Credit Agreement.

C. The Pledgors will receive substantial benefits from the execution, delivery and performance of the Obligations under the Credit Agreement and the other Loan Documents and each is, therefore, willing to enter into this Agreement.

D. It is a condition to (i) the obligations of the Lenders to make the Loans and the LC Issuer to issue Letters of Credit under the Credit Agreement and (ii) the performance of the obligations of the Secured Parties under any and all Swap Agreements and all Cash Management Services that constitute Obligations that the Pledgors amend and restate the Existing Security Agreement in its entirety with this Agreement.

E. Each Pledgor is willing and has voluntarily and freely agreed to enter into this Agreement to secure the payment and performance of all of the Obligations as hereinafter provided.

F. The parties hereto intend that this Agreement shall not constitute a novation of the obligations and liabilities existing under the Existing Security Agreement, but rather that this Agreement shall amend and restate in its entirety the Existing Security Agreement and re-evidence the obligations of the Pledgors, the Borrowers and the Guarantors (as each term is defined in the Existing

Security Agreement) outstanding thereunder, as well as evidence of the additional obligations of the Pledgors to the Administrative Agent provided for herein.

A G R E E M E N T :

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Administrative Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions. Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC; provided that in any event, the following terms shall have the meanings assigned to them in the UCC:

“Accounts”; “Bank”; “Certificated Securities”; “Chattel Paper”; “Commercial Tort Claim”; “Commodity Account”; “Commodity Contract”; “Commodity Intermediary”; “Documents”; “Electronic Chattel Paper”; “Entitlement Order”; “Equipment”; “Financial Asset”; “Fixtures”; “Goods”, “Inventory”; “Letter-of-Credit Rights”; “Letters of Credit”; “Money”; “Payment Intangibles”; “Proceeds”; “Records”; “Securities Account”; “Securities Intermediary”; “Security Entitlement”; “Supporting Obligations”; “Tangible Chattel Paper”; and “Uncertificated Security”.

(a) Terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement. Section 1.01 of the Credit Agreement shall apply herein *mutatis mutandis*.

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

“Administrative Agent” shall have the meaning assigned to such term in the Preamble hereof.

“Agreement” shall have the meaning assigned to such term in the Preamble hereof.

“Collateral Support” shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Pledged Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

“Commodity Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Administrative Agent establishing the Administrative Agent’s Control with respect to any Commodity Account.

“Contracts” shall mean, collectively, with respect to each Pledgor, all sale, service, performance, equipment or personal property lease contracts and agreements and all other contracts or agreements (in each case, whether written or oral, or third party or intercompany), between such Pledgor

and any third party, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

“Control” shall mean (i) in the case of each Deposit Account, “control,” as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, “control,” as such term is defined in Section 8-106 of the UCC, and (iii) in the case of any Commodity Contract, “control,” as such term is defined in Section 9-106 of the UCC.

“Control Agreements” shall mean, collectively, the Deposit Account Control Agreements, the Securities Account Control Agreements and the Commodity Account Control Agreements.

“Controlled Account(s)” shall have the meaning assigned to such term in Section 7.6(a) hereof.

“Copyrights” shall mean, collectively, with respect to each Pledgor, all copyrights (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished) and all copyright registrations and applications thereof made by such Pledgor, in each case, whether now owned or hereafter created or acquired by or assigned to such Pledgor, together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor’s use of such copyrights, (ii) renewals thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

“Core Personalty” shall mean any and all inventory of any Pledgor and the accounts related thereto, any and all machinery and equipment of any Pledgor that is used in the production of income of the Pledgors or necessary or material, in the commercially reasonable judgment of the Administrative Agent, to the core operations of the Pledgors, all accessions to, substitutions for, replacements and products of any of the foregoing, and all books and records of the Pledgors.

“Credit Agreement” shall have the meaning assigned to such term in Recital A hereof.

“Deposit Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Administrative Agent establishing the Administrative Agent’s Control with respect to any Deposit Account.

“Deposit Accounts” shall mean, collectively, with respect to each Pledgor, (i) all “deposit accounts” as such term is defined in the UCC and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

“Distributions” shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

“Excluded Accounts” means, collectively, (i) any Deposit Account that is used solely for tax withholding, funds held in trust, payment of payroll or similar account for the benefit of employees and (ii) any Deposit Account (other than any Deposit Account with TD Bank) that customarily has a balance less than \$100,000.00, in each case of (i) and (ii) as set forth in Schedule 13(a) to the Perfection Certificate.

“Excluded Property” shall mean

(a) any permit or license issued by a Governmental Authority to any Pledgor or any agreement to which any Pledgor is a party, in each case, only to the extent and for so long as the terms of such permit, license or agreement or any Requirement of Law applicable thereto, validly prohibit the creation by such Pledgor of a security interest in such permit, license or agreement in favor of the Administrative Agent (after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law (including the Bankruptcy Code) or principles of equity);

(b) any licenses, leases or other contracts of any Pledgor to the extent that the granting of a security interest therein would constitute a breach thereof or is prohibited thereby and such prohibition is not ineffective under Sections 9-406(d), 9-407, 9-408 or 9-409 of the UCC; provided, further (x) all Receivables arising under such licenses, leases or other contracts shall be included in the definition of Collateral and shall constitute Collateral and (y) the Collateral shall include all payments and other property received or receivable in connection with any sale or other disposition of such licenses, leases or other contracts.;

(c) Excluded Accounts;

(d) any Pledged Securities which are specifically excluded from the definition of Pledged Securities by virtue of the proviso to such definition; and

(e) Copyrights, Patents and Trademarks;

provided, however, that Excluded Property shall not include any Proceeds, substitutions or replacements of any Excluded Property (unless such Proceeds, substitutions or replacements would constitute Excluded Property).

“Existing Credit Agreement” shall have the meaning assigned to such term in Recital A hereof.

“Existing Security Agreement” shall have the meaning assigned to such term in Recital A hereof.

“General Intangibles” shall mean, collectively, with respect to each Pledgor, all “general intangibles,” as such term is defined in the UCC, of such Pledgor and, in any event, shall include all of such Pledgor’s rights, title and interest in, to and under all (i) Contracts and insurance policies (including all rights and remedies relating to monetary damages, including indemnification rights and remedies, and claims for damages or other relief pursuant to or in respect of any Contract), (ii) all know-how and warranties relating to any of the Pledged Collateral or the Mortgaged Premises, (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Pledged Collateral or any of the Mortgaged Premises, (v) all lists, books, records, correspondence, ledgers, printouts, files (whether in

printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral or any of the Mortgaged Premises, including all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like, field repair data, accounting information pertaining to such Pledgor's operations or any of the Pledged Collateral or any of the Mortgaged Premises and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vi) all licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, now or hereafter acquired or held by such Pledgor, including building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation and (vii) all rights to reserves, deferred payments, deposits, refunds, indemnification of claims and claims for tax or other refunds against any Governmental Authority, except in each case for Excluded Property.

"Instruments" shall mean, collectively, with respect to each Pledgor, all "instruments," as such term is defined in Article 9, rather than Article 3, of the UCC, and shall include all promissory notes, drafts, bills of exchange or acceptances.

"Intercompany Notes" shall mean, with respect to each Pledgor, all intercompany notes payable to it described in Schedule 10 to the Perfection Certificate and intercompany notes hereafter acquired by such Pledgor and all certificates, instruments or documents evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

"Investment Property," shall mean a Security, whether certificated or uncertificated, Security Entitlement, Securities Accounts, Commodity Contract or Commodity Account, excluding, however, the Securities Collateral.

"Joinder Agreement" shall mean an agreement substantially in the form of Exhibit 3 hereto.

"LC Issuer" shall have the meaning assigned to such term in Recital B hereof.

"Lenders" shall have the meaning assigned to such term in Recital A hereof.

"Lock Box(es)" shall have the meaning assigned to such term in Section 7.6(a) hereof.

"Motor Vehicles" shall mean all trucks, trailers, tractors, service vehicles, automobiles and other registered mobile equipment of the Pledgors.

"Patents" shall mean, collectively, with respect to each Pledgor, all patents issued or assigned to, and all patent applications and registrations made by, such Pledgor (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor's use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

“Perfection Certificate” shall mean that certain perfection certificate dated as of the date hereof, executed and delivered by each Pledgor in favor of the Administrative Agent for the benefit of the Secured Parties and attached hereto as Exhibit 4, and each other Perfection Certificate (which shall be in form reasonably acceptable to the Administrative Agent) executed and delivered by the applicable Pledgor in favor of the Administrative Agent for the benefit of the Secured Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with Section 3.5 hereof.

“Pledge Amendment” shall have the meaning assigned to such term in Section 5.1 hereof.

“Pledged Collateral” shall have the meaning assigned to such term in Section 2.1 hereof.

“Pledged Securities” shall mean, collectively, with respect to each Pledgor, (i) all issued and outstanding Equity Interests of each issuer set forth on Schedule 9 to the Perfection Certificate as being owned by such Pledgor and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests in each such issuer or under any Organization Document of each such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, (ii) all Equity Interests of any issuer, which Equity Interests are hereafter acquired by such Pledgor (including by issuance) and all options, warrants, rights, agreements and additional Equity Interests of whatever class of any such issuer acquired by such Pledgor (including by issuance), together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests or under any Organization Document of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Pledgor in any manner, and (iii) all Equity Interests issued in respect of the Equity Interests referred to in clause (i) or (ii) upon any consolidation or merger of any issuer of such Equity Interests; provided, however, that with respect to the voting Equity Interests of any Foreign Subsidiary, Pledged Securities shall not include any such voting Equity Interests to the extent in excess of 65% of the aggregate outstanding voting Equity Interests of such Foreign Subsidiary.

“Pledgor” shall have the meaning assigned to such term in the Preamble hereof.

“Receivables” shall mean all (i) Accounts, (ii) Chattel Paper, (iii) Payment Intangibles, (iv) General Intangibles, (v) Instruments and (vi) all other rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, regardless of how classified under the UCC together with all of Pledgors’ rights, if any, in any goods or other personal property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Records relating thereto.

“Securities Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Administrative Agent establishing the Administrative Agent’s Control with respect to any Securities Account.

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

“Trademarks” shall mean, collectively, with respect to each Pledgor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URL’s), domain names, corporate names and trade names, whether registered or unregistered, owned by

or assigned to such Pledgor and all registrations and applications for the foregoing (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof) (except for “intent-to-use” applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor’s use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof and amendments thereto, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Administrative Agent’s and the Secured Parties’ security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority.

SECTION 1.2. Interpretation. The rules of interpretation specified in the Credit Agreement (including Section 1.01 thereof) shall be applicable to this Agreement.

SECTION 1.3. Resolution of Drafting Ambiguities. Each Pledgor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery hereof, that it and its counsel reviewed and participated in the preparation and negotiation hereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Administrative Agent) shall not be employed in the interpretation hereof.

SECTION 1.4. Perfection Certificate. The Administrative Agent and each Pledgor agree that the Perfection Certificate and all descriptions of Pledged Collateral and schedules thereto are and shall at all times remain a part of this Agreement.

ARTICLE II
GRANT OF SECURITY AND OBLIGATIONS

SECTION 2.1. Grant of Security Interest. As collateral security for the payment and performance in full of all the Obligations, each Pledgor hereby pledges and grants to the Administrative Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the “Pledged Collateral”):

- (i) all Accounts;
- (ii) all Equipment, Goods, Inventory and Fixtures;
- (iii) all Documents, Instruments and Chattel Paper;
- (iv) all Letters of Credit and Letter-of-Credit Rights;
- (v) all Securities Collateral;
- (vi) all Investment Property;
- (vii) all Commercial Tort Claims;
- (viii) all General Intangibles;
- (ix) all Money and all Deposit Accounts;
- (x) all Supporting Obligations;
- (xi) all books and records relating to the Pledged Collateral; and
- (xii) to the extent not covered by clauses (i) through (xi) of this sentence, all other personal property of such Pledgor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xii) above, the security interest created by this Agreement shall not extend to, and the term “Pledged Collateral” shall not include, any Excluded Property, and (i) the Pledgors shall from time to time at the reasonable request of the Administrative Agent give written notice to the Administrative Agent identifying in reasonable detail the Excluded Property and shall provide to the Administrative Agent such other information regarding the Excluded Property as the Administrative Agent may reasonably request and (ii) from and after the Effective Date, no Pledgor shall permit to become effective in any document creating, governing or providing for any material permit, license or agreement a provision that would prohibit the creation of a Lien on such material permit, license or agreement in favor of the Administrative Agent unless such

Pledgor believes, in its reasonable judgment, that such prohibition is usual and customary in transactions of such type.

