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

Date of Report (Date of earliest event reported): September 29, 2009

Johnson Outdoors Inc.
(Exact name of registrant as specified in its charter)

Wisconsin	0-16255	39-1536083
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

555 Main Street, Racine, Wisconsin 53403
(Address of principal executive offices, including zip code)

(262) 631-6600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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:

[ ] 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))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On September 30, 2009, Johnson Outdoors Inc. (the "Company") issued a press release (the "Press Release") announcing that as of September 29, 2009 the Company and/or certain of its subsidiaries entered into new credit facilities. The credit facilities consisted of five separate Term Loan Agreements, each dated as of September 29, 2009 (the "Term Loan Agreements" or "Term Loans"), between the Company or one of its subsidiaries and Ridgestone Bank ("Ridgestone"), and a Revolving Credit and Security Agreement dated as of September 29, 2009 among the Company, certain of the Company's subsidiaries, PNC Bank, National Association, as lender, as administrative agent and collateral agent, and the other lenders named therein (the "Revolving Credit Agreement" or "Revolver" and collectively, with the Term Loans, the "Debt Agreements"). A copy of the Press Release is attached as Exhibit 99.1 to this report.

The Debt Agreements replace the Company's Amended and Restated Credit Agreement (Term) and the Amended and Restated Credit Agreement (Revolving) which were effective as of January 2, 2009 with JPMorgan Chase Bank N.A., as lender and administrative agent, and the other lenders named therein.

The new Term Loan Agreements provide for aggregate term loan borrowings of $15.9 million with maturity dates ranging from 15 to 25 years from the date of the Term Loan Agreement. Each Term Loan requires monthly payments of principal and interest. Interest on $9.3 million of the term loan is based on the prime rate plus 2.0 percent, and the remainder on the prime rate plus 2.75 percent. The Term Loans are guaranteed in part under the USDA Rural Development program and are secured with a first priority lien on certain real and tangible properties of the Company and its subsidiaries and a second lien on working capital and other intangible assets. Certain of the term loans covering $9.3 million of borrowings are subject to a pre-payment penalty. In the first year of such term loan agreements, the penalty is 10 percent of the pre-payment amount, decreasing by 1 percent annually.

The new Revolving Credit Agreement, maturing in three years from the date of the Revolving Credit Agreement, provides for funding of up to $69.0 million. Borrowing availability under the Revolver is based on certain eligible working capital assets, primarily account receivables and inventory. The Revolver contains a seasonal line reduction that reduces the maximum amount of borrowings to $46 million from mid-July to mid-November, consistent with the Company's reduced working capital needs throughout that period, and requires an annual seasonal pay down to $25 million for 60 days. The Revolver is secured with a first priority lien on working capital assets and other intangible assets and a second lien on certain real and tangible properties of the Company and its subsidiaries. The interest rate on the Revolver is based primarily on LIBOR plus 3.25 percent with a minimum LIBOR floor of 2.0 percent.

Under the terms of the Debt Agreements, the Company is required to comply with certain financial and non-financial covenants. Among other restrictions, the Company is restricted in its ability to pay dividends, incur additional debt and make acquisitions or divestitures above certain amounts. The key financial covenants include a minimum fixed charge coverage ratio, limits on minimum net worth and EBITDA, a limit on capital expenditures, and a seasonal pay-down requirement. At the Close Date, the Company had $15.9 million outstanding under the Term Loans and $12 million outstanding under the Revolver.

The Company incurred approximately $1.2 million of financing fees in conjunction with the execution of the Debt Agreements.

This description of the Debt Agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the Debt Agreements, copies of which are attached hereto as Exhibits 99.2, 99.3, 99.4, 99.5, 99.6 and 99.7, each of which is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

On September 29, 2009, as described in Item 1.01 above, the Company entered into new credit agreements which terminated the Amended and Restated Credit Agreement (Term) and the Amended and Restated Credit Agreement (Revolving) which were effective as of January 2, 2009 with JPMorgan Chase Bank N.A., as lender and administrative agent, and the other lenders named therein.

Section 2 - Financial Information

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

On September 29, 2009, the Company became obligated on direct financial obligations pursuant to the terms of the Debt Agreements, as described in Item 1.01 above.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed herewith:

Exhibit 99.1 – Press Release of Johnson Outdoors, Inc., issued September 30, 2009.

Exhibit 99.2 – Revolving Credit and Security Agreement dated as of September 29, 2009 among Johnson Outdoors Inc., certain subsidiaries of Johnson Outdoors Inc., PNC Bank, National Association, as lender, as administrative agent and collateral agent, and the other lenders named therein.

Exhibit 99.3 – Term Loan Agreement (loan number 15613) dated as of September 29, 2009 among Techsonic Industries Inc., Johnson Outdoors Marine Electronics LLC and Ridgestone Bank.

Exhibit 99.4 – Term Loan Agreement (loan number 15612) dated as of September 29, 2009 between Johnson Outdoors Gear LLC and Ridgestone Bank.

Exhibit 99.5 – Term Loan Agreement (loan number 15628) dated as of September 29, 2009 between Johnson Outdoors Watercraft Inc. and Ridgestone Bank.

Exhibit 99.6 – Term Loan Agreement (loan number 15614) dated as of September 29, 2009 between Johnson Outdoors Watercraft Inc. and Ridgestone Bank.

Exhibit 99.7 – Term Loan Agreement (loan number 15627) dated as of September 29, 2009 between Johnson Outdoors Watercraft Inc. and Ridgestone Bank.

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.

JOHNSON OUTDOORS INC.

Date: September 30, 2009

By: /s/ David W. Johnson
David W. Johnson, Vice President
and Chief Financial Officer

FOR IMMEDIATE RELEASE

AT JOHNSON OUTDOORS INC.

DAVID JOHNSON
VP & CHIEF FINANCIAL OFFICER
262-631-6600

CYNTHIA GEORGESON
VP - - WORLDWIDE COMMUNICATION
262-631-6600

JOHNSON OUTDOORS COMPLETES NEW FINANCING STRUCTURE

RACINE, WISCONSIN, September 30, 2009……Johnson Outdoors Inc. (Nasdaq: JOUT), a leading global outdoor recreation company, today announced it has refinanced and restructured the Company's debt, thereby reducing estimated 2010 borrowing costs by more than 40 percent compared with Fiscal Year 2009.

The highlights of the debt refinancing include:

- Total debt availability of up to $84.9 million through two new credit facilities secured primarily by the Company's U.S. assets. All related loan agreements have been signed and closed.
- A revolving credit facility that provides financing of up to $69 million which matures in 2012 with availability based on eligible account receivables and inventory. The facility is reduced to $46 million from mid-July to mid-November, consistent with the Company's reduced working capital needs throughout that period, and requires an annual seasonal pay down to $25 million for 60 days. PNC Capital Markets is the lead agent of four participating lenders in this short-term facility.
- A long-term facility that provides up to $15.9 million which matures in 15 to 25 years and is guaranteed in part by a USDA Rural Development program. Ridgestone Bank of Brookfield, Wisconsin arranged the term loan.
- Both credit facilities bear interest on a floating rate basis. The interest rate on the revolving credit facility is based primarily on LIBOR plus 3.25 percent with a minimum LIBOR floor of 2.0 percent. Interest on $9.3 million of the long-term facility is based on the prime rate plus 2.0 percent, and the remainder on prime rate plus 2.75 percent. Both compare favorably to the interest rate on the Company's previous financing agreement, which was based on LIBOR plus 5.0 percent and a minimum LIBOR floor of 3.5 percent.
- The Company anticipates completion on a loan agreement within the next 30 days related to its Canadian assets which would provide up to $6.0 million in additional debt availability through a revolving credit facility. Upon completion of the Canadian credit facility, the Company's combined revolving credit facilities will provide a total of up to $75 million in financing which is reduced to a total of $50 million from mid-July to mid-November; and, the Company's total debt availability will be $90.9 million.
- The restructured debt significantly reduces the Company's borrowing costs, from approximately $5.8 million in Fiscal Year 2009 to an estimated $3.3 million in 2010.
- One-time costs of $1.2 million to be paid at closing.
- Financial covenants for the two facilities are largely congruent and allow the Company the flexibility needed to execute its strategic plan.

