

## APPENDIX A

### GENERAL DEFINITIONS

When used in the Loan and Security Agreement dated as of September 30, 2005, by and among Bank of America, N.A., individually and as Agent, the other financial institutions which are or become parties thereto and Schutt Sports Manufacturing Co., Schutt Manufacturing Company, Triangle Sports, Inc., Mountain View Investment Company of Illinois, Melas, Inc., Schutt Sports Distribution Company, R.D.H. Enterprises, Inc., Schutt Athletic Sales Company, Geometry Corp. and Circle System Group, Inc. (a) the terms Account, Certificated Security, Chattel Paper, Commercial Tort Claims, Deposit Account, Document, Electronic Chattel Paper, Equipment, Financial Asset, Fixture, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Payment Intangibles, Proceeds, Security, Security Entitlement, Software, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security have the respective meanings assigned thereto under the UCC; (b) all terms reflecting Collateral having the meanings assigned thereto under the UCC shall be deemed to mean such Property, whether now owned or hereafter created or acquired by any Borrower or in which such Borrower now has or hereafter acquires any interest; (c) capitalized terms which are not otherwise defined have the respective meanings assigned thereto in said Loan and Security Agreement; and (d) the following terms shall have the following meanings (terms defined in the singular to have the same meaning when used in the plural and vice versa):

Account Debtor - any Person who is or may become obligated under or on account of any Account, Contract Right, Chattel Paper or General Intangible.

Acquisition - the acquisition by Holdings of the capital stock of each Borrower (other than Geometry and Circle System) pursuant to the Acquisition Documents.

Acquisition Documents - that certain Acquisition Agreement among Holdings, each Borrower (other than Geometry and Circle System) and the stockholder signatories and all other agreements, instruments and documents executed or delivered in connection therewith.

Additional Subordinated Notes - those additional Subordinated Notes issued by Borrowers and/or Holdings on or about the Closing Date pursuant to the Subordinated Debt Documents.

Affiliate - a Person (other than a Subsidiary): (i) which directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, a Person; (ii) which beneficially owns or holds 5% or more of any class of the Voting Stock of a Person; or (iii) 5% or more of the Voting Stock (or in the case of a Person which is not a corporation, 5% or more of the equity interest) of which is beneficially owned or held by a Person or a Subsidiary of a Person.

Agent - Bank of America, N.A. in its capacity as agent for the Lenders under the Agreement and any successor in that capacity appointed pursuant to subsection 11.11 of the Agreement.

Agent Loans - as defined in subsection 1.1.5 of the Agreement.

Aggregate Percentage - with respect to each Lender, the percentage equal to the quotient of (i) such Lender's Loan Commitment divided by (ii) the aggregate of all Loan Commitments.

Agreement - the Loan and Security Agreement referred to in the first sentence of this Appendix A, all Exhibits and Schedules thereto and this Appendix A, as each of the same may be amended from time to time.

ALTA Survey - a survey prepared in accordance with the standards adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1997, known as the "Minimum Standard Detail Requirements of Land Title Surveys". The ALTA Survey shall be in sufficient form to satisfy the requirements of Stewart Title Insurance Company to provide extended coverage over survey defects and shall also show the location of all easements, utilities, and covenants of record, dimensions of all improvements, encroachments from any adjoining property, and certify as to the location of any flood plain area affecting the subject real estate. The ALTA Survey shall contain the following certification: "To [Name of Applicable Borrower], Bank of America, N.A., as Agent, and Stewart Title Insurance Company. This is to certify that this map of plat and the survey on which it is based were made in accordance with the "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by ALTA and ACSM in 1997. (signed (SEAL) License No. \_\_\_\_\_".

Applicable Margin - from the Closing Date to, but not including, the first Adjustment Date (as hereinafter defined) the percentages set forth below with respect to the Base Rate Revolving Portion, the Base Rate Term Portion, the LIBOR Revolving Portion, the LIBOR Term Portion, the Unused Line Fee and Letter of Credit Fees:

Base Rate Revolving Portion	0.75%
Base Rate Term Portion	1.50%
LIBOR Revolving Portion	2.25%
LIBOR Term Portion	3.00%
Unused Line Fee	0.50%
Letter of Credit Fees	2.25%

The percentages set forth above will be adjusted on the first day of the month following delivery by Borrowers to Agent of the financial statements required to be delivered pursuant to subsection 8.1.3(ii) of the Agreement for October 31, 2006 and each subsequent October 31 during the Term (each such date an "Adjustment Date"), effective prospectively, by reference to the applicable "Financial Measurement" (as defined below) for the twelve months most recently ending in accordance with the following:

	<u>Financial Measurement</u>	<u>Base Rate Revolving Portion</u>	<u>Base Rate Term Portion</u>	<u>LIBOR Revolving Portion</u>	<u>LIBOR Term Portion</u>	<u>Unused Line Fee</u>	<u>Letter of Credit Fees</u>
<u>Level 1</u>	≤ 1.20 to 1	1.00%	1.75%	2.50%	3.25%	0.50%	2.50%
<u>Level 2</u>	> 1.20 to 1, but ≤ 1.30 to 1	0.75%	1.50%	2.25%	3.00%	0.50%	2.25%
<u>Level 3</u>	> 1.30 to 1, but ≤ 1.50 to 1	0.50%	1.25%	2.00%	2.75%	0.50%	2.00
<u>Level 4</u>	>1.50 to 1	0.25%	1.00%	1.75%	2.50%	0.50%	1.75%

provided that, (i) if Holdings' audited financial statements for any fiscal year delivered pursuant to subsection 8.1.3(i) of the Agreement reflect a Financial Measurement that yields a higher Applicable Margin than that yielded by the monthly financial statements previously delivered pursuant to subsection 8.1.3(ii) of the Agreement for the last month of such fiscal year, the Applicable Margin shall be readjusted retroactively for the period that was incorrectly calculated and (ii) if Borrowers fail to deliver the financial statements required to be delivered pursuant to subsection 8.1.3(i) or subsection 8.1.3(ii) of the Agreement on or before the due date thereof, the interest rate shall automatically adjust to the highest interest rate set forth above, effective prospectively from such due date until the next Adjustment Date. For purposes hereof, "Financial Measurement" shall mean the Fixed Charge Coverage Ratio. The foregoing notwithstanding, each interest rate referred to above in the above pricing grid with respect to the Base Rate Term Portion and LIBOR Term Portions shall decrease by 0.25% effective as of the date on which the outstanding principal balance of the Term Loan is less than \$5,000,000.

Assignment and Acceptance Agreement - an assignment and acceptance agreement in form and content reasonably acceptable to Agent pursuant to which a Lender assigns to another Lender all or any portion of any of such Lender's Revolving Loan Commitment or Term Loan Commitment, as permitted pursuant to the terms of this Agreement.

Availability - the amount of additional money which Borrowers are entitled to borrow from time to time as Revolving Credit Loans, such amount being the difference derived when the sum of the principal amount of Revolving Credit Loans then outstanding (including any amounts which Agent or any Lender may have paid for the account of any Borrower pursuant to any of the Loan Documents and which have not been reimbursed by Borrowers), the LC Amount and any reserves is subtracted from the Borrowing Base. If the amount outstanding is equal to or greater than the Borrowing Base, Availability is 0.

Bank - Bank of America, N.A. and/or Fleet National Bank.

Base Rate - the rate of interest announced or quoted by Bank from time to time as its prime rate for commercial loans, whether or not such rate is the lowest rate charged by Bank to its most preferred borrowers; and, if such prime rate for commercial loans is discontinued by Bank as a standard, a comparable reference rate designated by Bank as a substitute therefor shall be the Base Rate.

Base Rate Portion - a Base Rate Term Portion or a Base Rate Revolving Portion.

Base Rate Revolving Portion - that portion of the Revolving Credit Loans that is not subject to a LIBOR Option.

Base Rate Term Portion - that portion of the Term Loan that is not subject to a LIBOR Option.

Basketball Division – means the operating division and assets used therein engaged in the manufacture and sale of basketball and related products.

Borrowing Base - as at any date of determination thereof, an amount equal to the lesser of:

- (i) the Revolving Credit Maximum Amount; or
- (ii) an amount equal to the sum of
  - (a) 85% of the net amount of Eligible Accounts outstanding at such date; plus
  - (b) 65% of the value of Eligible Inventory.