SECTION 2.2. Filings.

(a) Each Pledgor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Pledged Collateral, including (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, (ii) any financing or continuation statements or other documents without the signature of such Pledgor where permitted by law, including the filing of a financing statement describing the Pledged Collateral as “all assets now owned or hereafter acquired by the Pledgor or in which Pledgor otherwise has rights” and (iii) in the case of a financing statement filed as a fixture filing or covering Pledged Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Pledged Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Administrative Agent promptly upon request by the Administrative Agent.

(b) Each Pledgor hereby ratifies its authorization for the Administrative Agent to file in any relevant jurisdiction any financing statements of the type described in clause (a) above relating to the Pledged Collateral if filed prior to the date hereof, with the Administrative Agent delivering a copy of such filing to the applicable Pledgor.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF PLEDGED COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Each Pledgor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the Administrative Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that (assuming continuing possession by the Administrative Agent of any such Securities Collateral constituting Certificated Securities), the Administrative Agent has a perfected security interest therein prior to all other Liens on such Securities Collateral except, with respect to any Equity Interests of Subsidiaries, for Permitted Encumbrances which have priority over, or are pari passu with, the security interest on such Securities Collateral by operation of law, and with respect to any other Securities Collateral, except for Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement. Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral acquired by such Pledgor after the date hereof shall promptly (but in any event within ten (10) Business Days after receipt thereof by such Pledgor) be delivered to and held by or on behalf of the Administrative Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. The Administrative Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the

security interest hereunder. In addition, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Pledgor represents and warrants that the Administrative Agent has a perfected security interest in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof prior to all other Liens on such Securities Collateral except, with respect to any Equity Interests of Subsidiaries, for Permitted Encumbrances which have priority over, or are pari passu with, the security interest on such Pledged Securities by operation of law, and with respect to any other uncertificated Pledged Securities, except for Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement. Each Pledgor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, (i) cause (or, if the issuer is not a Subsidiary, use commercially reasonable efforts to cause) the issuer to execute and deliver to the Administrative Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto or such other form that is reasonably satisfactory to the Administrative Agent, (ii) if necessary or desirable to perfect a security interest in such Pledged Securities, cause (or, if the issuer is not a Subsidiary, use commercially reasonable efforts to cause) such pledge to be recorded on the equityholder register or the books of the issuer, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Administrative Agent the right to transfer such Pledged Securities under the terms hereof, and (iii) after the occurrence and during the continuance of any Event of Default, upon request by the Administrative Agent, (A) cause (or, if the issuer is not a Subsidiary, use commercially reasonable efforts to cause) the Organization Documents of each such issuer to be amended to provide that such Pledged Securities shall be treated as “securities” for purposes of the UCC and (B) cause (or, if the issuer is not a Subsidiary, use commercially reasonable efforts to cause) such Pledged Securities to become certificated and delivered to the Administrative Agent in accordance with the provisions of Section 3.1 hereof. Each Pledgor hereby agrees that if any of the Pledged Securities not issued by any Subsidiary of such Pledgor are at any time not evidenced by certificates of ownership, such Pledgor shall enter agreements granting “control” to the Administrative Agent with respect to such uncertificated Pledged Securities or take any other action reasonably requested by the Administrative Agent in order to perfect security interest therein prior to all other Liens on such Pledged Securities except, with respect to any Equity Interests of Subsidiaries, for Permitted Encumbrances which have priority over, or are pari passu with, the security interest on such Pledged Securities by operation of law, and with respect to any other uncertificated Pledged Securities, except for Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Pledgor represents and warrants that all financing statements, agreements, instruments and other documents necessary to perfect the security interest granted by it to the Administrative Agent in respect of the Pledged Collateral have been delivered to the Administrative Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate. Each Pledgor agrees that at the sole cost and expense of the Pledgors, such Pledgor will maintain the security interest created by this Agreement in the Pledged Collateral as a perfected security interest subject only to Permitted Encumbrances and prior to all other Liens on such Pledged Collateral except for Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement.

SECTION 3.4. Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Administrative Agent to enforce, the Administrative Agent’s security interest in the Pledged Collateral, each Pledgor represents and warrants (as to itself) as follows

and agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Pledged Collateral:

(a) Instruments and Tangible Chattel Paper. As of the date hereof, no amounts payable under or in connection with any of the Pledged Collateral are evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Schedule 10 to the Perfection Certificate. Each Instrument and each item of Tangible Chattel Paper in excess of \$500,000 listed in Schedule 10 to the Perfection Certificate has been properly endorsed, assigned and delivered to the Administrative Agent, accompanied by instruments of transfer or assignment duly executed in blank. If at any time any amount in excess of \$500,000 then payable under or in connection with any of the Pledged Collateral shall be evidenced by any Instrument or Tangible Chattel Paper, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall promptly (but in any event within five (5) Business Days after receipt thereof) endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Administrative Agent may from time to time specify.

(b) Deposit Accounts. As of the date hereof, no Pledgor has any Deposit Accounts other than the accounts listed in Schedule 13 to the Perfection Certificate. The Administrative Agent has a perfected security interest in each such Deposit Account (other than any Excluded Account), which security interest is perfected by Control. No Pledgor shall hereafter establish and maintain any Deposit Account (other than any Excluded Account) unless (1) it shall have given the Administrative Agent ten (10) days' prior written notice of its intention to establish such new Deposit Account with a Bank, (2) such Bank shall be reasonably acceptable to the Administrative Agent and (3) such Bank and such Pledgor shall have duly executed and delivered to the Administrative Agent a Deposit Account Control Agreement with respect to each such Deposit Account concurrently with the establishment of such Deposit Account, provided that, for purposes of administrative convenience, the Administrative Agent may in its reasonable discretion, permit the Pledgors from time to time to maintain one or more Deposit Accounts with one or more financial institutions and with such maximum cash balances as the Administrative Agent deems appropriate, and for which a Deposit Account Control Agreement will not be required. The Administrative Agent agrees with each Pledgor that the Administrative Agent shall not give any instructions directing the disposition of funds from time to time credited to any Deposit Account or withhold any withdrawal rights from such Pledgor with respect to funds from time to time credited to any Deposit Account unless an Event of Default has occurred and is continuing. No Pledgor shall grant Control of any Deposit Account to any person other than the Administrative Agent.

(c) Securities Accounts and Commodity Accounts. (a) As of the date hereof, no Pledgor has any Securities Accounts or Commodity Accounts other than those listed in Schedule 13 to the Perfection Certificate. The Administrative Agent has a perfected security interest in each such Securities Account and Commodity Account, which security interest is perfected by Control. No Pledgor shall hereafter establish and maintain any Securities Account or Commodity Account with any Securities Intermediary or Commodity Intermediary unless (1) it shall have given the Administrative Agent ten (10) days' prior written notice of its intention to establish such new Securities Account or Commodity Account with such Securities Intermediary or Commodity Intermediary, (2) such Securities Intermediary or Commodity Intermediary shall be reasonably acceptable to the Administrative Agent and (3) such Securities Intermediary or Commodity Intermediary, as the case may be, and such Pledgor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account, as the case may be concurrently with the establishment of such Securities Account or Commodity

Account. Each Pledgor shall accept any cash and Investment Property in trust for the benefit of the Administrative Agent and within five (5) Business Days of actual receipt thereof, deposit any and all cash and Security Entitlements received by it into a Deposit Account or Securities Account subject to Administrative Agent's Control or, if in the ordinary course of business, an Excluded Account. The Administrative Agent agrees with each Pledgor that the Administrative Agent shall not give any Entitlement Orders or instructions or directions to any issuer of uncertificated securities, Securities Intermediary or Commodity Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Pledgor, unless an Event of Default has occurred and is continuing or, after giving effect to any such investment and withdrawal rights, would occur. No Pledgor shall grant Control over any Investment Property to any Person other than the Administrative Agent.

(i) As between the Administrative Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a Security Entitlement or deposit by, or subject to the Control of, the Administrative Agent, a Securities Intermediary, a Commodity Intermediary, any Pledgor or any other person.

(d) Electronic Chattel Paper and Transferable Records. As of the date hereof, no amount under or in connection with any of the Pledged Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such Electronic Chattel Paper and transferable records listed in Schedule 10 to the Perfection Certificate. If any amount in excess of \$500,000 payable under or in connection with any of the Pledged Collateral shall be evidenced by any Electronic Chattel Paper or any transferable record, the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly (but in any event within five (5) Business Days after acquisition thereof) notify the Administrative Agent thereof and shall use commercially reasonable efforts to take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent control of such Electronic Chattel Paper under Section 9-105 of the UCC or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as in effect in such jurisdiction, of such transferable record. The Administrative Agent agrees with such Pledgor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent, for such Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(e) Letter-of-Credit Rights. As of the date hereof, each Pledgor hereby represents and warrants that it holds no Letter-of-Credit other than those listed in Schedule 14 to the Perfection Certificate. If any Pledgor is at any time a beneficiary under a Letter of Credit now or hereafter issued with a face amount in excess of \$500,000, such Pledgor shall promptly (and in any event within five (5) Business Days after becoming a beneficiary thereof) notify the Administrative Agent thereof and such Pledgor shall, at the reasonable request of the Administrative Agent, use commercially reasonable efforts to, either (i) arrange for the issuer and any confirmer of such Letter of Credit to consent to an assignment to the Administrative Agent of

the proceeds of any drawing under the Letter of Credit or (ii) arrange for the Administrative Agent to become the transferee beneficiary of such Letter of Credit, in each case, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, and with the Administrative Agent agreeing, in each case, that the proceeds of any drawing under the Letter of Credit are to be applied as provided in the Credit Agreement.

(f) Commercial Tort Claims. As of the date hereof, each Pledgor hereby represents and warrants that it holds no Commercial Tort Claims other than those listed in Schedule 12 to the Perfection Certificate. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim in excess of \$500,000, such Pledgor shall promptly (and in any event within five (5) Business Days after the acquisition thereof) notify the Administrative Agent in writing signed by such Pledgor of the brief details thereof and, if such Commercial Tort Claim is in excess of \$500,000, grant to the Administrative Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent.

(g) Collateral Access Agreements. If, after the date of this Agreement, any Core Personalty is located on real property leased by any Pledgor or is otherwise in the possession of a bailee (including for purposes hereof any warehouseman, processor, or shipper), the applicable Pledgor shall promptly deliver to the Administrative Agent a Collateral Access Agreement or bailee letter, as applicable, in form and substance reasonably satisfactory to the Administrative Agent; provided that no such Collateral Access Agreement or bailee letter shall be required with respect to any Core Personalty located on real property leased by any Pledgor or otherwise in the possession of a bailee that could not be obtained after such Pledgor shall have used all commercially reasonable efforts to do so.

(h) Motor Vehicles. Upon the reasonable request of the Administrative Agent, each Pledgor shall deliver to the Administrative Agent originals of the certificates of title or ownership for the Motor Vehicles (and any other Equipment covered by certificates of title or ownership) owned by it, with the Administrative Agent listed as lienholder therein. Such requirement shall not apply to Motor Vehicles (or other Equipment) with an aggregate fair market value of \$500,000 or less.