The new financing structure replaces the Company's current amended credit agreements which were arranged by JP Morgan Chase and would have matured in 2010.

“We have been working diligently with lenders on an improved debt structure that better reflects our seasonal needs and stronger balance sheet, and we are pleased to have completed such a comprehensive debt restructuring in a very challenging refinancing market. Our ability to do so indicates the confidence of our lenders in our commitment to continue doing the right things to ensure sustained profitable growth going forward," said David W. Johnson, Chief Financial Officer.

For additional information regarding the refinancing, please see the Company’s Form 8-K filed today with the Securities and Exchange Commission.

ABOUT JOHNSON OUTDOORS INC.

JOHNSON OUTDOORS is a leading global outdoor recreation company that turns ideas into adventure with innovative, top-quality products. The company designs, manufactures and markets a portfolio of winning, consumer-preferred brands across four categories: Watercraft, Marine Electronics, Diving and Outdoor Equipment. Johnson Outdoors' familiar brands include, among others: Old Town® canoes and kayaks; Ocean Kayak™ and Necky® kayaks; Carlisle and Lendal® paddles; Extrasport® personal flotation devices; Minn Kota® motors; Cannon® downriggers; Humminbird® fishfinders; Geonav® marine electronics; SCUBAPRO® UWATEC® and Seemann® dive equipment; Silva® compasses; Tech^{4}O® digital instruments; and Eureka!® tents.

Visit Johnson Outdoors at http://www.johnsonoutdoors.com

SAFE HARBOR STATEMENT

Certain matters discussed in this press release are “forward-looking statements,” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical fact are considered forward-looking statements. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "could," "expect," "intend," "may," "planned," "potential," "should," "will," "would" or the negative of those terms or other words of similar meaning. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results or outcomes to differ materially from those currently anticipated. Factors that could affect actual results or outcomes include changes in consumer spending patterns; the Company’s success in implementing its strategic plan, including its focus on innovation; actions of and disputes with companies that compete with the Company; the Company’s success in managing inventory; fluctuations in LIBOR and prime lending rates which could result in higher than anticipated borrowing costs; risk of future write-downs of goodwill or other intangible assets; ability of the Company’s customers to meet payment obligations; movements in foreign currencies; the Company’s success in restructuring of its Watercraft and Diving operations; the success of suppliers and customers; the ability of the Company to deploy its capital successfully; adverse weather conditions; and other risks and uncertainties identified in the Company’s filings with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Exhibit 99.2

REVOLVING CREDIT AND SECURITY AGREEMENT

PNC BANK, NATIONAL ASSOCIATION
(AS A LENDER, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT)

WITH

JOHNSON OUTDOORS INC.
JOHNSON OUTDOORS WATERCRAFT INC.
JOHNSON OUTDOORS MARINE ELECTRONICS LLC
JOHNSON OUTDOORS GEAR LLC
JOHNSON OUTDOORS DIVING LLC
UNDER SEA INDUSTRIES, INC.

AND

TECHSONIC INDUSTRIES, INC.
(AS BORROWERS)

Arranged by:

PNC CAPITAL MARKETS LLC
(AS LEAD MANAGER AND SOLE BOOKRUNNER)

September 29, 2009

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REVOLVING CREDIT

AND

SECURITY AGREEMENT

Revolving Credit and Security Agreement dated as of September 29, 2009 among **Johnson Outdoors Inc.**, a Wisconsin corporation, **Johnson Outdoors Watercraft Inc.**, a Delaware corporation, **Johnson Outdoors Marine Electronics LLC.**, a Delaware limited liability company, **Johnson Outdoors Gear LLC**, a Delaware limited liability company, **Johnson Outdoors Diving LLC**, a Delaware limited liability company, **Under Sea Industries, Inc.**, a Delaware corporation and **Techsonic Industries, Inc.**, an Alabama corporation (each a "Borrower", and collectively "Borrowers"), the financial institutions which are now or which hereafter become a party hereto (collectively, the "Lenders" and each individually a "Lender") and **PNC Bank, National Association** ("PNC"), as administrative agent and collateral agent for Lenders (PNC, in such capacity, the "Agent").

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Borrowers, Lenders and Agent hereby agree as follows:

I. DEFINITIONS.

1.1. Accounting Terms. As used in this Agreement, the Other Documents or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined, shall have the respective meanings given to them under GAAP; provided, however, whenever such accounting terms are used for the purposes of determining compliance with financial covenants in this Agreement, such accounting terms shall be defined in accordance with GAAP as applied in preparation of the audited financial statements of Borrowers for the fiscal year ended October 3, 2008.

1.2. General Terms. For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.7 hereof.

"Administrative Services Agreements" shall mean, collectively, that certain (i) Services Agreement between JOI and Johnson Outdoors Gear, LLC, a Delaware limited liability company, dated October 4, 2008 and (ii) Services Agreement between JOI and Johnson Outdoors Diving, LLC, a Delaware limited liability company, dated October 4, 2007.

"Advance Rates" shall have the meaning set forth in Section 2.1(a)(y)(iii) hereof.

"Advances" shall mean and include the Revolving Advances, Letters of Credit and the Swing Loans, and any portion(s) thereof.

"Affiliate" of any Person shall mean (a) any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, managing member, general partner or senior officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote 5% or more of the Equity Interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for any such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by ownership of Equity Interests, contract or otherwise.

"Affiliate Earnings Before Interest and Taxes" shall mean for any period the sum of (i) net income (or loss) of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period, plus (iii) all charges against income of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period for federal, state and local taxes.

"Affiliate EBITDA" shall mean for any period the sum of (i) Affiliate Earnings Before Interest and Taxes for such period, plus (ii) depreciation expenses of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period, plus (iii) amortization expenses of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period, plus (iv) non-cash stock compensation expenses and non-cash pension expenses of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period, plus (v) up to an aggregate of $5,000,000 for fiscal years 2009 and 2010 (such $5,000,000 limit is on a combined basis for both fiscal years) for severance costs actually incurred by all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period in each case acceptable to Agent and subject to documentation reasonably satisfactory to Agent, minus (vi) non-cash income of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) for such period, plus (vii) other non-cash items of all non-Borrower direct and indirect Subsidiaries of JOI (other than Johnson Outdoors Canada Inc.) reducing JOI's consolidated net income (other than any such items which reflect on an accrual or reserve for a future cash charge or expense).

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and permitted assigns.