For purposes hereof, (1) the net amount of Eligible Accounts at any time shall be the face amount of such Eligible Accounts less any and all returns, rebates, discounts (which may, at Agent's option, be calculated on shortest terms), credits, allowances or excise taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time and (2) the amount of Eligible Inventory shall be determined on a first-in, first-out, lower of cost or market basis in accordance with GAAP.

Borrowing Base Certificate - a certificate by a responsible officer of Borrower Representative, on its own behalf and on behalf of all other Borrowers, substantially in the form of Exhibit 8.1.4 (or another form reasonably acceptable to Agent) setting forth the calculation of the Borrowing Base, including a calculation of each component thereof, all in such detail as shall be reasonably satisfactory to Agent. All calculations of the Borrowing Base in connection with the preparation of any Borrowing Base Certificate shall originally be made by Borrowers and certified to Agent; provided, that Agent shall have the right to review and adjust, in the exercise of its Permitted Discretion, any such calculation after giving notice thereof to Borrowers, (1) to reflect its reasonable estimate of declines in value of any of the Collateral described therein, and (2) to the extent that Agent determines that such calculation is not in accordance with this Agreement.

Borrower Representative – Schutt Sports Manufacturing Co.

Business Day - any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of Wisconsin or the State of Illinois or is a day on which banking institutions located in either of such states are closed.

Capital Expenditures - expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto which have a useful life of more than one year, including the total principal portion of Capitalized Lease Obligations.

Capitalized Lease Obligation - any Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

CFC Voting Stock - stock or other Securities, entitled to vote (within the meaning of Section 956 of the IRC and Treasury Regulations 1.956-2(c)(2) or any successor provisions).

Circle System Acquisition - the acquisition by Holdings of the capital stock of Circle System (directly or indirectly via merger of Circle System and Geometry) pursuant to the Circle System Acquisition Documents.

Circle System Acquisition Documents - that certain Acquisition Agreement among Holdings, Geometry, Circle System and the stockholder signatories and all other agreements, instruments and documents executed or delivered in connection therewith, including, without limitation, the Seller Note(s).

Closing Date - the date on which all of the conditions precedent in Section 9 of the Agreement are satisfied or waived and the initial Loan is made or the initial Letter of Credit or LC Guaranty is issued under the Agreement.

Collateral - all of the Property and interests in Property described in Section 5 of the Agreement, and all other Property and interests in Property that now or hereafter secure the payment and performance of any of the Obligations.

Compliance Certificate - as defined in subsection 8.1.3 of the Agreement.

Compliance Letter - as defined in an imported goods (or comparable) agreement to be entered into by Agent, Borrowers and a Customs Broker in connection with the importation of any Inventory into the United States of America.

Computer Hardware and Software - all of any Borrower's rights (including rights as licensee and lessee) with respect to (i) computer and other electronic data processing hardware, including all integrated computer systems, central processing units, memory units, display terminals, printers, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories, peripheral devices and other related computer hardware; (ii) all Software and all software programs designed for use on the computers and electronic data processing hardware described in clause (i) above, including all operating system software, utilities and application programs in any form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (iii) any firmware associated with any of the foregoing; and (iv) any documentation for hardware, Software and firmware described in clauses (i), (ii) and (iii) above, including flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

Consolidated - the consolidation in accordance with GAAP of the accounts or other items as to which such term applies.

Consolidated Net Income – as defined in Exhibit 8.3 of the Agreement.

Contract Right - any right of any Borrower to payment under a contract for the sale or lease of goods or the rendering of services, which right is at the time not yet earned by performance.

Control – with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of such Person's management or policies, whether through the ownership of Voting Stock, by contract or otherwise.

Current Assets - at any date means the amount at which all of the current assets of a Person would be properly classified as current assets shown on a balance sheet at such date in accordance with GAAP.

Customs Broker – any person selected by Borrower Representative after written notice by Borrower Representative to Agent who is reasonably acceptable to Agent to perform port of entry services to process Inventory imported by Borrower Representative, another Borrower, from outside the United States of America and to supply facilities, labor and materials to such Borrower in connection therewith.

Default - an event or condition the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default.

Default Rate - as defined in subsection 2.1.2 of the Agreement.

Derivative Obligations - every obligation of a Person under any forward contract, futures contract, exchange contract, swap, option or other financing agreement or arrangement (including, without limitation, caps, floors, collars and similar agreement), the value of which is dependent upon interest rates, currency exchange rates, commodities or other indices.

Distribution - in respect of any Person means and includes: (i) the payment of any dividends or other distributions on Securities (except distributions in such Securities) and (ii) the redemption or acquisition of Securities of such Person, as the case may be, unless made contemporaneously from the net proceeds of the sale of Securities.

Dominion Account - a special bank account or accounts of Agent established by Borrowers or any one of them pursuant to subsection 6.2.4 of the Agreement at Bank and over which Agent shall have sole and exclusive access and control for withdrawal purposes.

Eligible Account - an Account arising in the ordinary course of the business of any Borrower from the sale of goods or rendition of services which Agent, in its Permitted Discretion, deems to be an Eligible Account. Without limiting the generality of the foregoing, no Account shall be an Eligible Account if:

(i) it arises out of a sale made or services rendered by a Borrower to a Subsidiary of a Borrower or an Affiliate of a Borrower or to a Person controlled by an Affiliate of a Borrower; or

(ii) it remains unpaid more than 30 days after the original due date shown on the invoice or 360 days after the original invoice date shown on the invoice; provided that with respect to Accounts with invoice terms of 30 days or less, such Accounts shall be included within Eligible Accounts so long as such Accounts otherwise satisfy the criteria of Eligible Accounts and such Accounts do not remain unpaid for more than 60 days from the original due date shown on the invoice; or

(iii) intentionally omitted; or

(iv) any covenant, representation or warranty contained in the Agreement with respect to such Account has been breached; or

(v) the Account Debtor is also a creditor or supplier of a Borrower or any Subsidiary of a Borrower, or the Account Debtor has disputed liability with respect to such Account, or the Account Debtor has made any claim with respect to any other Account due from such Account Debtor to a Borrower or any Subsidiary of a Borrower, or the Account otherwise is or may become subject to right of setoff by the Account Debtor; provided, that any such Account shall be eligible to the extent such amount thereof exceeds such contract, dispute, claim, setoff or similar right; or

(vi) the Account Debtor has commenced a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or made an assignment for the benefit of creditors, or a decree or order for relief has been entered by a court having jurisdiction in the premises in respect of the Account Debtor in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other petition or other application for relief under the federal bankruptcy laws, as now constituted or hereafter amended, has been filed against the Account Debtor, or if the Account Debtor has failed, suspended business, ceased to be Solvent, or consented to or suffered a receiver, trustee, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs; or

(vii) it arises from a sale made or services rendered to an Account Debtor outside the United States, unless the sale is either (1) to an Account Debtor located in Ontario or any other province of Canada in which the Personal Property Security Act has been adopted in substantially the same form as currently in effect in Ontario or (2) on letter of credit, guaranty or acceptance terms, in each case reasonably acceptable to Agent in its Permitted Discretion; or

(viii) (1) it arises from a sale to the Account Debtor on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, or any other repurchase or return basis; or (2) it is subject to a reserve established by a Borrower for potential returns or refunds, to the extent of such reserve; provided that Accounts owing from Sports Authority which may be sale-or-return sales may be included within Eligible Accounts until such time as Agent shall determine, in its Permitted Discretion, that either a reserve shall be established with respect to such Accounts or such Accounts shall no longer be considered an Eligible Account; or

(ix) the Account Debtor is the United States of America or any department, agency or instrumentality thereof, unless the applicable Borrower assigns its right to payment of such Account to Agent, in a manner satisfactory to Agent so as to comply with the Assignment of Claims Act of 1940 (31 U.S.C. §203 et seq., as amended); or

(x) it is not at all times subject to Agent's duly perfected, first priority security interest or is subject to a Lien that is not a Permitted Lien; or

(xi) the goods giving rise to such Account have not been delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been performed by the applicable Borrower and accepted by the Account Debtor or the Account otherwise does not represent a final sale; or

(xii) the Account is evidenced by chattel paper or an instrument of any kind, or has been reduced to judgment; or

(xiii) Any Borrower or a Subsidiary of any Borrower has made any agreement with the Account Debtor for any extension, compromise, settlement or modification of the Account or deduction therefrom, except for discounts or allowances which are made in the ordinary course of business for prompt payment and which discounts or allowances are reflected in the calculation of the face value of each invoice related to such Account; or

(xiv) 25% or more of the Accounts owing from the Account Debtor are not Eligible Accounts hereunder under clause (ii) of this definition; or

(xv) any Borrower has made an agreement with the Account Debtor to extend the time of payment thereof; or

(xvi) it represents service charges, late fees or similar charges; or

(xvii) it is not otherwise acceptable to Agent in its Permitted Discretion.