SECTION 3.5. Joinder of Additional Pledgors. The Pledgors shall cause each Subsidiary of a Pledgor which, from time to time, after the date hereof shall be required to pledge any assets to the Administrative Agent for the benefit of the Secured Parties pursuant to the provisions of Section 6.13 of the Credit Agreement, to execute and deliver to the Administrative Agent (i) a Joinder Agreement substantially in the form of Exhibit 3 hereto within five (5) Business Days of the date on which it was acquired or created and (ii) a Perfection Certificate, in each case, within five (5) Business Days of the date on which it was acquired or created. With respect to the foregoing in this Section 3.5, upon such execution and delivery, such Subsidiary shall constitute a "Pledgor" for all purposes hereunder with the same force and effect as if originally named as a Pledgor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Pledgor hereunder. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Pledgor as a party to this Agreement.

SECTION 3.6. Supplements; Further Assurances. Each Pledgor shall take such further actions, and execute and/or deliver to the Administrative Agent such additional financing statements, amendments, assignments, agreements, supplements, powers and instruments, as the Administrative Agent may in its reasonable judgment deem necessary or appropriate in order to create, perfect, preserve and protect the security interest in the Pledged Collateral as a security interest having at least the perfection and priority described in Sections 3.1 through 3.4 and to preserve and protect the rights and interests granted to the Administrative Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm the validity, enforceability and priority of the Administrative Agent's security interest in the Pledged Collateral as a security interest having at least the perfection and priority described in Sections 3.1 through 3.4 or permit the Administrative Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Pledged Collateral, including the filing of financing statements, continuation statements and other documents (including this Agreement) under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Control Agreements, all in form reasonably satisfactory to the Administrative Agent and in such offices wherever required by law to perfect, continue and maintain the validity, enforceability and priority of the security interest in the Pledged Collateral as a security interest having at least the perfection and priority described in Sections 3.1 through 3.4 and to preserve the other rights and interests granted to the Administrative Agent hereunder, as against third parties, with respect to the Pledged Collateral. Without limiting the generality of the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Administrative Agent from time to time upon reasonable request by the Administrative Agent such lists, schedules, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as the Administrative Agent shall reasonably request for such purposes. If an Event of Default has occurred and is continuing, the Administrative Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Administrative Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1. Title. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement, such Pledgor owns and has rights and, as to Pledged Collateral acquired by it from time to time after the date hereof, will own and have rights in each item of Pledged Collateral pledged by it hereunder, free and clear of any and all Liens. In addition, no Liens exist on the Securities Collateral, other than Permitted Encumbrances, Liens otherwise permitted by Section 7.02 of the Credit Agreement and Liens that are being contested in good faith by appropriate proceedings and for which such Pledgor has set aside on its books adequate reserves.

SECTION 4.2. Validity of Security Interest. The security interest in and Lien on the Pledged Collateral granted to the Administrative Agent for the benefit of the Secured Parties hereunder constitutes (a) a legal and valid security interest in all the Pledged Collateral securing the payment and performance of the Obligations, and (b) subject to the filings and other actions described in Schedule 6 to the Perfection Certificate, the payment of all applicable fees, the delivery to and continuing possession by the Administrative Agent of all Certificated Securities, all Instruments, all Tangible Chattel Paper and all Documents a security interest in which is perfected by possession, and the obtaining and maintenance of "control" (as described in the Uniform Commercial Code as in effect in the applicable jurisdiction) by the Administrative Agent of all Deposit Accounts, all Securities Accounts, all Commodities Accounts, all Electronic Chattel Paper, Letter-of-Credit Rights and all Uncertificated Securities, in each case a security interest in which is perfected by such "control", a perfected security interest in all the Pledged Collateral. To the extent perfection of the security interest in such Pledged Collateral is required by this Agreement, the security interest and Lien granted to the Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement in and on such Pledged Collateral will at all times constitute a perfected security interest and Lien prior to all other Liens on such Pledged Collateral except for Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement.

SECTION 4.3. Defense of Claims; Transferability of Pledged Collateral. Each Pledgor shall, at its own cost and expense, defend title to the Pledged Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Administrative Agent and the priority thereof against all claims and demands of all Persons, at its own cost and expense, at any time claiming any interest therein adverse to the Administrative Agent or any other Secured Party other than Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement.

SECTION 4.4. Other Financing Statements. It has not filed, nor authorized any third party to file, any valid or effective financing statement (or similar statement, instrument of registration or public notice under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral, except such as have been filed in favor of the Administrative Agent pursuant to this Agreement or in favor of any holder of a Permitted Encumbrance and Liens otherwise permitted by Section 7.02 of the Credit Agreement with respect to such Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement or financing statements or public notices relating to the termination statements listed on Schedule 8 to the Perfection Certificate. No Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or

similar statement, instrument of registration or public notice under the law of any jurisdiction) relating to any Pledged Collateral, except financing statements and other statements and instruments filed or to be filed in respect of and covering the security interests granted by such Pledgor to the Administrative Agent or to the holder of the Permitted Encumbrances and Liens otherwise permitted by Section 7.02 of the Credit Agreement.

SECTION 4.5. Chief Executive Office; Change of Name; Jurisdiction of Organization.

Each Pledgor shall not effect any change (i) in any its legal name, (ii) in the location of its chief executive office or legal domicile, (iii) in its identity or organizational structure, (iv) in its organizational identification number, if any, or (v) in its jurisdiction of organization (in each case, including by merging or amalgamating with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), until (A) it shall have given the Administrative Agent not less than thirty (30) days' prior written notice, or such lesser notice period agreed to by the Administrative Agent, of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Administrative Agent may reasonably request and (B) it shall have taken all action reasonably requested by the Administrative Agent to maintain (to the extent provided in the applicable Collateral Document) the perfection and priority of the security interest of the Administrative Agent for the benefit of the Secured Parties in the Collateral. Each Pledgor agrees to promptly provide the Administrative Agent with certified Organization Documents reflecting any of the changes described in the preceding sentence. If any Pledgor fails to provide information to the Administrative Agent about such changes on a timely basis, the Administrative Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Pledgor's property constituting Pledged Collateral, for which the Administrative Agent needed to have information relating to such changes. The Administrative Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Administrative Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Administrative Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 4.6. Location of Inventory and Equipment. It shall not locate any Equipment or Inventory other than any location that is listed in the relevant Schedules to the Perfection Certificate, unless (i) it shall have given the Administrative Agent written notice thereof within thirty (30) calendar days following such move, clearly describing such new location and providing such other information in connection therewith as the Administrative Agent may reasonably request and (ii) to the extent applicable with respect to such new location, such Pledgor shall have complied with Section 3.4(g); provided that in no event shall any Equipment of any Pledgor exceeding \$1,000,000 in value in the aggregate be moved after the date hereof to any location outside of the continental United States, unless the Pledgor executes any and all documents, financing statements, agreements and instruments, and takes all such further actions (including the filing and recording of financing statements, notarizations, fixture filings, mortgages, deeds of trust and other documents and the delivery of appropriate opinions of counsel), which the Administrative Agent may reasonably request, to grant, preserve, protect or perfect the Liens created by Collateral Documents in such Equipment or the validity or priority of any such Lien, all at the expense of the Pledgor.

SECTION 4.7. Due Authorization and Issuance. All of the Pledged Securities issued by a Pledgor or a Subsidiary of a Pledgor existing on the date hereof have been, and to the extent any such Pledged Securities are hereafter issued, such Pledged Securities will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable to the extent applicable. There is no amount or other obligation owing by any Pledgor to any issuer of the Pledged Securities in exchange for

or in connection with the issuance of such Pledged Securities or any Pledgor's status as a partner or a member of any issuer of such Pledged Securities.

SECTION 4.8. Consents, etc. In the event that the Administrative Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Administrative Agent, such Pledgor agrees to use its commercially reasonable efforts to assist and aid the Administrative Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.9. Pledged Collateral. All information set forth herein, including the schedules hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party, including the Perfection Certificate and the schedules thereto, in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects. The description of the Pledged Collateral on the schedules to the Perfection Certificate is accurate and complete in all material respects as to Pledged Collateral of the type required to be described therein.

SECTION 4.10. Insurance. In the event that the proceeds of any insurance claim are paid to any Pledgor after the Administrative Agent has exercised its right to foreclose in accordance with the terms of this Agreement, such proceeds shall be held in trust for the benefit of the Administrative Agent and immediately after receipt thereof shall be paid to the Administrative Agent for application in accordance with the Credit Agreement.

ARTICLE V

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 5.1. Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any Person, accept the same in trust for the benefit of the Administrative Agent and promptly (but in any event within five (5) Business Days after receipt thereof) deliver to the Administrative Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 hereto (each, a "Pledge Amendment"), and the certificates and other documents required under Section 3.1 and Section 3.2 hereof in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Pledgor hereby authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Administrative Agent shall for all purposes hereunder be considered Pledged Collateral.

SECTION 5.2. Voting Rights; Distributions; etc.

(a) So long as no Event of Default shall have occurred and be continuing and the Administrative Agent shall not have delivered the applicable notice under Section 5.2(c):

(i) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other document evidencing the

Obligations; provided, however, that no Pledgor shall in any event exercise such rights in any manner which would reasonably be expected to have a Material Adverse Effect.

(ii) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to the Administrative Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of such Pledgor and be promptly (but in any event within five (5) Business Days after receipt thereof) delivered to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(b) So long as no Event of Default shall have occurred and be continuing, the Administrative Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 5.2(a)(i) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof.

(c) Upon the occurrence and during the continuance of any Event of Default upon notice from the Administrative Agent to the Pledgors that it is exercising its rights under Section 5.2(c)(i) and/or (ii):

(i) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 5.2(a)(i) hereof shall immediately cease, and all such rights shall thereupon become vested in the Administrative Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(ii) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 5.2(a)(ii) hereof shall immediately cease and all such rights shall thereupon become vested in the Administrative Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

(d) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Administrative Agent appropriate instruments as the Administrative Agent may reasonably request in order to permit the Administrative Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 5.2(c)(i) hereof and to receive all Distributions which it may be entitled to receive under Section 5.2(c)(ii) hereof.

(e) All Distributions which are received by any Pledgor contrary to the provisions of Section 5.2(a)(ii) or Section 5.2(c)(ii) hereof shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

SECTION 5.3. Defaults, etc. Each Pledgor hereby represents and warrants that (i) such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged

Securities pledged by it and such Pledgor is not in violation of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder, (ii) no Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person with respect thereto, and (iii) as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organization Documents and certificates representing such Pledged Securities that have been delivered to the Administrative Agent) which evidence any Pledged Securities of such Pledgor.

SECTION 5.4. Certain Agreements of Pledgors As Issuers and Holders of Equity Interests.

(a) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(b) In the case of each Pledgor which is a partner, shareholder or member, as the case may be, in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Organization Document to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a substituted partner, shareholder or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner, limited partner, shareholder or member, as the case may be.

ARTICLE VI

[INTENTIONALLY OMITTED]

ARTICLE VII

CERTAIN PROVISIONS CONCERNING RECEIVABLES

SECTION 7.1. Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Receivable, in a manner consistent with prudent business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon the Administrative Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Receivables, including all documents evidencing Receivables and any books and records relating thereto to the Administrative Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Receivables to and for the use by any person that has acquired or is contemplating acquisition of an interest in the Receivables or the Administrative Agent's security interest therein without the consent of any Pledgor.

SECTION 7.2. Legend. Each Pledgor shall legend, at the request of the Administrative Agent made at any time during the continuance of an Event of Default and in form and manner reasonably satisfactory to the Administrative Agent, the Receivables and the other books, records and documents of such Pledgor evidencing or pertaining to the Receivables with an appropriate reference to the fact that the Receivables have been assigned to the Administrative Agent for the benefit of the Secured Parties and that the Administrative Agent has a security interest therein.

SECTION 7.3. Modification of Terms, etc. No Pledgor shall rescind or cancel any obligations evidenced by any Receivable or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business or as permitted by the Credit Agreement, or extend or renew any such obligations except in the ordinary course of business or as permitted by the Credit Agreement, or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Receivable or interest therein except in the ordinary course of business or as permitted by the Credit Agreement, without the prior written consent of the Administrative Agent, which shall not be unreasonably withheld, delayed or conditioned. Each Pledgor shall timely fulfill all obligations on its part to be fulfilled under or in connection with the Receivables.