"Agreement" shall mean this Revolving Credit and Security Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the highest of (i) the Base Rate in effect on such day, (ii) the Federal Funds Open Rate in effect on such day plus one half of one-percent (0.50%), and (iii) the sum of the Daily LIBOR Rate in effect on such day plus one percent (1.0%), so long as a Daily LIBOR Rate is offered, ascertainable and not unlawful.

"Anti-Terrorism Laws" shall mean any Applicable Laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA PATRIOT Act, the Applicable Laws comprising or implementing the Bank Secrecy Act and the Applicable Laws administered by the United States Treasury Department's Office of Foreign Asset Control (as any of the foregoing Applicable Laws may from time to time be amended, renewed, extended, or replaced).

"Applicable Law" shall mean all laws, rules and regulations applicable to the Person, conduct, transaction, covenant, Other Document or contract in question, including all applicable common law and equitable principles; all applicable provisions of all applicable state, federal and foreign constitutions, statutes, rules, regulations and orders of any Governmental Body, and all orders, judgments and decrees of all courts and arbitrators.

"Authority" shall have the meaning set forth in Section 4.19(d) hereof.

"Base Rate" shall mean the base commercial lending rate of PNC as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from time to time by PNC as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers of PNC.

"Benefited Lender" shall have the meaning set forth in Section 2.20(e) hereof.

"Blocked Accounts" shall have the meaning set forth in Section 4.15(g) hereof.

"Blocked Account Bank" shall have the meaning set forth in Section 4.15(g) hereof.

"Blocked Person" shall have the meaning set forth in Section 5.24(b) hereof.

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Borrowers on a Consolidated Basis" shall mean the consolidation in accordance with GAAP of the accounts or other items of the Borrowers and their respective Subsidiaries.

"Borrowers' Account" shall have the meaning set forth in Section 2.8 hereof.

"Borrowing Agent" shall mean JOI.

"Borrowing Base Certificate" shall mean a certificate in substantially the form of Exhibit 1.2 duly executed by the President, Chief Financial Officer, Controller, Treasurer or Assistant Treasurer of the Borrowing Agent and delivered to Agent, appropriately completed, by which such officer shall certify to Agent the Formula Amount and calculation thereof as of the date of such certificate.

"Business Day" shall mean any day other than Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in East Brunswick, New Jersey and, if the applicable Business Day relates to any Eurodollar Rate Loans, such day must also be a day on which dealings are carried on in the London interbank market.

"Canadian Loan Agreement" shall mean that certain Revolving Credit and Security Agreement to be entered into among Johnson Outdoors Canada Inc., National City Bank, Canada Branch and the financial institutions party thereto from time to time providing for a revolving credit facility of not less than $6,000,000 with terms and conditions acceptable to Agent, as amended, restated, supplemented or replaced from time to time.

"Canadian Loan Documents" shall mean, collectively, the Canadian Loan Agreement and each other document, agreement, exhibit or schedule delivered in connection therewith, each as amended, restated, supplemented or replaced from time to time.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

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

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"Change of Ownership" shall mean (a) 99% or more of the voting Equity Interests of any direct or indirect Subsidiary of JOI is no longer owned directly or indirectly (on a fully diluted basis) by JOI, (b) 50% or more of the voting Equity Interests of JOI is no longer owned directly or indirectly (on a fully diluted basis) by the Johnson Family, (c) from and after the date hereof, individuals who on the date hereof constitute the board of directors of JOI (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of JOI was approved by a vote of a majority of the directors then still in office who were either directors on the date hereof or whose election or nomination for election was previously approved) cease for any reason to constitute a majority of the board of directors of JOI then in office; or (d) any merger, consolidation or sale of substantially all of the property or assets of any Borrower or any direct or indirect Subsidiary of any Borrower except as permitted by Section 7.1.

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including the Pension Benefit Guaranty Corporation or any environmental agency or superfund), upon the Collateral, any Borrower or any of their respective Subsidiaries.

"Closing Date" shall mean September 29, 2009 or such other date as may be agreed to by the parties hereto.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

"Collateral" shall mean and include:

(a) all Receivables;

(b) all Equipment;

(c) all General Intangibles;

(d) all Inventory;

(e) all Investment Property;

(f) all Subsidiary Stock;

(g) all of each Borrower's right, title and interest in and to, whether now owned or hereafter acquired and wherever located; (i) its respective goods and other property including, but not limited to, all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of each Borrower's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all additional amounts due to any Borrower from any Customer relating to the Receivables; (iv) other property, including warranty claims, relating to any goods securing the Obligations; (v) all of each Borrower's contract rights, rights of payment which have been earned under a contract right, instruments (including promissory notes), documents, chattel paper (including electronic chattel paper), warehouse receipts, deposit accounts, letters of credit and money; (vi) all commercial tort claims (whether now existing or hereafter arising); (vii) if and when obtained by any Borrower, all real and personal property of third parties in which such Borrower has been granted a lien or security interest as security for the payment or enforcement of Receivables; (viii) all letter of credit rights (whether or not the respective letter of credit is evidenced by a writing); (ix) all supporting obligations; and (x) any other goods, personal property or real property now owned or hereafter acquired in which any Borrower has expressly granted a security interest or may in the future grant a security interest to Agent hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between Agent and any Borrower;

(h) all of each Borrower's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any Borrower or in which it has an interest), computer programs, tapes, disks and documents relating to (a), (b), (c), (d), (e), (f) or (g) of this paragraph; and

(i) all proceeds and products of (a), (b), (c), (d), (e), (f), (g) and (h) in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

"Commitment Percentage" of any Lender shall mean the percentage set forth below such Lender's name on the signature page hereof as same may be adjusted upon any assignment by a Lender pursuant to Section 16.3(c) or (d) hereof.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 16.3 hereto, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Advances under this Agreement.

"Compliance Certificate" shall mean a compliance certificate to be signed by the Chief Financial Officer, Controller, Treasurer or Assistant Treasurer of Borrowing Agent, which shall state that, based on an examination sufficient to permit such officer to make an informed statement, no Default or Event of Default exists, or if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Borrowers with respect to such default and, such certificate shall have appended thereto calculations which set forth Borrowers' compliance with the requirements or restrictions imposed by Sections 6.5, 7.4, 7.5, 7.6, 7.7, 7.8 and 7.11.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Borrower's business or necessary (including to avoid a conflict or breach under any agreement, instrument, other document, license, permit or other authorization) for the execution, delivery or performance of this Agreement, the Other Documents or the Subordinated Loan Documentation, including any Consents required under all applicable federal, state or other Applicable Law.

"Consigned Inventory" shall mean Inventory of any Borrower that is in the possession of another Person on a consignment, sale or return, or other basis that does not constitute a final sale and acceptance of such Inventory.

"Contract Rate" shall have the meaning set forth in Section 3.1 hereof.

"Controlled Group" shall mean, at any time, each Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Borrower, are treated as a single employer under Section 414 of the Code.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Borrower, pursuant to which such Borrower is to deliver any personal property or perform any services.

"Customs" shall have the meaning set forth in Section 2.11(b) hereof.

"Daily LIBOR Rate" shall mean, for any day, the rate per annum determined by Agent by dividing (x) the Published Rate by (y) a number equal to 1.00 minus the Reserve Percentage.