Eligible In-Transit Inventory – Inventory of a Borrower that satisfies all of the criteria for being Eligible Inventory except the requirement that such Inventory not be in transit, provided that such Inventory is in transit to a location of such Borrower which is inside the United States and is the legal property of such Borrower at the time of its delivery to the common carrier (or legal title passes to such Borrower upon such delivery in a manner which results in its becoming the consignee of such property) for delivery from a location outside the United States, provided in each case that:

(a) for open account transactions, such Inventory has been paid for in full by a Borrower or Agent has satisfied itself that a final sale of such Inventory to a Borrower has occurred.

(b) for documentary letter of credit transactions, such Inventory has been paid for in full by Bank and reimbursed by a Borrower under sight documentary Letters of Credit issued by Bank and have been accepted by Bank creating bankers acceptances;



(c) such Inventory is evidenced by a full set of clean, original, negotiable ocean bills of lading consigned to the order of Agent with all such original bills of lading required to be (i) sent by courier to Agent and received by Agent, in the event the Compliance Letter is required to be used by Agent for open account transactions, (ii) sent by courier to the United States based Customs Broker, in the event the Compliance Letter is not required to be used by the Agent for open account transactions or (iii) presented under each documentary Letter of Credit;

(d) each such bill of lading with respect to such Inventory includes a clause stating that one original bill of lading must be surrendered in order to obtain goods at the port of disembarkation in the United States;

(e) an agreement with respect to such Inventory with each Customs Broker used by a Borrower in form and substance acceptable to Agent is in full force and effect;

(f) such Inventory is subject to a first priority perfected security interest in favor of Agent;

(g) such Inventory is covered by insurance satisfactory to Agent; and

(h) the Agent has received a landlord's agreement, bailee letter or warehouse agreement which is acceptable to it in respect of the location at which such Inventory is to be received which is not owned in fee by such Borrower.

Eligible Inventory - Inventory of any Borrower (other than packaging materials and supplies, tooling, samples and literature) which Agent, in its Permitted Discretion, deems to be Eligible Inventory. Without limiting the generality of the foregoing, no Inventory shall be Eligible Inventory if:

(i) it is not raw materials or finished goods which finished goods if subject to a purchase order or contract meet the specifications of such purchase order or contract for such Inventory, if any such specifications are contained therein; or

(ii) it is not in good, new and saleable condition; or

(iii) it is slow-moving, obsolete or unmerchantable (Agent agrees that new products will not be deemed slow-moving solely because Inventory quantities exceed past sales figures); or

(iv) it does not conform in all material respects to all standards imposed by any governmental agency or authority; or

(v) it does not conform in all material respects to any covenants, warranties and representations set forth in the Agreement; or

(vi) it is not at all times subject to Agent's duly perfected, first priority security interest or is subject to a Lien that is not a Permitted Lien; or

(vii) it is not situated at a location in compliance with the Agreement, provided that Inventory situated at a location not owned by such Borrower will be Eligible Inventory only if Agent has received a satisfactory landlord's agreement or bailee letter, as applicable, with respect to such location; or

(viii) it is in transit unless it is Eligible In-Transit Inventory; or

(ix) it consists of work-in-process, labels, subassemblies, hardware or reconditioning Inventory; provided that reconditioning Inventory of Borrowers (the "Eligible Reconditioning Inventory") shall be included within Eligible Inventory so long as such Inventory (a) otherwise satisfies the criteria of Eligible Inventory, (b) it is accounted for, identifiable and segregated so that Borrowers and Agent can reasonably account for and identify such Inventory as Eligible Reconditioning Inventory and (c) such Inventory is not attached to any property not owned by a Borrower; or

(x) it is "quarantine/hold inventory" (as so classified by Borrowers in a manner consistent with Borrowers' historical practice); provided that up to \$500,000 of "quarantine/hold inventory" may be included within Eligible Inventory to the extent such items of Inventory otherwise qualify as Eligible Inventory.

(xi) it is not otherwise acceptable to Agent in its Permitted Discretion.

Environmental Laws - all federal, state and local laws, rules, regulations, ordinances, orders and consent decrees relating to health, safety and environmental matters.

ERISA - the Employee Retirement Income Security Act of 1974, as amended, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

Event of Default - as defined in Section 10.1 of the Agreement.

Excess Cash Flow - with respect to any fiscal year of Borrowers, commencing with the fiscal year ending October 31, 2006, (a) 50% of the amount equal to EBITDA with respect to the fiscal year ending October 31, 2006 or EBITDA with respect to subsequent fiscal years minus (b) the sum of (i) the sum of non-cash income included in determining net income, Capital Expenditures which are not financed for such fiscal year, income taxes paid in cash, cash interest expense, cash paid as management fees to Gridiron Capital, LLC or its Affiliates, in each case, to the extent not already taken into account in the determination of EBITDA, plus (ii) any voluntary or mandatory principal payment during such fiscal year on the Loans or any payments on other Indebtedness permitted under this Agreement, all determined for Borrowers and their Subsidiaries on a Consolidated basis in accordance with GAAP.

Existing Lenders - as defined in the first WHEREAS clause to the Agreement.

Existing Management - Julie Nimmons.

Existing Senior Lender - Lafayette Ambassador Bank.

Fee Letter - as defined in Section 2.3 of the Agreement.

Fixed Charge Coverage Ratio – as defined in Exhibit 8.3 to the Agreement.

Foreign Person – a Person that is not a “United States person” within the meaning of Section 7701(a)(30) of the IRC.

Foreign Subsidiary – any Subsidiary of Holdings or any Borrower that is a Foreign Person.

GAAP - generally accepted accounting principles in the United States of America in effect from time to time (subject to the GAAP Exceptions set forth on Exhibit 7.1.10).

Guarantors – Holdings and each other Person who now or hereafter guarantees payment or performance of the whole or any part of the Obligations.

Guaranty Agreements - the Continuing Guaranty Agreement which is to be executed on the Closing Date by Holdings, in form and substance reasonably satisfactory to Agent, together with each other guaranty hereafter executed by any Guarantor.

Holdings - Schutt Holdings, Inc., a Delaware corporation, which owns 100% of the issued and outstanding capital stock of each Borrower other than Schutt Sports Manufacturing Co. and Schutt Athletic Sales Company, which are wholly-owned subsidiaries of Triangle Sports, Inc. and Mountain View Investment Company, respectively.

Holdings Preferred Stock – the Series A preferred stock, \$0.01 par value of Holdings.

Indebtedness - as applied to a Person means, without duplication:

(i) all items which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as at the date as of which Indebtedness is to be determined, including, without limitation, Capitalized Lease Obligations;

(ii) all obligations of other Persons which such Person has guaranteed;

(iii) all reimbursement obligations in connection with letters of credit or letter of credit guaranties issued for the account of such Person;

(iv) Derivative Obligations; and

(v) in the case of Borrowers (without duplication), the Obligations.

Intellectual Property - means: all past, present and future: trade secrets, know-how and other proprietary information; trademarks, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs) and copyright registrations or

applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights, unpatented inventions (whether or not patentable); patent applications and patents; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

Interest Period - as applicable to any LIBOR Portion, a period commencing on the date such LIBOR Portion is advanced, continued or converted, and ending on the date which is one (1) month, two (2) months, three (3) months, or six (6) months later, as may then be requested by Borrower Representative; provided that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall end in the next preceding or succeeding Business Day as is Agent's custom in the market to which such LIBOR Portion relates; (ii) there remains a minimum of one (1) month, two (2) months, three (3) months or six (6) months (depending upon which Interest Period Borrower selects) in the Term, unless Borrowers and Lenders have agreed to an extension of the Term beyond the expiration of the Interest Period in question; (iii) all Interest Periods of the same duration which commence on the same date shall end on the same date; and (iv) with respect to any LIBOR Term Portion, no applicable Interest Period shall extend beyond the scheduled installment payment date for such LIBOR Term Portion.