SECTION 7.4. Collection. Each Pledgor shall cause to be collected from the Account Debtor of each of the Receivables, as and when due in the ordinary course of business and consistent with prudent business practice (including Receivables that are delinquent, such Receivables to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Receivable, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable, except that any Pledgor may, with respect to a Receivable, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise and (ii) such extensions of time to pay amounts due in respect of Receivables and such other modifications of payment terms or settlements in respect of Receivables as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time. The costs and expenses (including attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Administrative Agent or any Secured Party, shall be paid by the Pledgors.

SECTION 7.5. Notice of Business Activity Reports. If the Pledgors have Receivables in respect of which the account debtor is located in Minnesota, New Jersey, Indiana, or Connecticut the Pledgors represent and warrant that the Pledgors have filed and shall file all legally-required Notice of Business Activities Reports and comparable reports with the appropriate government authorities or has qualified as a foreign corporation to do business in such states.

SECTION 7.6. Collection of Proceeds of Receivables.

(a) The Pledgors shall (i) direct all of their account debtors to make all payments on Receivables of the Pledgors directly to post office boxes (each a "Lock Box" and collectively the "Lock Boxes") under the control of a Cash Management Bank, (ii) establish accounts (each a "Controlled Account" and collectively the "Controlled Accounts") in the Pledgors' names with a Cash Management Bank, subject to Deposit Account Control Agreements, into which all payments received in the Lock Boxes shall be deposited, and into which the Pledgors will immediately deposit all payments made for royalties, inventory or services sold or rendered by the Pledgors and received by the Pledgors in the identical form in which such payments were made, whether by cash or check, and (iii) cause each Subsidiary and Affiliate, and any other Person acting for or in concert with the Pledgors that receives any monies, checks, notes, drafts or other payments relating to or as proceeds of Receivables or other Collateral, to receive and hold such items in trust for, and as the sole and exclusive property of, the Administrative Agent and, immediately upon receipt thereof, shall remit the same (or cause the same to be remitted) in

hand to the Controlled Accounts; provided that, for purposes of administrative convenience, the Administrative Agent may in its reasonable discretion, permit the Pledgors from time to time to maintain one or more accounts with one or more financial institutions other than the Cash Management Bank and with such maximum cash balances as the Administrative Agent deems appropriate, and for which the Pledgors may, at the discretion of the Administrative Agent, be permitted to have direct access.

(b) The Pledgors agree to enter into such Lock Box agreements and Deposit Account Control Agreements with a Cash Management Bank and the Administrative Agent as the Administrative Agent may reasonably request. The Pledgors also agree to cause each financial institution other than the Cash Management Bank with which a Lock Box and/or Controlled Account has been established to, enter into a Lock Box agreement and/or Deposit Account Control Agreement, as applicable, confirming that the amounts on deposit in such Lock Box and/or Controlled Account, as applicable, are under the control of the Administrative Agent, that such financial institution has no right to setoff against such Lock Box or Controlled Account or against any other account maintained by such financial institution into which the contents of such Controlled Account are transferred (except as provided in the Deposit Account Control Agreement, and that upon written notice from the Administrative Agent, such financial institution shall wire, or otherwise transfer in immediately available funds in a manner satisfactory to the Administrative Agent, funds deposited in the Controlled Account on a daily basis as such funds are collected.

(c) All checks, drafts, instruments and other items of payment or proceeds of Collateral delivered to the Administrative Agent in kind shall be endorsed by the Pledgors, to the Administrative Agent, and, if that endorsement of any such item shall not be made for any reason, the Administrative Agent is hereby irrevocably authorized to endorse the same on behalf of the Pledgors. For the purpose of this subsection 7.6(c), each Pledgor irrevocably hereby makes, constitutes and appoints the Administrative Agent (and all Persons designated by the Administrative Agent for that purpose) as such Pledgor's true and lawful attorney and agent-in-fact (i) to endorse the name of the such Pledgor upon said items of payment and/or proceeds of Collateral of such Pledgor and upon any chattel paper, document, instrument, invoice or similar document or agreement relating to any account receivable of such Pledgor or goods pertaining thereto; (ii) to take control in any manner of any item of payment or proceeds thereof; (iii) to have access to any lock box or postal box into which any mail of such Pledgor is deposited; and (iv) open and process all mail addressed to such Pledgor and deposited therein.

(d) The Administrative Agent (and all Persons designated by the Administrative Agent for such purpose) may, at any time and from time to time after the occurrence and during the continuance of an Event of Default, whether before or after notification to any account debtor and whether before or after the maturity of any of the Obligations, (i) enforce collection of any Receivables or contract rights of the Pledgors by suit or otherwise; (ii) exercise all of the rights and remedies of the Pledgors with respect to proceedings brought to collect any Receivables; (iii) surrender, release or exchange all or any part of any Receivables of the Pledgors, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder; (iv) sell or assign any account receivable of the Pledgors upon such terms, for such amount and at such time or times as the Administrative Agent deems advisable; (v) prepare, file and sign the names of the Pledgors on any proof of claim in bankruptcy or other similar document against any account debtor indebted on an account receivable of the Pledgors; and (vi) do all other acts and things which are necessary, in the Administrative Agent's discretion, to fulfill the Obligations of the Pledgors under this Agreement and to allow the Administrative Agent to collect the Receivables. In addition to any other provision hereof or in any of the other Loan Documents, the Administrative Agent may at any time on or after the occurrence of an Event of Default, at the sole expense of the Pledgors, notify any parties obligated on any of the Receivables of the Pledgors to make payment directly to the Administrative Agent of any amounts due or to become due thereunder.

ARTICLE VIII

TRANSFERS

SECTION 8.1. Transfers of Pledged Collateral. No Pledgor shall sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as expressly permitted by the Credit Agreement.

ARTICLE IX

REMEDIES

SECTION 9.1. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may from time to time exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, the following remedies:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other person who then has possession of any part thereof with or (to the fullest extent permitted by applicable law) without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral including instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Pledged Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Administrative Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Administrative Agent and shall promptly (but in no event later than one (1) Business Day after receipt of available funds therefor) pay such amounts to the Administrative Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Administrative Agent at any place or places so designated by the Administrative Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Administrative Agent and therewith delivered to the Administrative Agent, (B) store and keep any Pledged Collateral so delivered to the Administrative Agent at such place or places pending further action

by the Administrative Agent and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral as contemplated in this Section 9.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Administrative Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Pledged Collateral for application to the Obligations as provided in Article X hereof;

(vi) Retain and apply the Distributions to the Obligations as provided in Article X hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral; and

(viii) Exercise all the rights and remedies of a secured party on default under the UCC, and the Administrative Agent may also in its sole discretion, without notice except as specified in Section 9.2 hereof, sell, assign or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Administrative Agent may deem commercially reasonable. The Administrative Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of the Pledged Collateral or any part thereof at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Obligations owed to such person as a credit on account of the purchase price of the Pledged Collateral or any part thereof payable by such person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Administrative Agent shall not be obligated to make any sale of the Pledged Collateral or any part thereof regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Administrative Agent arising by reason of the fact that the price at which the Pledged Collateral or any part thereof may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Administrative Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

SECTION 9.2. Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of the Pledged Collateral or any part thereof shall be required by law, ten (10) days' prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. To the extent permitted by applicable law, no notification need be given to any Pledgor if it has signed, after the occurrence and during the continuance of an Event of

Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

SECTION 9.3. Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Administrative Agent's taking possession or the Administrative Agent's disposition of the Pledged Collateral or any part thereof, including any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Administrative Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Administrative Agent shall not be liable for any incorrect or improper payment made pursuant to this Article IX in the absence of gross negligence or willful misconduct on the part of the Administrative Agent. To the extent permitted by applicable law, any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

SECTION 9.4. Certain Sales of Pledged Collateral.

(a) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Administrative Agent shall have no obligation to engage in public sales.

(b) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act, and applicable state securities laws, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(c) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the reasonable request of the Administrative Agent, for the benefit of the Administrative Agent, cause any registration, qualification under or compliance with

any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its commercially reasonable efforts to cause such registration to be effected (and be kept effective) and will use its commercially reasonable efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority. Each Pledgor shall use its commercially reasonable efforts to cause the Administrative Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Administrative Agent such number of prospectuses, offering circulars or other documents incident thereto as the Administrative Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Administrative Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) If the Administrative Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Pledgor shall from time to time furnish to the Administrative Agent all such information as the Administrative Agent may request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Administrative Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(e) Each Pledgor further agrees that a breach of any of the covenants contained in this Section 9.4 will cause irreparable injury to the Administrative Agent and the other Secured Parties, that the Administrative Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.4 shall be specifically enforceable against such Pledgor, and to the fullest extent permitted by applicable law such Pledgor 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 and is continuing or that all of the Obligations shall have been paid in full.

SECTION 9.5. No Waiver; Cumulative Remedies.

(a) No failure on the part of the Administrative Agent to exercise, no course of dealing with respect to, and no delay on the part of the Administrative Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy; nor shall the Administrative Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law or otherwise available.

(b) In the event that the Administrative Agent shall have instituted any proceeding to enforce any right, power, privilege or remedy under this Agreement or any other Loan Document by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case,

the Pledgors, the Administrative Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies, privileges and powers of the Administrative Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

ARTICLE X

APPLICATION OF PROCEEDS

SECTION 10.1. Application of Proceeds. The proceeds received by the Administrative Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by the Administrative Agent of its remedies shall be applied, together with any other sums then held by the Administrative Agent pursuant to this Agreement, in accordance with the Credit Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Concerning Administrative Agent.

(a) The Administrative Agent has been appointed as Administrative Agent pursuant to the Credit Agreement. The actions of the Administrative Agent hereunder are subject to the provisions of the Credit Agreement. The Administrative Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit Agreement. The Administrative Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Administrative Agent may resign and a successor Administrative Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Administrative Agent by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent under this Agreement, and the retiring Administrative Agent shall thereupon be discharged from its duties and obligations under this Agreement (if not already discharged therefrom as provided in Section 9.06 of the Credit Agreement). After any retiring Administrative Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Administrative Agent.

(b) The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which the Administrative Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Administrative Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Administrative Agent or any other Secured Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any person with respect to any Pledged Collateral.

(c) The Administrative Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(d) If any item of Pledged Collateral also constitutes collateral granted to the Administrative Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, the Administrative Agent, in its sole discretion, shall select which provision or provisions shall control.

SECTION 11.2. Administrative Agent May Perform; Administrative Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement (including such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay and discharge any taxes, assessments and special assessments, levies, fees and governmental charges imposed upon or assessed against, and landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law against, all or any portion of the Pledged Collateral, (iii) make repairs, (iv) discharge Liens or (v) pay or perform any obligations of such Pledgor under any Pledged Collateral) or if any representation or warranty on the part of any Pledgor contained herein shall be breached, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that the Administrative Agent shall in no event be bound to inquire into the validity of any tax, Lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions, if any, of the Credit Agreement. Any and all reasonable amounts so expended by the Administrative Agent shall be paid by the Pledgors in accordance with the provisions of Section 10.04 of the Credit Agreement. Neither the provisions of this Section 11.2 nor any action taken by the Administrative Agent pursuant to the provisions of this Section 11.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of representation or warranty from constituting an Event of Default. Each Pledgor hereby appoints the Administrative Agent its attorney-in-fact, with full power and authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in the Administrative Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement, this Agreement and the other Collateral Documents which the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof (but the Administrative Agent shall not be obligated to and shall have no liability to such Pledgor or any third party for failure to so do or take action). The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 11.3. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other persons (including any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person to the extent permitted by the Credit Agreement, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the

Credit Agreement and, in the case of a Secured Party that is a party to a Swap Agreement or Cash Management Services, such Swap Agreement or Cash Management Services.

SECTION 11.4. Termination; Release (a) When all the Obligations have been paid in full (other than contingent indemnification obligations) and the Commitments of the Lenders and the LC Issuer under the Credit Agreement shall have expired or been sooner terminated, this Agreement shall terminate and the Pledged Collateral shall be released from the Lien of this Agreement, all without further delivery of any instrument or further action by any party, and all rights in the Collateral shall revert to the applicable Pledgor. Upon such release, the Administrative Agent shall, upon the request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by the Administrative Agent except as to the fact that the Administrative Agent has not encumbered the released assets, such of the Pledged Collateral or any part thereof to be released (in the case of a release) as may be in possession of the Administrative Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including UCC-3 termination financing statements or releases) acknowledging the termination hereof or the release of such Pledged Collateral, as the case may be.