"Dating Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(ii) hereof.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by any Borrower to make interest payments on any Advances hereunder, plus (b) all cash actually expended by any Borrower to make payments for all fees, commissions and charges set forth herein and with respect to any Advances, plus (c) all cash actually expended by any Borrower to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by any Borrower to make payments under any Plan to which a Borrower is a party, plus (e) all cash actually expended by any Borrower to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone Bank to the extent such prepayments are made out of the net proceeds of such sale), plus (f) all cash expended by any Borrower to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating covenants under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by any Borrower to make interest payments on any Advances hereunder, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by any Borrower to make interest payments on any Advances hereunder for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by any Borrower to make interest payments on any Advances hereunder for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone Bank as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone Bank for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone Bank for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone Bank for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

"Default" shall mean an event, circumstance or condition which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1 hereof.

"Defaulting Lender" shall have the meaning set forth in Section 2.23(a) hereof.

"Depository Accounts" shall have the meaning set forth in Section 4.15(g) hereof.

"Designated Lender" shall have the meaning set forth in Section 16.2(b) hereof.

"Documents" shall have the meaning set forth in Section 8.1(c) hereof.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Rate Loan" shall mean any Advance that bears interest based upon the Alternate Base Rate.

"Domestic Subsidiary" of any Person, shall mean any Subsidiary of such Person that is organized or incorporated in the United States or any state or territory thereof.

"Drawing Date" shall have the meaning set forth in Section 2.12(b) hereof.

"Early Termination Date" shall have the meaning set forth in Section 13.1 hereof.

"Earnings Before Interest and Taxes" shall mean for any period the sum of (i) net income (or loss) of JOI for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of JOI for such period, plus (iii) all charges against income of JOI for such period for federal, state and local taxes, determined on a consolidated basis.

"EBITDA" shall mean for any period the sum of (i) Earnings Before Interest and Taxes for such period, plus (ii) depreciation expenses of JOI for such period, plus (iii) amortization expenses of JOI for such period, plus (iv) non-cash stock compensation expenses and non-cash pension expenses of JOI for such period, plus (v) up to an aggregate of $5,000,000 for fiscal years 2009 and 2010 (such $5,000,000 limit is on a combined basis for both fiscal years) for severance costs actually incurred by JOI or any its direct or indirect Subsidiaries for such period in each case acceptable to Agent and subject to documentation reasonably satisfactory to Agent, minus (vi) non-cash income of JOI for such period, plus (vii) other non-cash items reducing consolidated net income (other than any such items which reflect on an accrual or reserve for a future cash charge or expense) of JOI for such period.

"Eligible Dating Receivables" shall mean a Receivable of Watercraft, Johnson Marine or Techsonic which is not an Eligible Receivable as a result of Subsection (b) of the definition of Eligible Receivables (but which would otherwise constitute an Eligible Receivable by Agent) and for which Watercraft, Johnson Marine or Techsonic has provided extended terms to such Customer under a written dating program acceptable to Agent and such Receivable is not unpaid more than thirty (30) days after the original due date under such dating program; provided further that no Receivables shall constitute Eligible Dating Receivables if such Receivable is due more than 365 days after its original invoice date.

"Eligible Inventory" shall mean and include Inventory, excluding work in process, with respect to each Borrower, valued at the lower of cost or market value, determined on a first-in-first-out basis, which is not, in Agent's Permitted Discretion, obsolete, slow moving or unmerchantable and which Agent, in its Permitted Discretion, shall not deem ineligible Inventory, based on such considerations as Agent may from time to time deem appropriate including whether the Inventory is subject to a perfected, first priority security interest in favor of Agent and no other Lien (other than a Permitted Encumbrance). In addition, Inventory shall not be Eligible Inventory if it: (i) does not conform to all applicable standards imposed by any Governmental Body which has regulatory authority over such goods or the use or sale thereof; (ii) is in transit; (iii) is located outside the continental United States or Canada or at a location that is not otherwise in compliance with this Agreement; (iv) constitutes Consigned Inventory; (v) is the subject of an Intellectual Property Claim which is reasonably likely to prohibit such Borrower from selling such Inventory in the Ordinary Course of Business or Agent from selling such Inventory in the exercise of its remedies hereunder; (vi) is subject to a License Agreement or other agreement that limits, conditions or restricts such Borrower's or Agent's right to sell or otherwise dispose of such Inventory, unless Agent is a party to a Licensor/Agent Agreement with the Licensor under such License Agreement or Agent has established reserves in an amount determined necessary by Agent in its Permitted Discretion and Agent is otherwise satisfied that it may sell or otherwise dispose of such Inventory without (a) infringing the rights of such Licensor, (b) violating any contract with such Licensor, or (c) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current License Agreement or such other License Agreements as are approved by the Agent in its Permitted Discretion; (vii) is situated at a location not owned by a Borrower unless the owner or occupier of such location has executed in favor of Agent a Lien Waiver Agreement or Agent has instituted a rent reserve in an amount equal to three months rent for such location; or (viii) if the sale of such Inventory would result in an ineligible Receivable**.**

"Eligible Receivables" shall mean and include with respect to each Borrower, each Receivable of such Borrower arising in the Ordinary Course of Business and which Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time reasonably deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower or to a Person controlled by an Affiliate of any Borrower;

(b) it is due or unpaid more than sixty (60) days after the original due date or one hundred (120) days after the original invoice date;

(c) fifty percent (50%) or more of the Receivables from such Customer are not deemed Eligible Receivables hereunder (such percentage may, from time to time, be decreased in the Agent's Permitted Discretion or increased upon the consent of Required Lenders);

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;

(e) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case or proceeding under any state, federal, or Canadian bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) the sale is to a Customer outside the continental United States of America or Canada, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its Permitted Discretion;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(h) Agent determines, in the exercise of its Permitted Discretion, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(i) the Customer is the United States of America, any state, the federal government of Canada, the government of any province or territory of Canada or any department, agency or instrumentality of any of them, unless the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or the Financial Administration Act (Canada) or has otherwise complied with other applicable statutes or ordinances;

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

(k) the Receivables of the Customer exceed a credit limit determined by Agent, in the exercise of its Permitted Discretion, to the extent such Receivable exceeds such credit limit provided Borrowing Agent has received prior written notice of such credit limit;

(l) the Receivable is subject to any offset, deduction, defense, dispute, or counterclaim (provided such Receivable shall be ineligible only to the extent of such offset, deduction, defense or counterclaim), the Customer is also a creditor or supplier of a Borrower (unless such Customer has provided a non-offset agreement acceptable to Agent) or the Receivable is contingent in any respect or for any reason;

(m) the applicable Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts or allowances made in the Ordinary Course of Business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(n) any return, rejection or repossession of the merchandise has occurred (provided such Receivable shall be ineligible only to the extent of the amount billed for returned, rejected or repossessed merchandise) or the rendition of services has been disputed;

(o) such Receivable is not payable to a Borrower; or

(p) such Receivable is not otherwise satisfactory to Agent as determined in good faith by Agent in the exercise of its Permitted Discretion.

"Environmental Complaint" shall have the meaning set forth in Section 4.19(d) hereof.

"Environmental Laws" shall mean all applicable federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and legally enforceable rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Equipment" shall mean and include as to each Borrower all of such Borrower's goods (other than Inventory) whether now owned or hereafter acquired and wherever located including all equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"Equity Interests" of any Person shall mean any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and the rules and regulations promulgated thereunder.