IRC - the Internal Revenue Code of 1986, as amended.

LC Amount - at any time, the greater of the aggregate maximum committed amount (after giving effect to any permitted draws) and the aggregate undrawn available amount of all Letters of Credit and LC Guaranties then outstanding.

LC Guaranty - any guaranty pursuant to which Agent or any Affiliate of Agent shall guaranty the payment or performance by Borrowers of their reimbursement obligation under any letter of credit.

LC Obligations - any Obligations that arise from any draw against any Letter of Credit or against any Letter of Credit supported by an LC Guaranty.

Letter of Credit - any standby or documentary letter of credit issued by Agent or any Affiliate of Agent for the account of any Borrower.

LIBOR - as applicable to any LIBOR Portion, for the applicable Interest Period, the rate per annum (rounded upward, if necessary, to the nearest 1/8 of one percent) as determined on the basis of the offered rates for deposits in U.S. dollars, for a period of time comparable to such Interest Period which appears on the Telerate page 3750 as of 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the first day of such Interest Period; provided, however, that if the rate described above does not appear on the Telerate System on any applicable interest determination date, the LIBOR shall be the rate (rounded upwards as described above, if necessary) for deposits in U.S. dollars for a period substantially equal to the

Interest Period on the Reuters Page "LIBO" (or such other page as may replace the LIBO Page on that service for the purpose of displaying such rates), as of 11:00 a.m. (London Time), on the day that is two (2) London Banking Days prior to the first day of such Interest Period. If both the Telerate and Reuters systems are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in U.S. dollars for a period of time comparable to such Interest Period which are offered by four (4) major banks in the London interbank market at approximately 11:00 a.m. (London time), on the day that is two (2) London Banking Days preceding the first day of such Interest Period as selected by Agent. The principal London office of each of the major London banks so selected will be requested to provide a quotation of its U.S. dollar deposit offered rate. If at least two (2) such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in U.S. dollars to leading European banks for a period of time comparable to such Interest Period offered by major banks in New York City at approximately 11:00 a.m. (New York City time), on the day that is two (2) London Banking Days preceding the first day of such Interest Period. In the event that Agent is unable to obtain any such quotation as provided above, it will be determined that LIBOR pursuant to an Interest Period cannot be determined. In the event that the Board of Governors of the Federal Reserve System shall impose a Reserve Percentage with respect to LIBOR deposits of Bank, then for any period during which such Reserve Percentage shall apply, LIBOR shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage.

LIBOR Interest Payment Date - the first day of each calendar month during and immediately following the applicable Interest Period.

LIBOR Option - the option granted pursuant to Section 3.1 of the Agreement to have the interest on all or any portion of the principal amount of the Revolving Credit Loans or the Term Loan based on the LIBOR.

LIBOR Portion - a LIBOR Revolving Portion or a LIBOR Term Portion.

LIBOR Request - a notice in writing (or by telephone confirmed electronically or by telecopy or other facsimile transmission on the same day as the telephone request) from Borrower Representative to Agent requesting that interest on a Revolving Credit Loan or all or any portion of the Term Loan be based on the LIBOR, specifying: (i) the first day of the Interest Period (which shall be a Business Day); (ii) the length of the Interest Period; (iii) whether the LIBOR Portion is a new Loan, a conversion of a Base Rate Portion, or a continuation of a LIBOR Portion; and (iv) the dollar amount of the LIBOR Revolving Portion or LIBOR Term Portion, which shall be in an amount not less than \$250,000 or an integral multiple of \$100,000 in excess thereof.

LIBOR Revolving Portion - that portion of the Revolving Credit Loans specified in a LIBOR Request (including any portion of Revolving Credit Loans which is being borrowed by Borrower concurrently with such LIBOR Request) which, as of the date of the LIBOR Request specifying such LIBOR Revolving Portion, has met the conditions for basing interest on the LIBOR in Section 3.1 of the Agreement and the Interest Period of which has not terminated.

LIBOR Term Portion - that portion of the Term Loan specified in a LIBOR Request which, as of the date of the LIBOR Request specifying such LIBOR Term Portion, has met the conditions for basing interest on the LIBOR in Section 3.1 of the Agreement and the Interest Period of which has not terminated.

Lien - any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on common law, statute or contract. The term "Lien" shall also include rights of seller under conditional sales contracts or title retention agreements, reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting Property. For the purpose of the Agreement, a Borrower shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

Loan Account - the loan account established on the books of Agent pursuant to Section 3.6 of the Agreement.

Loan Commitment - with respect to any Lender, the amount of such Lender's Revolving Loan Commitment plus such Lender's Term Loan Commitment.

Loan Documents - the Agreement, the Other Agreements and the Security Documents.

Loans - all loans and advances of any kind made by Agent, any Lender, or any Affiliate of Agent or any Lender, pursuant to the Agreement.

London Banking Day - any date on which commercial banks are open for business in London, England.

Majority Lenders - as of any date, Lenders holding 51% of the Term Loan and Revolving Loan Commitments determined on a combined basis and following the termination of the Revolving Loan Commitments, Lenders holding 51% or more of the outstanding Loans, LC Amounts and LC Obligations not yet reimbursed by Borrower or funded with a Revolving Credit Loan; provided, that (i) in each case, if there are 2 or more Lenders with outstanding Loans, LC Amounts, unfunded and unreimbursed LC Obligations or Revolving Loan Commitments, at least 2 Lenders shall be required to constitute Majority Lenders; and (ii) prior to termination of the Revolving Loan Commitments, if any Lender breaches its obligation to fund any requested Revolving Credit Loan, for so long as such breach exists, its voting rights hereunder shall be calculated with reference to its outstanding Loans, LC Amounts and unfunded and unreimbursed LC Obligations, rather than its Revolving Loan Commitment.

Material Adverse Effect - (i) a material adverse effect on the business, condition (financial or otherwise), operation, performance or properties of Borrowers and their Subsidiaries taken as a whole, which in Agent's determination, impairs the ability of Borrowers and their Subsidiaries to perform, in any material respect, their obligations hereunder or under any Loan Document or (ii) a material adverse effect on the rights and remedies of Agent or Lenders under the Loan Documents.

Money Borrowed - means (i) Indebtedness arising from the lending of money by any Person to any Borrower or any of its Subsidiaries; (ii) Indebtedness, whether or not in any such case arising from the lending by any Person of money to any Borrower or any of its Subsidiaries, (1) which is represented by notes payable or drafts accepted that evidence extensions of credit, (2) which constitutes obligations evidenced by bonds, debentures, notes or similar instruments, or (3) upon which interest charges are customarily paid (other than accounts payable) or that was issued or assumed as full or partial payment for Property; (iii) Indebtedness that constitutes a Capitalized Lease Obligation; (iv) reimbursement obligations with respect to letters of credit or guaranties of letters of credit and (v) Indebtedness of any Borrower or any of its Subsidiaries under any guaranty of obligations that would constitute Indebtedness for Money Borrowed under clauses (i) through (iii) hereof, if owed directly by Borrower or any of its Subsidiaries. Money Borrowed shall not include trade payables or accrued expenses.

Mortgages - the mortgages executed by a Borrower on or about the Closing Date in favor of Agent, for the benefit of itself and Lenders, by which such Borrower has granted to Agent, as security for the Obligations, a Lien upon the real Property of such Borrower located at (i) 610 South Industrial Drive, (ii) 710 South Industrial Drive, Litchfield, Illinois, (iii) 1200 East Union Avenue, Litchfield, Illinois and (iv) 2510 South Broadway, Salem, Illinois, together with all mortgages, deeds of trust and comparable documents now or at any time hereafter securing the whole or any part of the Obligations.

Multiemployer Plan - has the meaning set forth in Section 4001(a)(3) of ERISA.

New Mortgages - as defined in Section 5.4 of the Agreement.

New Term Loan - the Loan described in subsection 1.3.1 of the Agreement.

New Term Loan Commitment - as defined in subsection 1.3.1 of the Agreement.

New Term Loan Percentage - as defined in subsection 1.3.1 of the Agreement.

Notes - the Revolving Notes and the Term Loan Notes.