(b) If any of the Pledged Collateral is sold, transferred or otherwise disposed of by any Pledgor in a transaction permitted by the Credit Agreement (other than any sale, transfer or disposition to another Pledgor), then the Lien created pursuant to this Agreement in such Pledged Collateral shall be released, and the Administrative Agent, at the request and sole expense of such Pledgor, shall execute and deliver to such Pledgor all releases or other documents reasonably necessary or desirable for the release of such Pledged Collateral from the security interests created hereby; provided that the Pledgors shall provide to the Administrative Agent evidence of such transaction's compliance with the Credit Agreement as the Administrative Agent shall reasonably request.

SECTION 11.5. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Administrative Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof in each case shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Obligations, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 11.6. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Borrower Representative set forth in the Credit Agreement and as to the Administrative Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 11.6.

SECTION 11.7. Governing Law, Consent to Jurisdiction and Service of Process; Waiver of Jury Trial. Sections 10.14 and 10.15 of the Credit Agreement are incorporated herein, *mutatis mutandis*, as if a part hereof.

SECTION 11.8. Severability of Provisions. Any provision hereof which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of

such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity, legality or enforceability of such provision in any other jurisdiction.

SECTION 11.9. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

SECTION 11.10. Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

SECTION 11.11. No Credit for Payment of Taxes or Imposition. Such Pledgor shall not be entitled to any credit against the principal, premium, if any, or interest payable under the Credit Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Taxes on the Pledged Collateral or any part thereof.

SECTION 11.12. No Claims Against Administrative Agent. Nothing contained in this Agreement shall constitute any consent or request by the Administrative Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Pledged Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Administrative Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.

SECTION 11.13. No Release. Nothing set forth in this Agreement or any other Loan Document, nor the exercise by the Administrative Agent of any of the rights or remedies hereunder, shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Administrative Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Administrative Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. Anything herein to the contrary notwithstanding, neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any contracts, agreements and other documents included in the Pledged Collateral by reason of this Agreement, nor shall the Administrative Agent or any other Secured Party be obligated to perform any of the obligations or duties of any Pledgor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Pledged Collateral hereunder. The obligations of each Pledgor contained in this Section 11.13 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents.

SECTION 11.14. Obligations Absolute. To the fullest extent permitted by applicable law, all obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any other Pledgor;

(ii) any lack of validity or enforceability of the Credit Agreement, any Swap Agreement or Cash Management Services or any other Loan Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any Swap Agreement, Cash Management Services or any other Loan Document or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Credit Agreement, any Swap Agreement, Cash Management Services or any other Loan Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 11.5 hereof; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor other than the payment in full of all Obligations.

SECTION 11.15. Effect of this Agreement. Sections 10.19 and 11.02 of the Credit Agreement are incorporated herein by reference *mutatis mutandis*, as if a part hereof.

[Signature Pages to Follow]

IN WITNESS WHEREOF, each Pledgor and the Administrative Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

PLEDGORS:

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

[Signature Page to Security Agreement]

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING CORPORATION

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

[Signature Page to Security Agreement]

ADMINISTRATIVE AGENT:

**TD BANK, NA.,
as Administrative Agent**

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Authorized Signatory

[Signature Page to Security Agreement]

[Form of]

ISSUER'S ACKNOWLEDGMENT

The undersigned hereby (i) acknowledges receipt of the Amended and Restated Pledge and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of _____, 2010, made by and among SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH AND WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, "Pledgors"; and each individually, a "Pledgor"), and TD BANK, N.A., as administrative agent (in such capacity and together with any successors in such capacity, the "Administrative Agent"), (ii) agrees promptly to note on its books the security interests granted to the Administrative Agent and confirmed under the Security Agreement, (iii) agrees that it will comply with instructions of the Administrative Agent with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees to notify the Administrative Agent upon obtaining knowledge of any interest in favor of any Person in the applicable Securities Collateral that is adverse to the interest of the Administrative Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Security Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee.

[_____]

By: _____
Name:
Title:



[Form of]

PLEDGE AMENDMENT

This Pledge Amendment, dated as of [], is delivered pursuant to Section 5.1 of the Amended and Restated Pledge and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of _____, 2010, made by and among SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH AND WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, "Pledgors"; and each individually, a "Pledgor"), and TD BANK, N.A., as administrative agent (in such capacity and together with any successors in such capacity, the "Administrative Agent"). The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Obligations.

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER
<hr/>					

INTERCOMPANY NOTES

ISSUER

PRINCIPAL
AMOUNT

DATE OF
ISSUANCE

INTEREST
RATE

MATURITY
DATE

[_____],
as Pledgor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

TD BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

[Form of]
JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

Ladies and Gentlemen:

Reference is made to the Amended and Restated Pledge and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of _____, 2010, made by and among SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation, and SMITH AND WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, "Pledgors"; and each individually, a "Pledgor"), and TD BANK, N.A., as administrative agent (in such capacity and together with any successors in such capacity, the "Administrative Agent").

This Joinder Agreement supplements the Security Agreement and is delivered by the undersigned, [_____] (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Pledgor party to the Security Agreement by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the execution date of the Security Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby grants and pledges to the Administrative Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations, a Lien on and security interest in, all of its right, title and interest in, to and under the Pledged Collateral and expressly assumes all obligations and liabilities of a Pledgor thereunder. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Security Agreement.

Annexed hereto are supplements to the schedules to the Security Agreement and the Credit Agreement dated as of _____, 2010 (the "Credit Agreement") among the Pledgors, as

borrowers, the lenders party thereto, the LC Issuer and the Administrative Agent, as applicable, with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement or the Credit Agreement, as applicable.

This Joinder Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the New Pledgor has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

TD BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

[Schedules to be attached]

PERFECTION AGREEMENT

[See attached]

REVOLVING LINE OF CREDIT NOTE

\$55,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of TD BANK, N.A. (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

FIFTY-FIVE MILLION DOLLARS AND 00/100 CENTS (\$55,000,000)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

REVOLVING LINE OF CREDIT NOTE

\$30,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of SOVEREIGN BANK (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

THIRTY MILLION DOLLARS AND 00/100 CENTS (\$30,000,000)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
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UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

REVOLVING LINE OF CREDIT NOTE

\$15,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of BERKSHIRE BANK (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

FIFTEEN MILLION DOLLARS AND 00/100 CENTS (\$15,000,000)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

REVOLVING LINE OF CREDIT NOTE

\$10,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of CHICOPEE SAVINGS BANK (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

TEN MILLION DOLLARS AND 00/100 CENTS (\$10,000,000)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

REVOLVING LINE OF CREDIT NOTE

\$5,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of DEUTSCHE BANK TRUST COMPANY AMERICAS (the "Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

FIVE MILLION DOLLARS AND 00/100 CENTS (\$5,000,000)

or, if less, the principal amount of, and interest accrued on, all Revolving Loans made by the Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Revolving Line of Credit Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Revolving Line of Credit Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Revolving Line of Credit Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Revolving Line of Credit Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS REVOLVING LINE OF CREDIT NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Revolving Line of Credit Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Revolving Line of Credit Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Revolving Line of Credit Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Revolving Line of Credit Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Revolving Line of Credit Note)

SWINGLINE NOTE

\$5,000,000

December 7, 2010

FOR VALUE RECEIVED, the undersigned, SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers"), promise to pay to the order of TD BANK, N.A. (the "Swingline Lender"), at the place and times provided in the Credit Agreement referred to below the principal sum of

FIVE MILLION DOLLARS AND 00/100 CENTS (\$5,000,000)

or, if less, the principal amount of, and interest accrued on, all Swingline Loans made by the Swingline Lender from time to time pursuant to that certain Amended and Restated Credit Agreement dated December 7, 2010 (as amended, restated or modified from time to time, the "Credit Agreement") by and among the Borrowers, TD Bank, N.A., in its capacity as Administrative Agent (in said capacity, together with its successors and assigns, the "Administrative Agent") and the Lenders party thereto from time to time (including, without limitation, the Swingline Lender). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Credit Agreement.

The unpaid principal amount of this Swingline Note from time to time outstanding is subject to mandatory prepayment from time to time as provided in the Credit Agreement and shall bear interest as provided in the Credit Agreement. All payments of principal and interest on this Swingline Note shall be payable in lawful currency of the United States of America in immediately available funds to the Administrative Agent.

This Swingline Note is entitled to the benefits of, and evidences obligations incurred under, the Credit Agreement, to which reference is made for a description of the Collateral for this Swingline Note and for a statement of the terms and conditions on which the Borrowers are permitted and required to make prepayments and repayments of principal of the obligations evidenced hereby and on which such obligations may be declared to be immediately due and payable.

THIS SWINGLINE NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

Each and every party liable hereunder or for the indebtedness evidenced hereby whether as maker, endorser, guarantor, surety or otherwise hereby: (a) except as may be expressly provided in the Credit Agreement or the other Loan Documents, waives notice (including, without limitation, notice of intention to accelerate maturity, notice of acceleration of maturity, and notice of non-payment), presentment, demand, protest, suretyship defenses and defenses in the nature thereof such as bringing of suit, and diligence in taking any action to collect amounts owing hereunder or in any proceeding against any of the rights and properties securing payment hereof; (b) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (c) agrees to any

substitution, exchange, release, surrender or other delivery of any Collateral now or hereafter held hereunder or in connection with the Credit Agreement or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (d) agrees that if any Collateral given to secure this Swingline Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Credit Agreement or any of the other Loan Documents shall be found to be unenforceable in full or to any extent, or if the Administrative Agent, the Swingline Lender, any other Secured Party or any other party shall fail to duly perfect or protect such Collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (e) agrees to pay all reasonable costs and expenses incurred by the Administrative Agent, the Swingline Lender or any other Secured Party in connection with the indebtedness evidenced hereby, including, without limitation, all reasonable attorneys' fees and costs, for the making and collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder and under the Credit Agreement and the other Loan Documents, whether or not suit is instituted; and (f) consents to all of the terms and conditions contained in this Swingline Note, the Credit Agreement and the other Loan Documents.

The liability of the Borrowers under this Swingline Note shall be joint and several.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Borrowers have executed this Swingline Note under seal as of the day and year first above written.

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

(Swingline Note)

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

(Swingline Note)

HAZARDOUS MATERIALS INDEMNITY AGREEMENT

THIS HAZARDOUS MATERIALS INDEMNITY AGREEMENT (this "Agreement") is entered into as of December 7, 2010, by **SMITH & WESSON HOLDING CORPORATION**, a Nevada corporation, **SMITH & WESSON CORP.**, a Delaware corporation, **THOMPSON/CENTER ARMS COMPANY, INC.**, a New Hampshire corporation, **THOMPSON CENTER HOLDING CORPORATION**, a Delaware corporation, **UNIVERSAL SAFETY RESPONSE, INC.**, a Delaware corporation, **FOX RIDGE OUTFITTERS, INC.**, a New Hampshire corporation, **K.W. THOMPSON TOOL COMPANY, INC.**, a New Hampshire corporation, **O.L. DEVELOPMENT, INC.**, a New Hampshire corporation, **BEAR LAKE HOLDINGS, INC.**, a Delaware corporation, and **SMITH & WESSON DISTRIBUTING, INC.**, a Delaware corporation (each a "Indemnitor" and, together the "Indemnitors"), in favor of **TD BANK, N.A.**, in its capacity as administrative agent (together with any successor administrative agent hereunder, "Administrative Agent"), for itself and the other Secured Parties (as defined in the Credit Agreement, as defined below).

Reference is made to the following facts:

A. The Indemnitors are entering into an Amended and Restated Credit Agreement of even date herewith (as the same may be amended, restated, renewed, modified, consolidated or extended from time to time, the "Credit Agreement"), with the Administrative Agent, and the lenders party thereto from time to time ("Lenders"), pursuant to which the Lenders have agreed, subject to the terms and conditions set forth therein, to make certain Loans (as defined in the Credit Agreement, and certain other financial accommodations to the Borrowers, collectively the "Loans"). Except as otherwise expressly defined herein or in the exhibits attached hereto, all capitalized terms shall have the meanings ascribed to them in the Credit Agreement.