"Eurodollar Rate" shall mean for any Eurodollar Rate Loan for the then current Interest Period relating thereto, the interest rate per annum determined by Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by Agent which has been approved by the British Bankers' Association as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the London interbank offered rate for U.S. Dollars for an amount comparable to such Eurodollar Rate Loan and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal 1.00 minus the Reserve Percentage. The Eurodollar Rate may also be expressed by the following formula:

Eurodollar Rate = Average of London interbank offered rates quoted by Bloomberg or appropriate Successor as shown on Bloomberg Page BBAM1 / 1.00 - Reserve Percentage

The Eurodollar Rate shall be adjusted with respect to any Eurodollar Rate Loan that is outstanding on the effective date of any change in the Reserve Percentage as of such effective date. Agent shall give prompt notice to the Borrowing Agent of the Eurodollar Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

"Eurodollar Rate Loan" shall mean an Advance at any time that bears interest based on the Eurodollar Rate.

"Event of Default" shall have the meaning set forth in Article X hereof.

"Exchange Act" shall have the mean the Securities Exchange Act of 1934, as amended.

"Executive Order No. 13224" shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Federal Funds Effective Rate" for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

"Federal Funds Open Rate" for any day shall mean the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by PNC (an "Alternate Source") (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the PNC at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. If and when the Federal Funds Open Rate changes, the rate of interest with respect to any advance to which the Federal Funds Open Rate applies will change automatically without notice to the Borrowers, effective on the date of any such change.

"Fee Letter" shall mean that certain Letter Agreement dated the Closing Date among JOI, PNC and PNC Capital Markets LLC.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends and cash taxes paid during such period to (b) all Debt Payments made during such period.

"Foreign Subsidiary" of any Person, shall mean any Subsidiary of such Person that is not organized or incorporated in the United States or any State or territory thereof.

"Formula Amount" shall have the meaning set forth in Section 2.1(a) hereof.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time.

"General Intangibles" shall mean and include as to each Borrower all of such Borrower's general intangibles, whether now owned or hereafter acquired, including all payment intangibles, all choses in action, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trademarks, trademark applications, service marks, trade secrets, goodwill, copyrights, design rights, software, computer information, source codes, codes, records and updates, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, computer programs, all claims under guaranties, security interests or other security held by or granted to such Borrower to secure payment of any of the Receivables by a Customer (other than to the extent covered by Receivables) all rights of indemnification and all other intangible property of every kind and nature (other than Receivables).

"Governmental Acts" shall have the meaning set forth in Section 2.17 hereof.

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity, authority, agency, division or department exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

"Guarantor" shall mean any Person who may hereafter guarantee payment or performance of the whole or any part of the Obligations and "Guarantors" means collectively all such Persons.

"Guarantor Security Agreement" shall mean any security agreement executed by any Guarantor in favor of Agent securing the Obligations or the Guaranty of such Guarantor.

"Guaranty" shall mean any guaranty of the obligations of Borrowers executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders.

"Hazardous Discharge" shall have the meaning set forth in Section 4.19(d) hereof.

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA, Articles 15 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and in the regulations adopted pursuant thereto. Notwithstanding the foregoing, "Hazardous Substances" shall not include commercially reasonable amounts of such materials used in the ordinary course of business which are used and stored in accordance with Environmental Laws.

"Hazardous Wastes" shall mean all waste materials subject to regulation under CERCLA, RCRA or applicable state law, and any other applicable Federal and state laws now in force or hereafter enacted relating to hazardous waste disposal.

"Hedge Liabilities" shall have the meaning provided in the definition of "Lender-Provided Interest Rate Hedge".

"Indebtedness" of a Person at a particular date shall mean all obligations of such Person which in accordance with GAAP would be classified upon a balance sheet as liabilities (except capital stock and surplus earned or otherwise) and in any event, without limitation by reason of enumeration, shall include all indebtedness, debt and other similar monetary obligations of such Person whether direct or guaranteed, and all premiums, if any, due at the required prepayment dates of such indebtedness, and all indebtedness secured by a Lien on assets owned by such Person, whether or not such indebtedness actually shall have been created, assumed or incurred by such Person. Any indebtedness of such Person resulting from the acquisition by such Person of any assets subject to any Lien shall be deemed, for the purposes hereof, to be the equivalent of the creation, assumption and incurring of the indebtedness secured thereby, whether or not actually so created, assumed or incurred.

"Ineligible Security" shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

"Intellectual Property" shall mean property constituting under any Applicable Law a patent, patent application, copyright, trademark, service mark, trade name, mask work, trade secret or license or other right to use any of the foregoing.

"Intellectual Property Claim" shall mean the assertion by any Person of a claim (whether asserted in writing, by action, suit or proceeding or otherwise) that any Borrower's ownership, use, marketing, sale or distribution of any Inventory, Equipment, Intellectual Property or other property or asset is violative of any ownership of or right to use any Intellectual Property of such Person.

"Intercompany Loans" shall mean temporary loans incurred from time to time by any Borrower from a Subsidiary or Affiliate of JOI, each of which loan shall be a Subordinated Loan hereunder subject to the terms of a Subordination Agreement.

"Interest Period" shall mean the period provided for any Eurodollar Rate Loan pursuant to Section 2.2(b) hereof.

"Interest Rate Hedge" shall mean an interest rate exchange, collar, cap, swap, adjustable strike cap, adjustable strike corridor or similar agreements entered into by any Borrower or its Subsidiaries in order to provide protection to, or minimize the impact upon, such Borrower, any Guarantor and/or their respective Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

"Inventory" shall mean and include as to each Borrower all of such Borrower's now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any consignment arrangement, contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Borrower's business or used in selling or furnishing such goods, merchandise and other personal property, and all documents of title or other documents representing them.

"Inventory Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(iii) hereof.

"Investment Property" shall mean and include as to each Borrower, all of such Borrower's now owned or hereafter acquired securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodities contracts and commodities accounts.

"Issuer" shall mean any Person who issues a Letter of Credit and/or accepts a draft pursuant to the terms hereof.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or other legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Johnson Marine" shall mean Johnson Outdoors Marine Electronics LLC, a Delaware limited liability company.

"JOI" shall mean Johnson Outdoors Inc., a Wisconsin corporation.

"Leasehold Interests" shall mean all of each Borrower's right, title and interest in and to, and as lessee, of the premises identified on Schedule 4.19(A) hereto.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender.

"Lender Default" shall have the meaning set forth in Section 2.23(a) hereof.

"Lender-Provided Interest Rate Hedge" shall mean an Interest Rate Hedge which is provided by any Lender and with respect to which Agent confirms meets the following requirements: such Interest Rate Hedge (i) is documented in a standard International Swap Dealer Association Agreement, (ii) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner, and (iii) is entered into for hedging (rather than speculative) purposes. The liabilities of any Borrower to the provider of any Lender-Provided Interest Rate Hedge (the "Hedge Liabilities") shall be "Obligations" hereunder, guaranteed obligations under the Guaranty and secured obligations under the Guarantor Security Agreement and otherwise treated as Obligations for purposes of each of the Other Documents. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents.

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2 hereof.

"Letter of Credit Borrowing" shall have the meaning set forth in Section 2.12(d) hereof.

"Letter of Credit Sublimit" shall mean Three Million Five Hundred Thousand Dollars ($3,500,000).

"Letters of Credit" shall have the meaning set forth in Section 2.9 hereof.