Obligations - all Loans, all LC Obligations, all reimbursement and other obligations with respect to Letters of Credit and all other advances, debts, liabilities, obligations, covenants and duties, together with all interest, fees and other charges thereon, owing, arising, due or payable from any Borrower to Agent, for its own benefit, from any Borrower to Agent for the benefit of any Lender, from any Borrower to any Lender or from any Borrower to Bank or any other Affiliate of Agent, of any kind or nature, present or future, whether or not evidenced by any note, guaranty or other instrument, whether arising under the Agreement or any of the other Loan Documents or otherwise, whether direct or indirect (including those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising and however acquired, including without limitation any Product Obligations owing to Agent, any Lender, Bank or any Affiliate of Bank or Agent.

Organizational I.D. Number - with respect to any Person, the organizational identification number assigned to such Person by the applicable governmental unit or agency of the jurisdiction of organization of such Person.

Original Borrowers – the Borrowers party to the Original Loan Agreement.

Original Closing Date – the “Closing Date” as defined in the Original Loan Agreement.

Original Loan Agreement – as defined in the first WHEREAS clause to the Agreement.

Original Term Loan Commitment – the “Term Loan Commitment” (as defined in the Original Loan Agreement) for each Existing Lender.

Other Agreements - any and all agreements, instruments and documents (other than the Agreement and the Security Documents), heretofore, now or hereafter executed by Borrower, any Subsidiary of Borrower or any Guarantor other third party and delivered to Agent or any Lender in respect of the transactions contemplated by the Agreement, but excluding the Acquisition Documents.

Overadvance - as defined in subsection 1.1.2 of the Agreement.

Patent Security Agreement – the Patent and License Security Agreement(s) to be executed by each Borrower on or about the Closing Date in favor of Agent for its benefit and the benefit of Lenders pursuant to the priorities provided for in the Agreement, as such Patent and License Security Agreement(s) has (have) been or will be amended from time to time.

Permitted Discretion – a determination or judgment made in good faith in the exercise of commercially reasonable (from the perspective of a secured lender) credit or business judgment.

Permitted Liens - any Lien of a kind specified in subsection 8.2.5 of the Agreement.

Permitted Purchase Money Indebtedness - Purchase Money Indebtedness of any Borrower incurred after the date hereof which is secured by a Purchase Money Lien and the principal amount of which, when aggregated with the principal amount of all other such Indebtedness and Capitalized Lease Obligations of Borrowers and their Subsidiaries at the time outstanding, does not exceed \$2,000,000. For the purposes of this definition, the principal amount of any Purchase Money Indebtedness consisting of capitalized leases (as opposed to operating leases) shall be computed as a Capitalized Lease Obligation.

Person - an individual, partnership, corporation, limited liability company, joint stock company, land trust, business trust, or unincorporated organization, or a government or agency or political subdivision thereof.

Plan - an employee benefit plan now or hereafter maintained for employees of any Borrower or any of their Subsidiaries that is covered by Title IV of ERISA.

Pledge Agreement – the Pledge Agreement executed by Holdings, Triangle and Mountain View on or about the Closing Date in favor of Agent for its benefit and the benefit of Lenders, as such Pledge Agreement has been or will be amended from time to time.

Product Obligations - every obligation of any Borrower under and in respect of any one or more of the following types of services or facilities extended to such Borrower by Bank,



Agent, any Lender or any Affiliate of Bank or Agent: (i) credit cards, (ii) cash management or related services including the automatic clearing house transfer of funds for the account of such Borrower pursuant to agreement or overdraft, (iii) treasury management, including controlled disbursement services and (iv) Derivative Obligations.

Projections – Holdings and Borrowers’ forecasted Consolidated and consolidating (i) balance sheets, (ii) profit and loss statements, (iii) cash flow statements, and (iv) capitalization statements, all prepared on a consistent basis with the historical financial statements of Holdings, Borrowers and their Subsidiaries, together with appropriate supporting details and a statement of underlying assumptions.

Property - any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Purchase Money Indebtedness - means and includes (i) Indebtedness (other than the Obligations) for the payment of all or any part of the purchase price of any fixed assets, (ii) any Indebtedness (other than the Obligations) incurred at the time of or within 10 days prior to or after the acquisition of any fixed assets for the purpose of financing all or any part of the purchase price thereof, and (iii) any renewals, extensions or refinancings thereof, but not any increases in the principal amounts thereof outstanding at the time.

Purchase Money Lien - a Lien upon fixed assets which secures Purchase Money Indebtedness, but only if such Lien shall at all times be confined solely to the fixed assets the purchase price of which was financed through the incurrence of the Purchase Money Indebtedness secured by such Lien.

Rentals - as defined in subsection 8.2.18 of the Agreement.

Reportable Event - any of the events set forth in Section 4043(c) of ERISA.

Reserve Percentage - the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed on member banks of the Federal Reserve System against “Euro-currency Liabilities” as defined in Regulation D.

Restricted Investment - any investment made in cash or by delivery of Property to any Person, whether by acquisition of stock, Indebtedness or other obligation or Security, or by loan, advance or capital contribution, or otherwise, or in any Property except the following:

(i) investments by a Borrower, to the extent existing on the Closing Date, in one or more Subsidiaries of such Borrower and investment by a Borrower in any other wholly-owned Subsidiary that is a Guarantor;

(ii) Property to be used in the ordinary course of business;

(iii) Current Assets arising from the sale of goods and services in the ordinary course of business of any Borrower or any of its Subsidiaries;

(iv) investments in direct obligations of the United States of America, or any agency thereof or obligations guaranteed by the United States of America; provided that such obligations mature within one year from the date of acquisition thereof;

(v) investments in certificates of deposit maturing within one year from the date of acquisition and fully insured by the Federal Deposit Insurance Corporation;

(vi) investments in commercial paper given the highest rating by a national credit rating agency and maturing not more than 270 days from the date of creation thereof;

(vii) investments in money market, mutual or similar funds having assets in excess of \$100,000,000 and the investments of which are limited to investment grade securities;

(viii) intercompany loans permitted under subsection 8.2.2(v) of the Agreement;

(ix) investments existing on the date hereof and listed on Exhibit 8.2.12 hereto;

(x) guarantees permitted by this Agreement;

(xi) mergers and consolidations permitted by this Agreement; and

(xii) investments otherwise expressly permitted pursuant to the Agreement.

Revolving Credit Loan - a Loan made by any Lender pursuant to Section 1.1 of the Agreement.

Revolving Credit Maximum Amount - \$44,000,000 for each period between June 1 and October 31 within the Term and \$30,000,000 for each period between November 1 and May 31 within the Term, as such amounts may be reduced from time to time pursuant to the terms of the Agreement.

Revolving Loan Commitment - with respect to any Lender, the amount of such Lender's Revolving Loan Commitment pursuant to subsection 1.1.1 of the Agreement, as set forth below such Lender's name on the signature page hereof or any Assignment and Acceptance Agreement executed by such Lender.

Revolving Loan Percentage - with respect to each Lender, the percentage equal to the quotient of such Lender's Revolving Loan Commitment divided by the aggregate of all Revolving Loan Commitments.

Revolving Notes - the Secured Promissory Notes to be executed by Borrowers on or about the Closing Date in favor of each Lender to evidence the Revolving Credit Loans, which shall be in the form of Exhibit 1.1 to the Agreement, together with any replacement or successor notes therefor.

Security - all shares of stock, partnership interests, membership interests, membership units or other ownership interests in any other Person and all warrants, options or other rights to acquire the same.

Security Documents - the Guaranty Agreements, the Mortgages, the Patent Security Agreement, the Pledge Agreement, the Trademark Agreement and all other instruments and agreements now or at any time hereafter securing the whole or any part of the Obligations.

Seller Note(s) - that certain Subordinated Promissory Note(s) dated as of the Closing Date and executed and delivered by Holdings for the benefit of the sellers under the Circle System Acquisition Documents in the original aggregate principal amount of \$2,000,000.

Solvent - as to any Person, that such Person (i) owns Property whose fair saleable value is greater than the amount required to pay all of such Person's Indebtedness (including contingent debts), (ii) is able to pay all of its Indebtedness as such Indebtedness matures and (iii) has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage.

Subordinated Debt - Indebtedness of any Borrower or any Subsidiary of any Borrower that is subordinated to the Obligations in a manner satisfactory to Agent, and contains terms, including without limitation, payment terms, satisfactory to Agent, including, without limitation, Indebtedness outstanding pursuant to the Seller Note(s) and the Subordinated Debt Documents.