B. As a condition to making the Loans, the Lenders require that the Indemnitors agree to indemnify and hold harmless the Secured Parties from any Environmental Claim, any violation of any Requirement of Environmental Law, any violation of any Environmental Permit, and all Costs (as the foregoing terms are defined in Exhibit A hereto) relating to the Premises (as hereinafter defined) all as set forth herein. The Lenders would not make the Loans without this Agreement and the Indemnitors acknowledge and understand that this Agreement is a material inducement for the Lenders' agreement to make the Loans.

C. Certain of the Indemnitors are the owners of certain of the parcels described as "Owned Properties" on the attached Exhibit B and certain Indemnitors are tenants under certain leases (the "Leases") listed on Exhibit B, which Leases relate to occupancy or operation of certain real property described as "Leased Properties" on Exhibit B. The Owned Properties and the Leased Properties and any other properties which may from time to time be owned, leased, operated or used by the Indemnitors or any Subsidiary formed or acquired by any Indemnitor or any person for whose conduct any Indemnitor or any Subsidiary of such Indemnitor is responsible, are individually and collectively referred to as the "Premises".

NOW, THEREFORE, in consideration of the Lenders' agreement to make the Loans to the Borrowers and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Indemnitor hereby covenants and agrees as follows:

1. Hazardous Materials; Compliance with Requirements of Environmental Law.

(a) Each Indemnitor represents and warrants, except as may be disclosed in any environmental review set forth on Exhibit C attached hereto (the "Existing Reports"), that (i) no Indemnitor and, to the best of such Indemnitor's knowledge, no prior owner of the Premises or any other person, has generated, stored, or disposed of any Hazardous Materials on the Premises (other than Hazardous Materials used, generated, stored or disposed of in the ordinary course of business in compliance with the Requirements of Environmental Law), (ii) no Indemnitor is aware of the generation, storage, disposal or release of Hazardous Materials upon or into the real property adjoining or in the vicinity of the Premises which through soil or ground water migration could have come to be located at the Premises, and (iii) there are no existing or closed underground storage tanks on the Premises. Each Indemnitor further represents and warrants that, except as disclosed in the Existing Reports, the Premises comply in all respects with the Requirements of Environmental Law.

(b) Each Indemnitor covenants and agrees that (i) the Premises shall at all times comply in all material respects with the Requirements of Environmental Law, and (ii) such Indemnitor shall immediately notify the Administrative Agent of (x) any release of any Hazardous Materials at or from the Premises in violation of any Requirements of Environmental Law or (y) any notice or claim received by such Indemnitor of any violation of any Requirements of Environmental Law. Each Indemnitor further covenants and agrees not to release or dispose of any Hazardous Materials at the Premises, nor to permit same, at any time in violation of the Requirements of Environmental Law. Each Indemnitor further covenants and agrees that upon becoming aware of the violation of any Requirements of Environmental Law related to all or any portion of the Premises, including, without limitation, any possible violations of any Requirements of Environmental Law set forth in the Existing Reports, Indemnitors shall, at the sole expense of the Indemnitors, take actions necessary to arrange for monitoring, clean-up, containment, removal, remediation or restoration of each portion of the Premises as are required pursuant to any Requirements of Environmental Law.

(c) The Administrative Agent may (but shall not be obligated to), at the expense of the Indemnitors, conduct such professional environmental assessments as the Administrative Agent in its reasonable discretion deems appropriate to determine whether Hazardous Materials exist on any part of the Premises and to determine the source, quantity and type of such Hazardous Materials, if any, and the Indemnitors shall cooperate with the Administrative Agent in conducting such investigations. Such investigations may include, without limitation, a detailed visual inspection of the Premises, including all storage areas, storage tanks, drains and dry wells, as well as the taking of soil samples, surface water samples, and ground water samples and such other investigations or analyses as the Administrative Agent in its reasonable discretion deems appropriate to determine whether the Premises and the use and operation thereof comply in all material respects with the Requirements of Environmental Law. The Administrative Agent and its officers, employees, agents and contractors shall have and are hereby granted the right to enter upon the Premises for the foregoing purposes; provided that the Administrative Agent shall use reasonable efforts to minimize the disruption to the operation of the Indemnitors' business.

2. Indemnification.

(a) Each Indemnitor shall protect, defend, indemnify, and hold harmless each Secured Party and their respective officers, directors, shareholders, agents, employees, parents, subsidiaries and affiliates and their respective heirs, legal representatives, successors and assigns (the Secured Parties and all such other persons and entities being referred to herein individually as an "Indemnitee" and collectively as "Indemnitees") from and against all Costs which at any time may be asserted against or imposed upon the Premises, the Indemnitees, or any of them, arising out of or in connection with (i) Requirements of Environmental Law; (ii) Environmental Claims; (iii) the failure of any Indemnitor or any other party directly or indirectly connected with the Premises, or affiliated with

any Indemnitor having any control over or responsibility for the use and operation of the Premises, to obtain, maintain, or comply with any Environmental Permit; and/or (iv) the presence, existence or threat of release of Hazardous Materials at, on, about, under, within or in connection with the Premises.

(b) In the event that any Remedial Work (as defined in Exhibit A attached hereto) is necessary under any applicable local, state or federal law or regulation, any judicial order, or by any governmental or non-governmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release or threat of release of Hazardous Materials in or into the air, soil, ground water, surface water or soil vapor at, on, about, under, within, near, from or in connection with the Premises (or any portion thereof), the Indemnitors shall promptly commence, or cause to be commenced, and thereafter diligently prosecute to completion, all such Remedial Work. All Remedial Work shall be performed by licensed contractors qualified to perform such work under applicable federal, state and local law. All Costs related to such Remedial Work shall be paid by the Indemnitors including, without limitation, reasonable Costs incurred by the Administrative Agent and/or one or more third parties engaged by the Administrative Agent in connection with the monitoring or review of such Remedial Work by the Indemnitors or one or more third parties engaged by the Administrative Agent. In the event the Indemnitors shall fail to promptly commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, the Administrative Agent may, but shall not be required to, cause such Remedial Work to be performed and all Costs shall become an Environmental Claim hereunder.

(c) The indemnification obligations of the Indemnitors under this Agreement shall survive (i) repayment of the Loans; (ii) satisfaction, assignment or reconveyance of any Mortgage (as defined in the Credit Agreement), including without limitation the Mortgages by which certain of the Premises secure the Indemnitors' obligations under the Credit Agreement and the other Loan Documents; (iii) release of any other security provided in connection with the Loans; (iv) foreclosure or enforcement of any Mortgage and other security instruments in connection with the Loans; (v) acquisition of the Premises by any Secured Party or any Affiliate of a Secured Party by assignment or deed-in-lieu of foreclosure or other enforcement or otherwise (except with respect to any actual violation of any Requirements of Environmental Law by any Indemnitee following such acquisition); and (vi) sale, assignment or transfer of all or any portion of any Secured Party's rights in the Loans and to any of the Premises.

(d) Nothing contained in this Agreement shall prevent or in any way diminish or interfere with any rights or remedies, including, without limitation, the right to contribution, which any Indemnitee may have against any Indemnitor or any other party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified at Title 42 U.S.C. § 9601 *et seq.*), as it may be amended from time to time, or any other applicable federal, state or local laws, all such rights being hereby expressly reserved.

3. Notice of Actions.

(a) The Indemnitors shall give immediate written notice to the Administrative Agent of: (i) the use, manufacture, production, handling or storage of any type of Hazardous Material at the Premises, not previously disclosed in writing to the Administrative Agent or any substantial increase in the quantity or magnitude of the use, manufacturing, production, handling or storage of any type of Hazardous Material at the Premises above levels previously disclosed in writing to the Administrative Agent; (ii) any proceeding, inquiry, notice, or other communication to the Indemnitors (or any one or more of them) or of which any such Indemnitor has knowledge by or from any governmental or non-governmental entity or person regarding the presence or suspected presence of any Hazardous Material at, on, about, under, within or in connection with the Premises or any migration thereof from or to the

Premises; (iii) any actual or alleged violation of the Requirements of Environmental Law; (iv) any Environmental Claim; (v) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises that could subject the owner or any person having any interest in the Premises to any liability or penalty under the Requirements of Environmental Law; and (vi) the receipt of any notice or discovery of any information regarding any actual, alleged, or potential spillage, seepage, release, discharge, disposal or any other presence or existence of any Hazardous Material at, on, about, under, within, near or in connection with the Premises in material violation of any Requirements of Environmental Law.

(b) Upon receipt of the same, the Indemnitors shall deliver to the Administrative Agent copies of any and all Environmental Claims, and any and all orders, notices, permits, applications, reports, and other communications, documents, and instruments pertaining to the actual, alleged, or potential presence or existence of any Hazardous Material at, on, about, under, within, near or in connection with the Premises.

4. Procedures Relating to Indemnification.

(a) In any circumstance in which this Agreement applies, the Administrative Agent may, but shall not be obligated to, employ its own legal counsel and consultants to investigate, prosecute, negotiate, or defend any such Environmental Claim and in the event liability is asserted directly against the Administrative Agent or any other Secured Party, such Secured Party shall have the right to compromise or settle such Environmental Claim or claim of liability against such Secured Party without the consent of the Indemnitors. The Indemnitors shall reimburse the Administrative Agent within fifteen (15) days of demand, for all reasonable Costs incurred by the Secured Parties hereunder, including the amount of all Costs of settlements entered into by one or more Secured Parties.

(b) No Indemnitor shall, without the prior written consent of the Administrative Agent, (i) settle or compromise any action, suit, proceeding, or claim or consent to the entry of any judgment that relates to the Premises and that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Administrative Agent of (x) a full and complete written release of the Administrative Agent and the other Secured Parties (in form, scope and substance satisfactory to the Administrative Agent in its reasonable discretion) from all liability in respect of such action, suit or proceeding and (y) if applicable, a dismissal with prejudice of such suit, action or proceeding; or (ii) settle or compromise any action, suit, proceeding, or claim in any manner that may adversely affect the Administrative Agent or any other Secured Party as determined by the Administrative Agent or such Secured Party in its reasonable discretion.

5. Binding Effect. This Agreement shall be binding upon each Indemnitor and its successors and permitted assigns and shall inure to the benefit of the Indemnitees and their respective successors and assigns, including as to the Administrative Agent and each other Secured Party, without limitation, any Affiliate of the Administrative Agent or such other Secured Party which acquires all or part of the Premises by any sale, assignment, assignment or deed-in-lieu of foreclosure or other enforcement, or foreclosure under any Mortgage, or otherwise. The obligations of the Indemnitors under this Agreement shall not be assigned without the prior written consent of the Administrative Agent, which consent may be given or withheld in the sole discretion of the Administrative Agent.

6. Additional Subsidiaries; Joint and Several Liability.

(a) In the event any Indemnitor forms or acquires any Subsidiary, or otherwise obtains control over any other person or entity (a "Controlled Entity"), such Indemnitor shall cause such Subsidiary or such Controlled Entity to become a party to this Agreement pursuant to Section 6.13 of

the Credit Agreement by signing a Joinder to Hazardous Material Indemnity Agreement in substantially the form of Exhibit D attached hereto, whereupon each such Subsidiary or Controlled Entity shall be obligated to the Administrative Agent and the other Secured Parties as if such Subsidiary or Controlled Entity were an “Indemnitor” hereunder. Each such Subsidiary or Controlled Entity that executes a Joinder to Hazardous Material Indemnity Agreement shall be referred to herein as an “Additional Indemnitor”.

(b) The liability of the Indemnitors and all Additional Indemnitors shall be joint and several. The liability of the Indemnitors and all Additional Indemnitors under this Agreement shall in no way be limited or impaired by the provisions of any of the Loan Documents, or any amendment, modification, extension or renewal thereof. No delay on the part of the Administrative Agent or any other Secured Party in acting under this Indemnity shall operate as a waiver of any of the Administrative Agent’s or such Secured Party’s rights hereunder. No waiver hereunder by the Administrative Agent or any other Secured Party in any instance shall constitute a waiver in any other instance.