"License Agreement" shall mean any agreement between any Borrower and a Licensor pursuant to which such Borrower is authorized to use any Intellectual Property in connection with the manufacturing, marketing, sale or other distribution of any Inventory of such Borrower or otherwise in connection with such Borrower's business operations.

"Licensor" shall mean any Person from whom any Borrower obtains the right to use (whether on an exclusive or non-exclusive basis) any Intellectual Property in connection with such Borrower's manufacture, marketing, sale or other distribution of any Inventory or otherwise in connection with such Borrower's business operations.

"Licensor/Agent Agreement" shall mean an agreement between Agent and a Licensor, in form and content satisfactory to Agent, by which Agent is given the unqualified right, vis-a-vis such Licensor, to enforce Agent's Liens with respect to and to dispose of any Borrower's Inventory with the benefit of any Intellectual Property applicable thereto, irrespective of such Borrower's default under any License Agreement with such Licensor.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), Charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction.

"Lien Waiver Agreement" shall mean an agreement which is executed in favor of Agent by a Person who owns or occupies premises at which any Collateral may be located from time to time and by which such Person shall waive or subordinate any Lien that such Person may ever have with respect to any of the Collateral and shall authorize Agent from time to time to enter upon the premises to inspect or remove the Collateral from such premises or to use such premises to store or dispose of such Inventory.

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition (financial or otherwise), results of operations, assets, business, properties or prospects of the Borrowers taken as a whole, (b) the Borrowers' ability to duly and punctually pay or perform the Obligations in accordance with the terms thereof, (c) the value of the Collateral, or Agent's Liens on the Collateral or the priority of any such Lien or (d) the practical realization of the benefits of Agent's and each Lender's rights and remedies under this Agreement and the Other Documents.

"Maximum Face Amount" shall mean, with respect to any outstanding Letter of Credit, the face amount of such Letter of Credit including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

"Maximum Revolving Advance Amount" shall mean (i) Forty Six Million Dollars ($46,000,000) for the period commencing on July 15th of each year through and including November 15th of each year, and (ii) Sixty Nine Million Dollars ($69,000,000) for the period commencing on November 16th of each year through and including July 14th of the immediately succeeding year, or such lesser amounts based on voluntary commitment reductions elected by Borrowers in accordance with Section 2.1(d) hereof.

"Maximum Swing Loan Advance Amount" shall mean Seven Million Five Hundred Thousand Dollars ($7,500,000).

"Maximum Undrawn Amount" shall mean with respect to any outstanding Letter of Credit, the amount of such Letter of Credit that is or may become available to be drawn, including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

"MEG" shall mean, collectively, Johnson Outdoors Marine Electronics LLC and Techsonic Industries, Inc.

"MEG Earnings Before Interest and Taxes" shall mean for any period the sum of (i) net income (or loss) of MEG on a consolidated basis for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of MEG on a consolidated basis for such period for such period, plus (iii) all charges against income of MEG on a consolidated basis for such period for such period for federal, state and local taxes.

"MEG EBITDA" shall mean for any period the sum of (i) MEG Earnings Before Interest and Taxes for such period, plus (ii) depreciation expenses of MEG on a consolidated basis for such period, plus (iii) amortization expenses of MEG on a consolidated basis for such period, plus (iv) non-cash stock compensation expenses and non-cash pension expenses of MEG on a consolidated basis for such period, minus (v) non-cash income of MEG for such period, plus (vii) other non-cash items of MEG reducing MEG's consolidated net income (other than any such items which reflect on an accrual or reserve for a future cash charge or expense) for such period.

"Modified Commitment Transfer Supplement" shall have the meaning set forth in Section 16.3(d) hereof.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA to which contributions are required by any Borrower or any member of the Controlled Group.

"Multiple Employer Plan" shall mean a Plan which has two or more contributing sponsors (including any Borrower or any member of the Controlled Group) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Worth" at a particular date, shall mean all amounts which would be included under shareholders' equity on a balance sheet of JOI on a consolidated basis determined in accordance with GAAP as at such date.

"Notes" shall mean collectively, the Revolving Credit Notes and the Swing Loan Note, in each case as amended, restated, supplemented or replaced from time to time.

"Obligations" shall mean and include any and all loans (including without limitation, all Advances and Swing Loans, advances, debts, liabilities, obligations, covenants and duties owing by any Borrower to Lenders or Agent or to any other direct or indirect subsidiary or Affiliate of Agent or any Lender of any kind or nature, present or future (including any interest or other amounts accruing thereon, and any costs and expenses of any Person payable by Borrower and any indemnification obligations payable by Borrower arising or payable after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Borrower, whether or not a claim for post-filing or post-petition interest or other amounts is allowable or allowed in such proceeding), whether or not evidenced by any note, guaranty or other instrument, whether arising under any agreement, instrument or document, (including this Agreement and the Other Documents) whether or not for the payment of money, whether arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, under any interest or currency swap, future, option or other similar agreement, or in any other manner, whether arising out of overdrafts or deposit or other accounts or electronic funds transfers (whether through automated clearing houses or otherwise) or out of Agent's or any Lenders non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository transfer check or other similar arrangements, whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including, but not limited to, any and all of any Borrower's Indebtedness and/or liabilities under this Agreement, the Other Documents or under any other agreement between Agent or Lenders and any Borrower and any amendments, extensions, renewals or increases and all costs and expenses of Agent and any Lender incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including but not limited to reasonable attorneys' fees and expenses and all obligations of any Borrower to Agent or Lenders to perform acts or refrain from taking any action.

"Ordinary Course of Business" shall mean with respect to any Borrower, the ordinary course of such Borrower's business as conducted on the Closing Date, or as subsequently modified to address changes in market conditions, technology or the addition of business lines reasonably related or complementary to Borrowers' business, and as disclosed to and acceptable to Agent in its Permitted Discretion.

"Other Documents" shall mean the Notes, the Perfection Certificates, the Fee Letter, any Guaranty, any Guarantor Security Agreement, any Lender-Provided Interest Rate Hedge and any and all other agreements, instruments and documents, including intercreditor agreements, guaranties, pledges, powers of attorney, consents, interest or currency swap agreements or other similar agreements and all other writings heretofore, now or hereafter executed by any Borrower or any Guarantor and/or delivered to Agent or any Lender in respect of the transactions contemplated by this Agreement.

"Out-of-Formula Loans" shall have the meaning set forth in Section 16.2(b) hereof.

"Parent" of any Person shall mean a corporation or other entity owning, directly or indirectly at least 50% of the shares of stock or other ownership interests having ordinary voting power to elect a majority of the directors of the Person, or other Persons performing similar functions for any such Person.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

"Participation Advance" shall have the meaning set forth in Section 2.12(d) hereof.

"Participation Commitment" shall mean each Lender's obligation to buy a participation of the Letters of Credit issued hereunder.

"Payee" shall have the meaning set forth in Section 3.10 hereof.

"Payment Office" shall mean initially Two Tower Center Boulevard, East Brunswick, New Jersey 08816; thereafter, such other office of Agent, if any, which it may designate by notice to Borrowing Agent and to each Lender to be the Payment Office.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"Perfection Certificates" shall mean collectively, the Perfection Certificates and the responses thereto provided by each Borrower and delivered to Agent.