Subordinated Debt Documents - that certain Amended and Restated Subordinated Note Purchase Agreement dated on or about the Closing Date between Holdings, each Borrower and the holders of the Subordinated Notes and all schedules, exhibits and all schedules and other documents, instruments and agreements executed and/or delivered in connection therewith, including without limitation, the Subordination Agreement, as any of the foregoing may be modified or amended from time to time in accordance with the terms of the Subordination Agreement.

Subordinated Notes - those certain Amended and Restated Subordinated Notes and the Additional Subordinated Notes issued by Holdings and Borrowers pursuant to the Subordinated Debt Documents.

Subordination Agreement - that certain Amended and Restated Subordination Agreement dated on or about the Closing Date by and between Agent and the holders of the Subordinated Notes, as the same may be modified or amended from time to time.

Subsidiary - any Person of which another Person owns, directly or indirectly through one or more intermediaries, more than 50% of the Voting Stock at the time of determination.

Term - as defined in Section 4.1 of the Agreement.

Termination Date - the date on which this Agreement is terminated in accordance with the terms hereof.

Term Loan - the Loan described in subsection 1.3.1 of the Agreement.

Term Loan Commitment - with respect to any Lender, the amount of such Lender's Original Term Loan Commitment pursuant to subsection 1.3.1 of the Agreement, as set forth below such Lender's name on the signature pages of the Original Loan Agreement plus the

amount of such Lender's New Term Loan Commitment pursuant to subsection 1.3.1 of the Agreement, as set forth below such Lender's name on the signature pages hereof or any Assignment and Acceptance Agreement executed by such Lender, minus all Term Loan payments paid to such Lender.

Term Loan Notes - the notes described in subsection 1.3.1 of the Agreement.

Term Loan Percentage - with respect to each Lender, the percentage equal to the quotient of such Lender's Term Loan Commitment divided by the aggregate of all Term Loan Commitments.

Total Credit Facility - \$54,000,000, as reduced from time to time pursuant to the terms of the Agreement.

Trademark Security Agreement - the Trademark and License Security Agreement(s) to be executed by each Borrower on or about the Closing Date in favor of Agent for its benefit and the benefit of Lenders pursuant to the priorities provided for in this Agreement, as such Trademark and License Security Agreement(s) has (have) been or will be amended from time to time.

Type of Organization - with respect to any Person, the kind or type of entity by which such Person is organized, such as a corporation or limited liability company.

UCC - the Uniform Commercial Code as in effect in the State of Illinois on the date of this Agreement, as it may be amended or otherwise modified.

Unused Line Fee - as defined in Section 2.5 of the Agreement.

Voting Stock - Securities of any class or classes of a corporation, limited partnership or limited liability company or any other entity the holders of which are ordinarily, in the absence of contingencies, entitled to vote with respect to the election of corporate directors (or Persons performing similar functions).

Other Terms. All other terms contained in the Agreement shall have, when the context so indicates, the meanings provided for by the UCC to the extent the same are used or defined therein.

Certain Matters of Construction. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to the Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. The section titles, table of contents and list of exhibits appear as a matter of convenience only and shall not affect the interpretation of the Agreement. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. All references to any of the Loan Documents shall include any and all modifications thereto and any and all extensions or renewals thereof.

## LIST OF EXHIBITS AND SCHEDULES

Exhibit 1.1	Form of Amended and Restated Revolving Note
Exhibit 1.3A	Form of Amended and Restated Term Loan Note
Exhibit 6.1.1	Business Locations
Exhibit 7.1.1	Jurisdictions in which Borrower and each Subsidiary is Authorized to do Business
Exhibit 7.1.4	Capital Structure of Borrower and each Subsidiary
Exhibit 7.1.5	Names; Organization
Exhibit 7.1.10	GAAP Exceptions
Exhibit 7.1.13	Surety Obligations
Exhibit 7.1.14	Tax Identification Numbers of Subsidiaries
Exhibit 7.1.15	Brokers' Fees
Exhibit 7.1.16	Patents, Trademarks, Copyrights and Licenses
Exhibit 7.1.19	Contracts Restricting Right to Incur Debts
Exhibit 7.1.20	Litigation
Exhibit 7.1.22	Capitalized and Operating Leases
Exhibit 7.1.23	Pension Plans
Exhibit 7.1.25	Labor Relations
Exhibit 8.1.3	Form of Compliance Certificate
Exhibit 8.1.4	Form of Borrowing Base Certificate
Exhibit 8.2.3	Existing Indebtedness
Exhibit 8.2.5	Permitted Liens
Exhibit 8.2.11	Bill-and-Hold Sales, etc.
Exhibit 8.2.12	Permitted Investments
Exhibit 8.3	Financial Covenants

**EXHIBIT 1.1**  
**FORM OF REVOLVING CREDIT NOTE**  
**(SECURED PROMISSORY NOTE)**

[Aggregate of \$44,000,000]

Amended and Restated as of  
\_\_\_\_\_, 20\_\_\_\_  
Chicago, Illinois

**FOR VALUE RECEIVED**, the undersigned ("**Borrowers**") hereby jointly and severally promises to pay to the order of \_\_\_\_\_ ("**Lender**"), at the principal office of Bank of America, N.A., as agent for said Lender, or at such other place in the United States of America as the holder of this Note may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) or such lesser principal amount as may be outstanding pursuant to the Loan Agreement (as hereinafter defined) with respect to the Revolving Credit Loan, together with interest on the unpaid principal amount of this Note outstanding from time to time.

This Revolving Note (the "**Note**") is one of the Revolving Notes referred to in, and is issued pursuant to, that certain Amended and Restated Loan and Security Agreement among Borrowers, the lender signatories thereto (including Lender), and Bank of America, N.A. ("**Bank of America**") as agent for such lenders (Bank of America, in such capacity, "**Agent**") dated as of September 30, 2005 (hereinafter, as amended from time to time, the "**Loan Agreement**"), and is entitled to all of the benefits and security of the Loan Agreement. All of the terms, covenants and conditions of the Loan Agreement and the other Loan Documents are hereby made a part of this Note and are deemed incorporated herein in full. All capitalized terms used herein, unless otherwise specifically defined in this Note, shall have the meanings ascribed to them in the Loan Agreement.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Loan Agreement and, if not sooner paid in full, on the last day of the Term, unless the term hereof is extended in accordance with the Loan Agreement. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times as are specified in the Loan Agreement.

Upon and after the occurrence, and during the continuation, of an Event of Default, this Note shall or may, as provided in the Loan Agreement, become or be declared immediately due and payable.

The right to receive principal of, and stated interest on, this Note may only be transferred in accordance with the provisions of the Loan Agreement.

Demand, presentment, protest and notice of nonpayment and protest are hereby waived by Borrowers.

This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

**SCHUTT SPORTS MANUFACTURING  
CO.**

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

**SCHUTT MANUFACTURING  
COMPANY**

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

**TRIANGLE SPORTS, INC.**

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

**MOUNTAIN VIEW INVESTMENT  
COMPANY OF ILLINOIS**

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

**MELAS, INC.**

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

**SCHUTT SPORTS DISTRIBUTION  
COMPANY**

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

**R.D.H. ENTERPRISES, INC.**

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

**SCHUTT ATHLETIC SALES  
COMPANY**

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

**CIRCLE SYSTEM GROUP, INC.**

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



**GEOMETRY CORP.**

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

Name: \_\_\_\_\_

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

**EXHIBIT 1.3A**

**FORM OF TERM LOAN NOTE**

**(SECURED PROMISSORY NOTE)**

[Aggregate of \$10,000,000]

Amended and Restated as of  
\_\_\_\_\_, 20\_\_\_\_  
Chicago, Illinois

**FOR VALUE RECEIVED**, the undersigned ("**Borrowers**"), hereby jointly and severally promises to pay to the order of \_\_\_\_\_, a \_\_\_\_\_ corporation (hereinafter "**Lender**"), or its registered assigns at the office of Bank of America, N.A., as agent for such Lender, or at such other place in the United States of America as the holder of this Note may designate from time to time in writing, in lawful money of the United States, in immediately available funds, at the time of payment, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), together with interest from and after the date hereof on the unpaid principal balance outstanding from time to time.