7. Waiver. Each Indemnitor waives any right or claim of right to cause a marshalling of the assets of such Indemnitor (or any other Indemnitor) or to cause the Administrative Agent or any other Secured Party to proceed against any of the security for the Loans before proceeding under this Agreement against any Indemnitor; each Indemnitor agrees that any payments required to be made hereunder shall become due on demand; to the extent permitted by applicable law, each Indemnitor expressly agrees that the liability of such Indemnitor hereunder shall in no way be affected by: (a) the release or discharge of such Indemnitor in any creditors’, receivership, bankruptcy or other proceedings; (b) the impairment, limitation or modification of the liability of such Indemnitor or the estate of such Indemnitor in bankruptcy, or of any remedy for the enforcement of such Indemnitor’s liability under the Loan Documents, resulting from the operation of any present or future provision of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* or other similar statute or from the decision in any court; (c) the rejection or disaffirmance of the Loan Documents in any such proceedings; (d) the assignment or transfer of the Loan Documents by any Indemnitor; (e) any disability or other defense of any Indemnitor; or (f) the cessation from any cause whatsoever for the liability of any Indemnitor. Without limiting the generality of the foregoing, each Indemnitor hereby waives all suretyship defenses or defenses in the nature thereof.

8. Notices. All notices, consents, approvals, elections and other communications (collectively “Notices”) hereunder shall be in writing (whether or not the other provisions of this Agreement expressly so provide) and shall be deemed to have been duly given if delivered to the Administrative Agent and the Borrowers in accordance with the terms of the Credit Agreement.

9. Attorneys’ Fees. In the event that any Indemnitee brings or otherwise becomes a party to any suit or other proceeding (including, without limitation, any administrative proceedings, but excluding any suit brought by an Indemnitee which is ruled to be frivolous or brought in bad faith) with respect to the subject matter or enforcement of this Agreement, such Indemnitee shall, in addition to such other relief as may be awarded, be entitled to recover from the Indemnitors reasonable attorneys’ fees, expenses and costs of investigation as are actually incurred (including, without limitation, reasonable attorneys’ fees (including, without limitation, those of in-house counsel), expenses and costs of investigation incurred in appellate proceedings, costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or any successor statutes).

10. Governing Law. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, shall in all respects be governed by and construed and enforced in accordance with the laws of the State of New York, including, but not limited to, Section 5-1401 of the New York General Obligations Law, except that the laws of the jurisdiction in which the Premises are located shall be applicable to the extent required to enforce the remedies provided herein with respect to

the Premises. Each Indemnitor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in the State of New York and to the jurisdiction of any state in which any of the Premises is located and consents to the jurisdiction of the courts of the State of New York and the United States District Court for the District of New York and the jurisdiction of any state court or any United States federal court sitting in the state in which any Premises is located, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections it may have as to venue in any such courts. Each Indemnitor further agrees that a summons and complaint commencing a suit, action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail in accordance with the terms of the Credit Agreement or as otherwise provided under the laws of the State of New York or as otherwise provided under the laws of the state in which any Premises is located. Nothing in this Agreement shall affect any right the Agent or any Indemnitee may otherwise have to bring an action or proceeding relating to this Agreement against any Indemnitor or its properties in the courts of any jurisdiction.

11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12. Successive Actions. A separate right of action hereunder shall arise each time the Administrative Agent acquires knowledge of any matter indemnified by the Indemnitors under this Agreement. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and the Indemnitors hereby waive and covenant not to assert any defense in the nature of splitting of causes of action or merger of judgments.

13. Partial Invalidity. If any provision of this Agreement shall be determined to be unenforceable in any circumstances by a court of competent jurisdiction, then the balance of this Agreement shall be enforceable nonetheless, and the subject provision shall be enforceable in all other circumstances.

14. Interest on Unpaid Amounts. All amounts required to be paid or reimbursed to Indemnitees hereunder shall bear interest from the date of expenditure by the Indemnitees or the date of written demand to the Indemnitors hereunder, whichever is later, until paid to Indemnitee(s). The interest rate shall be the highest applicable rate of interest at such time under the Credit Agreement.

15. Authority. Each individual signing this Agreement on behalf of any Indemnitor or any Additional Indemnitor which is not a natural person warrants and represents to the Administrative Agent

and the other Secured Parties that he or she is authorized to do so by all requisite action of such Indemnitor or such Additional Indemnitor.

16. Exhibits. All exhibits attached hereto are incorporated by reference.

17. Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic mail (including, without limitation, PDF) shall be effective as delivery of a manually executed counterpart of this Agreement.

The Next Pages are the Signature Pages

IN WITNESS WHEREOF, Indemnitors have executed this Agreement under seal as of the date first set forth above.

INDEMNITORS:

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

Signatures Continued on Next Page

[Signature Page to Hazardous Materials Indemnity Agreement]

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen

Name: John R. Dineen

Title: Interim Chief Financial Officer

Signatures Continued on Next Page

[Signature Page to Hazardous Materials Indemnity Agreement]

Administrative Agent:

TD BANK, N.A.,
as Administrative Agent

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Regional Vice President

[Signature Page to Hazardous Materials Indemnity Agreement]

- Exhibits:
- A — Definitions
 - B — Premises Description
 - C — Environmental Reports
 - D — Joinder to Hazardous Materials Indemnity Agreement
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Definitions

Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Costs" shall mean all liabilities, losses, reasonable costs, damages (including consequential damages), reasonable expenses, claims, reasonable attorneys' fees, reasonable experts' fees, reasonable consultants' fees and disbursements of any kind or of any nature whatsoever. For the purposes of this definition, such losses, costs and damages shall include, without limitation, remedial, removal, response, abatement, restoration, cleanup, legal, investigative and monitoring costs and related costs, expenses, losses, damages, penalties, fines, obligations, defenses, judgments, suits, proceedings and disbursements. Costs shall also include, without limitation, (i) the costs of removal, transportation and disposal of any and all Hazardous Materials from all or any portion of any of the Premises, (ii) costs required to take necessary precautions to protect against the release of Hazardous Materials at, on, in, about, under, within, near or in connection with any of the Premises in or into the air, soil, surface water, ground water, or soil vapor, any public domain, or any surrounding areas, and (iii) costs incurred to comply, in connection with all or any portion of any of the Premises, with all applicable laws with respect to Hazardous Materials, including any such laws applicable to the work referred to in this sentence.

(b) "Environmental Claim" shall include, but not be limited to, any claim, demand, action, cause of action, suit, loss, cost, damage, fine, penalty, expense, liability, judgment, proceeding, or injury, whether threatened, sought, brought, or imposed, that seeks to impose costs or liabilities for the following, occurring at, on, about under, within, near, from, or in connection with any of the Premises: (i) noise; (ii) pollution or contamination of the air, surface water, ground water, or soil; (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation; (iv) exposure to Hazardous Materials; (v) the manufacture, processing, distribution in commerce, use, or storage of Hazardous Materials; (vi) injury to or death of any person or persons arising out of the discharge, release, storage, handling, presence, or transport of Hazardous Materials; (viii) any and all penalties arising out of the discharge, release, storage, handling, presence, or transport of Hazardous Materials, (ix) any assertion of breach or violation of any Requirements of Environmental Law, or any event, occurrence, or condition relating to any of the Properties as a consequence of which (A) any Indemnitor, any Indemnitee, or any owner, occupant, or person having any interest in any of the Premises shall be liable under Environmental Law, or (B) any of the Premises shall be subject to any restriction on use, ownership, transferability, or (iii) any Remedial Work shall be required.

(c) "Environmental Permit" means any permit, license, approval, or other authorization with respect to any activities, operations, or businesses conducted on or in relation to any of the Premises under any applicable law, regulation, or other requirement of the United States or any state, municipality, or other subdivision or jurisdiction related to pollution or protection of health or the environment, or any private agreement (such as covenants, conditions and restrictions), including laws, regulations or other requirements relating to emissions, discharges, or releases or threatened releases of Hazardous Materials into ambient air, surface water, ground water, or soil, or otherwise relating to the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transportation, or handling of Hazardous Materials at, on, about, under, within, near, or from any of the Premises.

(d) "Remedial Work" shall mean any investigation, site monitoring, containment, clean-up, removal, transportation, disposal, restoration, reporting, or sampling with respect to Hazardous Materials or soil, water, tanks, drums or other materials which contain or contained Hazardous Materials.

(e) "Requirements of Environmental Law" means all requirements of Environmental Laws or ecological laws or regulations or controls which are applicable to any of the Premises or the activities conducted thereon, including all requirements imposed by any law, rule, order, or regulations of any federal, state, or local executive, legislative, judicial, regulatory, or administrative agency, board, or authority, or any private agreement (such as covenants, conditions and restrictions), which relate to (i) noise; (ii) pollution or protection of the air, surface water, ground water, or soil; (iii) solid, gaseous, or liquid waste generation, treatment, storage, disposal, or transportation; (iv) exposure to Hazardous Materials; or (v) regulation of the manufacture, processing, distribution in commerce, use, or storage of Hazardous Materials.

Premises Description

Owned Properties

1. 2100 Roosevelt Avenue, Springfield, Massachusetts
2. 299 Page Boulevard, Springfield, Massachusetts
3. 19 Aviation Drive, Houlton, Maine
4. 400 North Main Street, Rochester, New Hampshire

Leased Properties

1. 7377 E. Doubletree Ranch Road
Suite 200
Scottsdale, Arizona
 2. 277 Mallory Station Road
Suite 102, 112 and 113
Franklin, Tennessee
 3. 416 Mary Lindsay Polk Drive
Suite 503 and 509
Franklin, Tennessee
 4. 1001 North 19th Street
Suite 1200
Arlington, Virginia
Washington, D.C.
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Environmental Reports

1. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 19 Aviation Drive, Houlton, Maine, a copy of which has been provided to the Administrative Agent.
 2. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 2100 Roosevelt Avenue, Springfield, Massachusetts, a copy of which has been provided to the Administrative Agent.
 3. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 299 Page Boulevard, Springfield, Massachusetts, a copy of which has been provided to the Administrative Agent.
 4. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for O.L. Development, Inc., relating to the real property located at 400 North Main Street, Rochester, New Hampshire, a copy of which has been provided to the Administrative Agent.
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JOINDER TO HAZARDOUS MATERIALS INDEMNITY AGREEMENT

IN WITNESS WHEREOF, the undersigned (the "Additional Indemnitor") hereby agrees that effective from and after the date set forth below, it shall be deemed to be bound by all of the terms and provisions set forth in that certain Hazardous Materials Indemnity Agreement, dated as of December 7, 2010 (the "Agreement"), from SMITH & WESSON HOLDING CORPORATION, a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation, and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Indemnitors") in favor of TD BANK, N.A., in its capacity as administrative agent (together with any successor collateral agent hereunder, "Administrative Agent"), for itself and the other Secured Parties (as defined in the Credit Agreement, as defined below), with the same force and effect as if the undersigned were an "Indemnitor" under the Agreement, and, without limiting the generality of the foregoing, the undersigned (a) hereby represents and warrants to the Lender that each of the representations and warranties made by the Indemnitors with respect to the Indemnitors and the Premises are true and correct with respect to the undersigned and with respect to all properties now or hereafter owned, leased, occupied or operated by the undersigned (the "Additional Premises"), (b) the undersigned hereby covenants and agrees with the Administrative Agent and the other Secured Parties that the undersigned shall perform and comply with all covenants and agreements made by the Indemnitors under the Agreement, and (c) the undersigned hereby agrees to protect, defend, indemnify and hold harmless the Indemnitees from and against all Costs which at any time may be asserted against or imposed upon the Additional Premises or the undersigned or the Indemnitees, arising out of or in connection with (i) Requirements of Environmental Law; (ii) Environmental Claims; (iii) the failure of the undersigned to obtain, maintain, or comply with any Environmental Permit; and/or (iv) the presence, existence or threat of release of Hazardous Materials at, on, about, under, within or in connection with any of the Additional Premises. All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement. This signature page shall be deemed a counterpart signature page to the Agreement and the undersigned hereby authorizes the Administrative Agent to attach this signature page thereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic mail (including, without limitation, PDF) shall be effective as delivery of a manually executed counterpart of this Agreement.