"Pension Benefit Plan" shall mean at any time any employee pension benefit plan (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained or to which contributions are required by any member of the Controlled Group for employees of any member of the Controlled Group; or (ii) has at any time within the preceding five years been maintained or to which contributions have been required by any entity which was at such time a member of the Controlled Group for employees of any entity which was at such time a member of the Controlled Group.

"Permitted Acquisitions" shall mean acquisitions of the assets or Equity Interests of another Person so long as: (a) after giving effect to such acquisition Borrowers have Undrawn Availability of not less than $10,000,000; (b) the total costs and liabilities of any one acquisition does not exceed, in the aggregate, $6,500,000 (including without duplication all assumed liabilities, all earn-out payments (to the extent reasonably likely to be payable), deferred payments and the value of any other stock or assets transferred, assigned or encumbered with respect to such acquisitions); (c) the total costs and liabilities of all such acquisitions through the end of the Term do not exceed, in the aggregate, $15,000,000 (including without duplication all assumed liabilities, all earn-out payments (to the extent reasonably likely to be payable), deferred payments and the value of any other stock or assets transferred, assigned or encumbered with respect to such acquisitions); (d) with respect to the acquisition of Equity Interests, such acquired company shall have a positive EBITDA and tangible net worth on an actual basis or would have been on a pro forma basis after taking into account the operational and administrative efficiencies contemplated by Borrowers and set forth in the projections delivered and acceptable to Agent, calculated in accordance with GAAP immediately prior to such acquisition; (e) the acquired company or property is used or useful in the same or a similar line of business as the Borrowers were engaged in on the Closing Date (or any reasonable extensions or expansions thereof); (f) Agent shall have received a first-priority security interest in all assets or Equity Interests acquired which constitute Collateral hereunder, subject to Permitted Encumbrances, and subject to documentation satisfactory to Agent; (g) the board of directors (or other comparable governing body) of the applicable Borrower and such target company shall have duly approved the transaction; (h) the Borrowers shall have delivered to Agent; (i) a pro forma balance sheet and pro forma financial statements and a Compliance Certificate demonstrating that, upon giving effect to such acquisition on a pro forma basis, the Borrowers would be in compliance with the financial covenants set forth in Section 6.5 as of the most recent fiscal quarter end and (ii) financial statements of the acquired entity, in form and substance reasonably acceptable to Agent, prepared in accordance with GAAP; (i) if such acquisition includes general partnership interests or any other Equity Interest that does not have a corporate (or similar) limitation on liability of the owners thereof, then such acquisition shall be effected by having such Equity Interests acquired by a corporate holding company directly or indirectly wholly-owned by a Borrower and newly formed for the sole purpose of effecting such acquisition; (j) no assets acquired in any such transaction(s) shall be included in the Formula Amount until Agent has received an audit of such assets, in form and substance reasonably acceptable to Agent and (k) no Default or Event of Default shall have occurred or will occur after giving pro forma effect to such acquisition. For the purposes of calculating Undrawn Availability under this definition, any assets being acquired in the proposed acquisition shall be included in the Formula Amount hereunder only if Agent has conducted a Collateral audit of such assets as set forth in clause (j) above and to the extent that such assets satisfy the applicable eligibility criteria.

"Permitted Assignee" shall mean: (a) Agent, any Lender or any of their direct or indirect Affiliates; (b) any fund that is administered or managed by Agent or any Lender, an Affiliate of Agent or any Lender or a related entity; (c) any Person to whom Agent or any Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Agent's or Lender's rights in and to a material portion of such Agent's or Lender's portfolio of asset-based credit facilities.

"Permitted Discretion" shall mean Agent's commercially reasonable credit judgment, from the perspective of an asset based secured lender, made in good faith and determined on a basis consistent with its then current credit policies and procedures.

"Permitted Encumbrances" shall mean: (a) Liens in favor of Agent for the benefit of Agent and Lenders; (b) Liens for taxes, assessments or other governmental charges (including customs charges) not delinquent or being Properly Contested and so long as such Liens are not senior to the Liens of Agent; (c) Liens disclosed in the financial statements referred to in Section 5.5, in existence on the Closing Date; (d) deposits or pledges to secure obligations under worker's compensation, social security or similar laws, or under unemployment insurance; (e) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; (f) Liens arising by virtue of the rendition, entry or issuance against any Borrower or any Subsidiary, or any property of any Borrower or any Subsidiary, of any judgment, writ, order, or decree for so long as each such Lien (i) is in existence for less than 20 consecutive days after it first arises or is being Properly Contested and (ii) is at all times junior in priority to any Liens in favor of Agent; (g) mechanics', workers', materialmen's, bailees', shippers', warehousers' or other like Liens arising in the Ordinary Course of Business with respect to obligations which are not due or which are being Properly Contested; (h) Liens placed upon fixed assets hereafter acquired to secure a portion of the purchase price thereof, provided that (x) any such lien shall not encumber any other property of any Borrower and (y) the aggregate amount of Indebtedness secured by such Liens incurred as a result of such purchases during any fiscal year shall not exceed the amount provided for in Section 7.6; (i) Liens granted to Ridgestone Bank pursuant to the Ridgestone Loan Documents and subject to the Ridgestone Intercreditor Agreement; (j) Liens disclosed on Schedule 1.2., (k) licenses, leases or subleases granted to third Persons in the Ordinary Course of Business and not interfering in any material respect with the business of the Borrowers; and (l) Liens permitted under subsections (g), (h) or (k) of this definition existing on any asset prior to the acquisitions thereof by a Borrower permitted herein.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, limited liability partnership, institution, public benefit corporation, joint venture, entity or Governmental Body (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Benefit Plan and a Multiemployer Plan), maintained for employees of any Borrower or any member of the Controlled Group or any such Plan to which any Borrower or any member of the Controlled Group is required to contribute.

"PNC" shall have the meaning set forth in the preamble to this Agreement and shall extend to all of its successors and assigns.

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.5(a) hereof.

"Pro Forma Financial Statements" shall have the meaning set forth in Section 5.5(b) hereof.

"Properly Contested" shall mean, in the case of any Indebtedness or Lien, as applicable, of any Person (including any taxes) that is not paid as and when due or payable by reason of such Person's bona fide dispute concerning its liability to pay same or concerning the amount thereof: (i) such Indebtedness or Lien, as applicable, is being properly contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (ii) such Person has established appropriate reserves as shall be required in conformity with GAAP; (iii) the non-payment of such Indebtedness will not have a Material Adverse Effect and will not result in the forfeiture of any assets of such Person; (iv) no Lien is imposed upon any of such Person's assets with respect to such Indebtedness unless such Lien is at all times junior and subordinate in priority to the Liens in favor of Agent (except only with respect to property taxes that have priority as a matter of applicable state law) and enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; (v) if such Indebtedness or Lien, as applicable, results from, or is determined by the entry, rendition or issuance against a Person or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is stayed pending a timely appeal or other judicial review; and (vi) if such contest is abandoned, settled or determined adversely (in whole or in part) to such Person, such Person forthwith pays such Indebtedness and all penalties, interest and other amounts due in connection therewith.

"Projections" shall have the meaning set forth in Section 5.5(b) hereof.

"Published Rate" shall mean the rate of interest published each Business Day in the Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar Rate for a one month period as published in another publication selected by Agent).

"Purchasing CLO" shall have the meaning set forth in Section 16.3(d) hereof.