This Secured Promissory Note (the "**Note**") is one of the Term Loan Notes referred to in, and is issued pursuant to, that certain Amended and Restated Loan and Security Agreement dated as of September 30, 2005, by and among Borrowers, the lender signatories thereto (including Lender), and Bank of America, N.A. ("**Bank of America**") as Agent for said lenders (Bank of America in such capacity "**Agent**") (hereinafter, as amended from time to time, the "**Loan Agreement**"), and is entitled to all of the benefits and security of the Loan Agreement. All of the terms, covenants and conditions of the Loan Agreement and the Security Documents are hereby made a part of this Note and are deemed incorporated herein in full. All capitalized terms used herein, unless otherwise specifically defined in this Note, shall have the meanings ascribed to them in the Loan Agreement.

For so long as no Event of Default shall have occurred and be continuing, the principal amount and accrued interest of this Note shall be due and payable on the dates and in the manner hereinafter set forth:

(a) interest on the unpaid principal balance outstanding from time to time shall be paid at such interest rates and at such times as are specified in the Loan Agreement;

(b) principal shall be due and payable in monthly installments on the last day of each month commencing October 31, 2005 in the amount of (x) \$138,888.89 each for the months ending during the period from and including October 31, 2005 to and including September 30, 2008 and (y) \$119,047.62 each for the months ending on or after October 31, 2008 until the outstanding principal balance of this Term Loan Note is paid in full; and

(c) the entire remaining principal amount then outstanding, together with any and all other amounts due hereunder, shall be due and payable on the last day of the Term.

Notwithstanding the foregoing, the entire unpaid principal balance and accrued interest on this Note shall be due and payable immediately upon any termination of the Loan Agreement pursuant to Section 4 thereof.

This Note shall be subject to mandatory prepayment in accordance with the provisions of Section 3.3 of the Loan Agreement. Borrowers may also prepay this Note in the manner provided in subsection 3.3.5 or Section 4 of the Loan Agreement.

Upon the occurrence, and during the continuation, of an Event of Default, this Note shall or may, as provided in the Loan Agreement, become or be declared immediately due and payable.

The right to receive principal of, and stated interest on, this Note may only be transferred in accordance with the provisions of the Loan Agreement.

Demand, presentment, protest and notice of nonpayment and protest are hereby waived by Borrowers.

This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

**SCHUTT SPORTS MANUFACTURING  
CO.**

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

**SCHUTT MANUFACTURING  
COMPANY**

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

**TRIANGLE SPORTS, INC.**

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

**MOUNTAIN VIEW INVESTMENT  
COMPANY OF ILLINOIS**

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

**MELAS, INC.**

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

**SCHUTT SPORTS DISTRIBUTION  
COMPANY**

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

**R.D.H. ENTERPRISES, INC.**

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

**SCHUTT ATHLETIC SALES  
COMPANY**

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

**CIRCLE SYSTEM GROUP, INC.**

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

**GEOMETRY CORP.**

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

**EXHIBIT 6.1.1**

**BUSINESS LOCATIONS**

1. Holdings currently has the following business locations, and no others:

Chief Executive Office:

Other Locations:

2. Holdings and each Borrower maintains its books and records relating to Accounts and General Intangibles at:

3. Holdings and each Borrower has had no office, place of business or agent for process located in any county other than as set forth above, except:

4. Each Subsidiary of any Borrower currently has the following business locations, and no others:

Chief Executive Office:

Other Locations:

5. Each Subsidiary of any Borrower maintains its books and records relating to Accounts and General Intangibles at:

6. Each Subsidiary of any Borrower has had no office, place of business or agent for process located in any county other than as set forth above, except:

7. The following bailees, warehouseman, similar parties and consignees hold Inventory of any Borrower or any one of its Subsidiaries:

Name and Address of Party	Nature of Relationship	Amount of Inventory	Owner of Inventory

Name and Address of Party	Nature of Relationship	Amount of Inventory	Owner of Inventory

**EXHIBIT 7.1.1**

**JURISDICTIONS IN WHICH HOLDINGS, ANY BORROWER  
AND THEIR SUBSIDIARIES  
ARE AUTHORIZED TO DO BUSINESS**

Name of Entity

Jurisdiction

**EXHIBIT 7.1.4**

**CAPITAL STRUCTURE**

1. The classes and the number of authorized and issued Securities of Holdings and each of its Subsidiaries and the record owner of such Securities of Holdings are as follows:

Holdings:

Class of Securities	Number of Securities Issued and Outstanding	Record Owners	Number of Securities Authorized but Unissued

Subsidiaries:

Class of Securities	Number of Securities Issued and Outstanding	Record Owners	Number of Securities Authorized but Unissued

2. The number, nature and holder of all other outstanding Securities of Holdings and each Subsidiary of Holdings are as follows:
3. The correct name and jurisdiction of incorporation or organization of each Subsidiary of Holdings and the percentage of its issued and outstanding Voting Stock owned by Holdings are as follows:

Name	Jurisdiction of Incorporation/Organization	Percentage of Voting Stock Owned by Borrower

4. The name of each of Holdings' and each Subsidiary of Holdings' corporate or joint venture Affiliates and the nature of the affiliation are as follows:
5. The agreements or instruments binding upon the partners, members or shareholders of Holdings or any of its Subsidiaries and relating to the ownership of its Securities, are as follows:



**EXHIBIT 7.1.5**

**NAMES; ORGANIZATION**

1. Holdings' correct name, as registered with the Secretary of State of the State of \_\_\_\_\_ is:
2. In the conduct of its business, Holdings has used the following names:
3. Each Subsidiary of Holdings' correct name, as registered with the Secretary of State of the State of its incorporation or formation, is:
4. In the conduct of its business, each Subsidiary has used the following names:
5. Holdings' Organizational I.D. Number is:
6. Each Subsidiary of Holdings' Organizational I.D. Number is:
7. Holdings' type of Organization is:
8. Each Subsidiary's of Holdings' type of Organization is:
9. Holdings has not been the surviving entity of a merger or consolidation nor has it acquired substantially all the assets of any person, except in connection with the Acquisition.
10. No Subsidiary of \_\_\_\_\_ has been the surviving entity of a merger or consolidation nor has it acquired substantially all the assets of any person, except as follows:

**EXHIBIT 7.1.10**  
**GAAP EXCEPTIONS**

**EXHIBIT 7.1.13**  
**SURETY OBLIGATIONS**

**EXHIBIT 7.1.14**

**TAX IDENTIFICATION NUMBERS OF SUBSIDIARIES OF HOLDINGS**

<u>Subsidiary</u>	<u>Number</u>
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**EXHIBIT 7.1.15**

**BROKERS' FEES**

**EXHIBIT 7.1.16**

**PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES**

1. Holdings' and its Subsidiaries' patents:

Patent	Owner	Status in Patent Office	Federal Registration Number	Registration Date

2. Holdings' and its Subsidiaries' trademarks:

Patent	Owner	Status in Patent Office	Federal Registration Number	Registration Date

3. Holdings' and its Subsidiaries' copyrights:

Patent	Owner	Status in Patent Office	Federal Registration Number	Registration Date

4. Holdings' and its Subsidiaries' licenses (other than routine business licenses, authorizing them to transact business in local jurisdictions):

Name of License	Nature of License	Licensor	Term of License

5. Infringement Activities:

6. Unregistered material trademarks, service marks and copyrights:

7. Material license agreements that do not permit assignment or limit the use of license after default:

**EXHIBIT 7.1.19**

**CONTRACTS RESTRICTING RIGHT TO INCUR DEBT**

Contracts that restrict the right of Holdings or any of its Subsidiaries to incur Indebtedness:

Title of Contract	Identity of Parties	Nature of Restriction	Term of Contract

**EXHIBIT 7.1.20**

**LITIGATION**

1. Actions, suits, proceedings and investigations pending against Holdings or any of its Subsidiaries:

Title of Action	Nature of Action	Complaining Parties	Jurisdiction or Tribunal

2. The only threatened actions, suits, proceedings or investigations of which Holdings or any of its Subsidiaries is aware are as follows:



**EXHIBIT 7.1.22**

**CAPITALIZED AND OPERATING LEASES**

Holdings and its Subsidiaries have the following capitalized and operating leases:

Lessee	Lessor	Term of Lease	Property Covered

**EXHIBIT 7.1.23**

**PENSION PLANS**

Holdings and its Subsidiaries have the following Plans:

Party	Type of Plan
Holdings	
Subsidiaries	

**EXHIBIT 7.1.25**

**COLLECTIVE BARGAINING AGREEMENTS; LABOR CONTROVERSIES**

1. Holdings and its Subsidiaries are parties to the following collective bargaining agreements:

Type of Agreement	Parties	Term of Agreement

2. Material grievances, disputes of controversies with employees of Holdings or any of its Subsidiaries are as follows:

Parties Involved	Nature of Grievance, Dispute or Controversy

3. Threatened strikes, work stoppages and asserted pending demands for collective bargaining with respect to Holdings or any of its Subsidiaries are as follows:

Parties Involved	Nature of Matter

**EXHIBIT 8.1.3**

**COMPLIANCE CERTIFICATE**

[ \_\_\_\_\_ ]

Bank of America, N.A., as Agent  
One South Wacker Drive  
Suite 3400  
Chicago, Illinois 60606

The undersigned, the chief financial officer of Schutt Holdings, Inc. ("Holdings"), gives this certificate to Bank of America, N.A., in its capacity as Agent ("Agent") in accordance with the requirements of subsection 8.1.3 of that certain Amended and Restated Loan and Security Agreement dated September 30, 2005 among Schutt Sports Manufacturing Co., Schutt Manufacturing Company, Triangle Sports, Inc., Mountainview Investment Company, Melas, Inc., Schutt Sports Distribution Company, R.D.H. Enterprises, Inc., Schutt Athletic Sales Company, Geometry Corp., Circle System Group, Inc., Agent and the Lenders party thereto ("Loan Agreement"). Capitalized terms used in this Certificate, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement.

1. Based upon my review of the balance sheets and statements of income of Holdings and its Subsidiaries for the [ \_\_\_\_\_ ] period ending \_\_\_\_\_, \_\_\_\_\_, copies of which are attached hereto, I hereby certify that:

(i) Capital Expenditures during the period and for the fiscal year to date total \$ \_\_\_\_\_ and \$ \_\_\_\_\_, respectively

(ii) EBITDA for the fiscal period from \_\_\_\_\_ to \_\_\_\_\_ equalled \$ \_\_\_\_\_; and

(iii) the Fixed Charge Coverage Ratio for the most recently ended four fiscal quarters was \_\_\_\_\_ to 1.

2. No Default exists on the date hereof, other than: \_\_\_\_\_  
\_\_\_\_\_ [if none, so state]; and

3. No Event of Default exists on the date hereof, other than \_\_\_\_\_  
\_\_\_\_\_ [if none, so state].

Very truly yours,

\_\_\_\_\_  
Chief Financial Officer

**EXHIBIT 8.1.4**

**FORM OF BORROWING BASE CERTIFICATE**

**[to come]**

**EXHIBIT 8.2.3**

**EXISTING INDEBTEDNESS**

<b><u>Borrower</u></b>	<b><u>Lender</u></b>	<b><u>Amount</u></b>	<b><u>Maturity</u></b>
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**EXHIBIT 8.2.5**

**PERMITTED LIENS**

Secured Party	Nature of Lien

**EXHIBIT 8.2.12**  
**PERMITTED INVESTMENTS**



## EXHIBIT 8.3

### FINANCIAL COVENANTS

#### DEFINITIONS

**Adjusted EBITDA** – with respect to any period, the sum of EBITDA for such period plus \$2,871,000 consisting of (i) \$463,000 with respect to normalized compensation, (ii) \$1,223,000 with respect to insurance adjustments, (iii) \$796,000 with respect to ERP consulting/training/software, (iv) \$436,000 with respect to ERP staffing savings, (v) \$262,000 with respect to transaction fees, (vi) \$55,000 with respect to consolidation savings, (vii) (\$238,000) with respect to other income/expense, net (viii) (\$125,000) with respect to dividends and (ix) \$1,852,000 with respect to excess compensation paid to management of Circle System.

**Consolidated Net Income (Loss)** - with respect to any fiscal period, the net income (or loss) of Holdings and its Subsidiaries determined in accordance with GAAP on a Consolidated basis; provided, however, Consolidated Net Income shall not include: (a) the income (or loss) of any Person (other than a Subsidiary of Holdings) in which Holdings or any of its wholly-owned subsidiaries has an ownership interest unless received in a cash distribution or requiring the payment of cash; (b) the income (or loss) of any Person accrued prior to the date it became a Subsidiary of Holdings or is merged into or consolidated with Holdings; (c) all amounts included in determining net income (or loss) in respect of the write-up of assets on or after the Closing Date, including the subsequent amortization or expensing of the written-up portion of the assets; (d) extraordinary gains as defined under GAAP; and (e) gains from asset dispositions (other than sales of inventory).

**EBITDA** – with respect to any period, the sum of Consolidated Net Income (Loss) before Interest Expense, income taxes, depreciation and amortization for such period (but excluding any extraordinary gains for such period) and before any extraordinary non-cash losses or charges incurred within such period in respect of pension reversions, management equity incentive plans, employee benefit plans and warrant issuance, all as determined for Holdings and its Subsidiaries on a Consolidated basis and in accordance with GAAP.

**Fixed Charge Coverage Ratio** – with respect to any period, the ratio of (i) EBITDA for such period minus the sum of (a) income taxes paid in cash within such period for such period plus (b) non-financed Capital Expenditures during such period, to (ii) Fixed Charges for such period, all as determined for Holdings and its Subsidiaries on a Consolidated basis and in accordance with GAAP.

**Fixed Charges** – with respect to any period, the sum of: (i) scheduled mandatory (excluding principal payments based on Excess Cash Flow) principal payments required to be made during such period in respect to Indebtedness for Money Borrowed (including the principal portion of Capitalized Lease Obligations), plus (ii) management fees paid by Borrowers or Holdings in cash to Gridirion Capital LLC or any of its Affiliates within such period to the extent not already taken into account in the determination of EBITDA for such period, plus (iii) Interest

Expense for such period, plus (iv) Distributions paid within such period, all as determined for Holdings and its Subsidiaries on a Consolidated basis and in accordance with GAAP.

**Interest Expense** - with respect to any period, interest expense payable in cash for such period, including without limitation the interest portion of Capitalized Lease Obligations, plus the Letter of Credit and LC Guaranty fees owing for such period, all as determined for Holdings and its Subsidiaries on a Consolidated basis and in accordance with GAAP.

The foregoing notwithstanding, Adjusted EBITDA, Consolidated Net Income (Loss) and EBITDA for fiscal periods ending prior to the Closing Date shall be as determined for Borrowers and their Subsidiaries on a Consolidated basis and in accordance with GAAP.

## COVENANTS

**Fixed Charge Coverage Ratio.** Borrower shall not permit the Fixed Charge Coverage Ratio for any period set forth below to be less than the ratio set forth below opposite such period:

<u>Period</u>	<u>Ratio</u>
Twelve month period ending October 31, 2006 and the last day of each month thereafter	1.10 to 1.0

**Minimum EBITDA.** Borrower shall not permit EBITDA for any period set forth below to be less than the amount set forth below opposite such period:

<u>Period</u>	<u>Amount</u>
Original Closing Date to September 30, 2005	\$4,500,000
Original Borrowers: Original Closing Date to October 31, 2005 Circle System: Closing Date to October 31, 2005	\$3,700,000
Original Borrowers: Original Closing Date to November 30, 2005 Circle System: Closing Date to November 30, 2005	\$3,700,000
Original Borrowers: Original Closing Date to December 31, 2005 Circle System: Closing Date to December 31, 2005	\$3,300,000
Original Borrowers: Original Closing Date to January 31, 2006 Circle System: Closing Date to January 31, 2006	\$3,500,000
Original Borrowers: Original Closing Date to February 28, 2006 Circle System: Closing Date to February 28, 2006	\$4,300,000

<u>Period</u>	<u>Amount</u>
Original Borrowers: Original Closing Date to March 31, 2006 Circle System: Closing Date to March 31, 2006	\$4,700,000
Original Borrowers: Twelve Month Period Ending on April 30, 2006 Circle System: Closing Date to April 30, 2006	\$5,900,000
Original Borrowers: Twelve Month Period Ending on May 31, 2006 Circle System: Closing Date to May 31, 2006	\$7,000,000
Original Borrowers: Twelve Month Period Ending on June 30, 2006 Circle System: Closing Date to June 30, 2006	\$8,000,000
Original Borrowers: Twelve Month Period Ending on July 31, 2006 Circle System: Closing Date to July 31, 2006	\$8,000,000
Original Borrowers: Twelve Month Period Ending on August 31, 2006 Circle System: Closing Date to August 31, 2006	\$8,000,000
Twelve Month Period Ending on September 30, 2006	\$8,000,000