Executed under seal this _____ day of _____, _____.

ADDITIONAL INDEMNITOR:

By: _____
Name:
Title:

ENVIRONMENTAL RESERVE ACCOUNT AGREEMENT

THIS ENVIRONMENTAL RESERVE ACCOUNT AGREEMENT (this "Agreement"), dated as of December 7, 2010, is made by and among SMITH & WESSON HOLDING CORPORATION (the "Borrower Representative"), a Nevada corporation, SMITH & WESSON CORP., a Delaware corporation, THOMPSON/CENTER ARMS COMPANY, INC., a New Hampshire corporation, THOMPSON CENTER HOLDING CORPORATION, a Delaware corporation, UNIVERSAL SAFETY RESPONSE, INC., a Delaware corporation, FOX RIDGE OUTFITTERS, INC., a New Hampshire corporation, K.W. THOMPSON TOOL COMPANY, INC., a New Hampshire corporation, O.L. DEVELOPMENT, INC., a New Hampshire corporation, BEAR LAKE HOLDINGS, INC., a Delaware corporation, and SMITH & WESSON DISTRIBUTING, INC., a Delaware corporation (collectively, the "Borrowers") and TD BANK, N.A., in its capacity as administrative agent for the Lenders referenced below (in such capacity, and together with any successor administrative agent, the "Administrative Agent"). Any references herein to the "Parties" shall mean the Borrowers and the Administrative Agent.

BACKGROUND

WHEREAS, the Borrowers are entering into an Amended and Restated Credit Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with the Administrative Agent and the lenders from time to time party thereto ("Lenders"), pursuant to which the Lenders have agreed, subject to the terms and conditions set forth therein, to make certain loans and other financial accommodations (collectively, the "Loans") to the Borrowers;

WHEREAS, certain of the Borrowers are the owners of the real properties described in Exhibit A (collectively, the "Owned Properties"). Pursuant to the terms of the Credit Agreement and the other Loan Documents, and in consideration of the Lenders making the Loans to the Borrowers, each such Borrower has granted a first mortgage, collateral assignment of leases and rents, security agreement and fixture filing in favor of the Administrative Agent which encumber the Owned Properties;

WHEREAS, the Borrowers and the Administrative Agent have entered into an Amended and Restated Hazardous Materials Indemnity Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Hazardous Materials Indemnity Agreement"), pursuant to which the Borrowers have jointly and severally agreed to, among other things, provide certain indemnification to the Administrative Agent and the Secured Parties (as defined in the Credit Agreement) and to perform, now and in the future, investigation, assessment and remediation of environmental contamination on the Premises (as defined in the Hazardous Materials Indemnity Agreement), including, without limitation, on the Owned Properties.

WHEREAS, Environmental Compliance Services, Inc. ("ECS") prepared a Phase I Environmental Site Assessment report dated October 15, 2010 for each Owned Property (collectively, the "Existing Reports"), as described in Exhibit B and incorporated herein by reference, which identified various areas of environmental contamination on or at each such Owned Property. ECS sent the Administrative Agent an environmental review memorandum dated October 27, 2010 (the "Existing Memorandum"), a copy of which is attached hereto as Exhibit C and incorporated herein by reference, which detailed the required additional investigation and remediation activities to be completed with respect to each such Owned Property to achieve appropriate regulatory closure;

WHEREAS, the Administrative Agent and the Lenders will not make Loans to the Borrowers unless the Borrowers agree to guarantee financially the cost and expense of completion of all Environmental Efforts (as defined below); and

WHEREAS, as a material inducement to the Administrative Agent to make the Loans, the Borrowers have agreed to enter into this Agreement.

NOW THEREFORE, for and in consideration of the Administrative Agent's and the Lenders' extension of the Loans and the representations, warranties and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions.

(a) Except as otherwise expressly defined herein or in the exhibits attached hereto, all capitalized terms shall have the meanings ascribed to them in the Credit Agreement.

(b) "Environmental Contamination" shall hereinafter be defined as the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contamination, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, in concentrations or amounts exceeding maximum levels allowed by applicable Environmental Laws, or by governmental or court order or directive, acting under the authority granted by Environmental Laws, provided such conditions are not naturally present in the environment in the concentration or amounts discovered.

(c) "Environmental Efforts" shall hereinafter be defined as all investigation and remediation activities to be completed in accordance with the Existing Memorandum or to address additional Environmental Contamination ("Additional Environmental Contamination") subsequently discovered by the Borrowers or the Administrative Agent during the performance of this remedial work or identified in any environmental report and review memorandum subsequently received by the Administrative Agent, including without any limitation, any environmental report referenced in Paragraph 4 below.

2. Environmental Investigation and Remediation. The Borrowers shall, at its own cost and expense, and within a reasonable timeframe after the Effective Date, undertake all Environmental Efforts in accordance with applicable Environmental Laws and the Hazardous Materials Indemnity Agreement.

3. Establishment and Operation of Environmental Reserve Account.

(a) Reserve Funds. The Borrowers have caused the sum of \$812,000 to be delivered to the Administrative Agent, which amount, combined with funds that are currently available to the Borrowers in existing escrow arrangements or otherwise, is agreed by the Parties to be a reasonable estimate of the cost of the Environmental Efforts recommended in the Existing Memorandum. The Borrowers agree (i) that the amount may be increased at the Administrative Agent's reasonable discretion if Additional Environmental Contamination is identified during the undertaking of the Environmental Efforts or otherwise and (ii) upon notice from the Administrative Agent requesting such increased amount, the Borrowers, jointly and severally, will deposit with the Administrative Agent, in accordance with this Section 3(a), such increased amount. The funds held by the Administrative Agent pursuant to this Section 3(a) are herein collectively referred to as the "Reserve Funds." The Administrative Agent

shall hold the Reserve Funds in an interest-bearing account (the "Environmental Reserve Account") and shall provide disbursements in accordance with Paragraph 3(b) below. The Borrowers hereby pledge to the Administrative Agent for the benefit of the Lenders, and grant to the Administrative Agent for the benefit of the Lenders, a security interest in and to, the Environmental Reserve Account, as security for the performance of the Borrowers' obligations described in this Agreement and the Obligations.

(b) Environmental Reserve Account Disbursements. The Borrowers and the Administrative Agent intend that the Reserve Funds shall not be used by the Borrowers to pay contractors in the performance of the Environmental Efforts. Rather, the Reserve Funds shall be held in the Environmental Reserve Account until the Borrowers provide the Administrative Agent appropriate comprehensive written documentation and/or reports evidencing the completion of required Environmental Efforts, as well as any required documentation evidencing that one or more Owned Properties (each, a "Remedied Property") have achieved final regulatory closure under applicable Environmental Laws. Only after receipt and review of such documentation and reports, shall the Administrative Agent release to the Borrowers the Reserve Funds, but only to the extent such funds are attributable to a Remedied Property in the Administrative Agent's reasonable discretion. The appropriateness of such documentation and any decision to release Reserve Funds pursuant to Paragraph 3(b) shall be determined at the Administrative Agent's reasonable discretion. The Borrowers agree that any Reserve Funds required to be disbursed to the Borrowers hereunder shall be disbursed to the Borrower Representative.

4. **Reporting.** The Borrowers agree to furnish to the Administrative Agent a report, in a form satisfactory to the Administrative Agent, detailing the status of all Environmental Efforts required in the Existing Memorandum and then being undertaken. Such report shall be furnished concurrently with the delivery of any annual financial statements pursuant to Section 6.01(a) of the Credit Agreement, commencing with fiscal year ended April 30, 2011.

5. **Miscellaneous Provisions.**

(a) No failure or delay on the part of a party to this Agreement in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. No modification or waiver of any provision of this Agreement and no consent to any departure by any party to this Agreement there from shall be effective unless the same shall be in writing and signed by the party against whom such modification, waiver, or consent is being sought to be enforced against, and then such waiver, modification, or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any party to this Agreement in any case shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances.

(b) Any notice, request, direction or demand given or made under this Agreement shall be in writing and (whether or not the other provisions of this Agreement expressly so provide) and shall be deemed to have been duly given if delivered to the Administrative Agent and the Borrowers in accordance with the terms of the Credit Agreement.

(c) If any term, covenant, or provision of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such term, covenant, or provision.

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) This Agreement sets forth the entire agreement and understanding of the parties hereto with respect to the specific matters agreed to herein and the parties hereto acknowledge that no oral or other agreements, understandings, representations, or warranties exist with respect to this Agreement or with respect to the obligations of the parties hereto under this Agreement, except those specifically set forth in this Agreement.

(f) This Agreement is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the State of New York and shall be in all respects governed, construed, applied and enforced in accordance with the laws of the State of New York. No defense given or allowed by the laws of any other state or country shall be interposed in any action or proceeding hereon unless such defense is also given or allowed by the laws of the State of New York.

(g) The Parties hereto waive all rights to trial by jury as further set forth in the Credit Agreement and further agree to submit to personal jurisdiction in the State of New York in any action or proceeding arising out of this Agreement and, in furtherance of such agreement, the Parties hereto agree that, without limiting other methods of obtaining jurisdiction, personal jurisdiction over any of the Parties hereto in any such action or proceeding may be obtained within or without the jurisdiction of any court located in the State of New York and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the parties hereto by registered or certified mail or by personal service at the last known address of the parties hereto, whether such parties be within or without the jurisdiction of any such court.

(h) This Agreement may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which together shall constitute a single agreement. This Agreement shall be a "Loan Document" as defined in the Credit Agreement.

(i) The Borrowers and the Administrative Agent hereby unconditionally and irrevocably waive any and all rights to trial by jury in any action, suit or proceeding arising out of or related to this Agreement, or any transaction arising there from or related thereto.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement under seal as of the day and year first above written.

BORROWERS:

SMITH & WESSON HOLDING CORPORATION

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON CORP.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON/CENTER ARMS COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

UNIVERSAL SAFETY RESPONSE, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

FOX RIDGE OUTFITTERS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

Signatures Continued on Next Page

[Signature Page to Environmental Reserve Account Agreement]

BEAR LAKE HOLDINGS, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

K.W. THOMPSON TOOL COMPANY, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

O.L. DEVELOPMENT, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

THOMPSON CENTER HOLDING COMPANY

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

SMITH & WESSON DISTRIBUTING, INC.

By: /s/ John R. Dineen
Name: John R. Dineen
Title: Interim Chief Financial Officer

Signatures Continued on Next Page

[Signature Page to Environmental Reserve Account Agreement]

Administrative Agent:

TD BANK, N.A.,
as Administrative Agent

By: /s/ Maria P. Goncalves

Name: Maria P. Goncalves

Title: Regional Vice President

[Signature Page to Environmental Reserve Account Agreement]

Owned Properties

1. 2100 Roosevelt Avenue, Springfield, Massachusetts, owned by Smith & Wesson Corp.
 2. 299 Page Boulevard, Springfield, Massachusetts, owned by Smith & Wesson Corp.
 3. 19 Aviation Drive, Houlton, Maine, owned by Smith & Wesson Corp.
 4. 400 North Main Street, Rochester, New Hampshire, owned by O.L. Development, Inc.
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Existing Reports

1. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 19 Aviation Drive, Houlton, Maine.
 2. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 2100 Roosevelt Avenue, Springfield, Massachusetts.
 3. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for Smith & Wesson Corp., relating to the real property located at 299 Page Boulevard, Springfield, Massachusetts.
 4. Phase I Environmental Site Assessment (ESA) report dated October 15, 2010 prepared by Environmental Compliance Services, Inc. for O.L. Development, Inc., relating to the real property located at 400 North Main Street, Rochester, New Hampshire.
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Existing Memorandum

[See attached]