"Purchasing Lender" shall have the meaning set forth in Section 16.3(c) hereof.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of each Borrower's right, title and interest in and to the owned and leased premises identified on Schedule 4.19 hereto or which is hereafter owned or leased by any Borrower.

"Receivables" shall mean and include, as to each Borrower, all of such Borrower's accounts, contract rights, instruments (including those evidencing indebtedness owed to such Borrower by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, drafts and acceptances, credit card receivables and all other forms of obligations owing to such Borrower arising out of or in connection with the sale or lease of Inventory or the rendition of services, all supporting obligations, guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(i) hereof.

"Register" shall have the meaning set forth in Section 16.3(e) hereof.

"Reimbursement Obligation" shall have the meaning set forth in Section 2.12(b)hereof.

"Release" shall have the meaning set forth in Section 5.7(c)(i) hereof.

"Reportable Event" shall mean a reportable event described in Section 4043(c) of ERISA or the regulations promulgated thereunder.

"Required Lenders" shall mean Lenders holding at least sixty six and two-thirds of one percent (66.667%) of the Advances and, if no Advances are outstanding, shall mean Lenders holding sixty six and two-thirds of one percent (66.667%)of the Commitment Percentages; provided, however, if there are fewer than three (3) Lenders, Required Lenders shall mean all Lenders.

"Reserve Percentage" shall mean as of any day the maximum percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency Liabilities".

"Revolving Advances" shall mean Advances made other than Letters of Credit and the Swing Loans.

"Revolving Credit Notes" shall have the meaning set forth in Section 2.1(a) hereof.

"Revolving Interest Rate" shall mean an interest rate per annum equal to (a) the sum of the Alternate Base Rate plus two and one-quarter of one percent (2.25%) with respect to Domestic Rate Loans and (b) the sum of three and one-quarter of one percent (3.25%) plus the greater of (i) two percent (2.00%) or (ii) the Eurodollar Rate with respect to Eurodollar Rate Loans.

"Ridgestone Bank" shall mean Ridgestone Bank, a Wisconsin banking corporation.

"Ridgestone Intercreditor Agreement" shall mean that certain Intercreditor Agreement among Ridgestone Bank and Agent dated as of the Closing Date (as same may be amended, restated, supplemented or replaced from time to time).

"Ridgestone Loan Documents" shall mean, collectively (i) that certain Loan Agreement by and between Ridgestone Bank and Techsonic Industries, Inc. and Johnson Outdoors Marine Electronics LLC dated as of the Closing Date, (ii) that certain Loan Agreement by and between Ridgestone Bank and Johnson Outdoors Gear LLC dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone Bank and Johnson Outdoors Watercraft Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Section 20 Subsidiary" shall mean the Subsidiary of the bank holding company controlling PNC, which Subsidiary has been granted authority by the Federal Reserve Board to underwrite and deal in certain Ineligible Securities.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Settlement Date" shall mean the Closing Date and thereafter Wednesday or Thursday of each week or more frequently if Agent deems appropriate unless such day is not a Business Day in which case it shall be the next succeeding Business Day.

"Subordinated Loan" shall mean any loan evidenced by documentation in form and substance acceptable to Agent (or with respect to Intercompany Loans, subject to book entries on such Borrower's and Affiliate lender's books and records) and which is subordinated to the Obligations pursuant to a Subordination Agreement.

"Subordinated Loan Documentation" shall mean any and all documents executed by and between a Borrower and a Person making a loan or an advance to such Borrower which is intended to be a Subordinated Loan.

"Subordination Agreement" shall mean a subordination agreement in form and substance satisfactory to Agent among Agent, Borrowers and any Person making a Subordinated Loan.

"Subsidiary" of any Person shall mean a corporation or other entity of whose Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

"Subsidiary Stock" shall mean (i) all of the issued and outstanding Equity Interests of any Domestic Subsidiary owned by any Borrower, and (ii) 65% of the issued and outstanding Equity Interests of any Foreign Subsidiary of any Borrower which is owned directly by such Borrower or one of its Domestic Subsidiaries.

"Swing Loan Facility" shall mean PNC's right to make Swing Loans to Borrowers pursuant to Section 2.4 hereof in an aggregate amount up to the Maximum Swing Loan Amount.

"Swing Loan Note" shall have the meaning set forth in Section 2.4(a) hereof.

"Swing Loan Request" shall have the meaning set forth in Section 2.4(b) hereof.

"Swing Loans" shall mean collectively and "Swing Loan" shall mean separately all Swing Loans or any Swing Loan made to Borrowers pursuant to Section 2.4 hereof.

"Techsonic" shall mean Techsonic Industries, Inc., an Alabama corporation.

"Term" shall have the meaning set forth in Section 13.1 hereof.

"Termination Event" shall mean (i) a Reportable Event with respect to any Plan or Multiemployer Plan; (ii) the withdrawal of any Borrower or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (iii) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (v) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vi) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of any Borrower or any member of the Controlled Group from a Multiemployer Plan.

"Thirty Day Average Undrawn Availability" shall mean an amount equal to (a) (i) the sum of Undrawn Availability under this Agreement for the prior thirty (30) days plus (ii) the sum of Undrawn Availability under the Canadian Loan Agreement for the prior thirty days, divided by (b) thirty (30).

"Toxic Substance" shall mean and include any material present on the Real Property or the Leasehold Interests which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., applicable state law, or any other applicable Federal or state laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Trading with the Enemy Act" shall mean the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any enabling legislation or executive order relating thereto.

"Transactions" shall have the meaning set forth in Section 5.5 hereof.

"Transferee" shall have the meaning set forth in Section 16.3(d) hereof.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount, less the Maximum Undrawn Amount, minus (b) the sum of (i) the outstanding amount of Advances, plus (ii) all amounts due and owing to any Borrower's trade creditors which are outstanding more than sixty (60) days beyond their due date and not Properly Contested, plus (iii) fees and expenses under this Agreement which are due and payable by Borrowers but which have not been paid or charged to Borrowers' Account.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances or out of Borrowers' own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"Uniform Commercial Code" shall have the meaning set forth in Section 1.3 hereof.

"USA PATRIOT Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Watercraft" shall mean Johnson Outdoors Watercraft Inc., a Delaware corporation.

"Week" shall mean the time period commencing with the opening of business on a Wednesday and ending on the end of business the following Tuesday.

1.3. Uniform Commercial Code Terms. All terms used herein and defined in the Uniform Commercial Code as adopted in the State of New York from time to time (the "Uniform Commercial Code") shall have the meaning given therein unless otherwise defined herein. Without limiting the foregoing, the terms "accounts", "chattel paper", "commercial tort claims", "instruments", "general intangibles", "goods", "payment intangibles", "proceeds", "supporting obligations", "securities", "investment property", "documents", "deposit accounts", "software", "letter of credit rights", "inventory", "equipment" and "fixtures", as and when used in the description of Collateral shall have the meanings given to such terms in Articles 8 or 9 of the Uniform Commercial Code. To the extent the definition of any category or type of collateral is expanded by any amendment, modification or revision to the Uniform Commercial Code, such expanded definition will apply automatically as of the date of such amendment, modification or revision.

1.4. Certain Matters of Construction. The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. 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. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Agent is a party, including references to any of the Other Documents, 1.5. shall include any and all modifications, supplements or amendments thereto, any and all restatements or replacements thereof and any and all extensions or renewals thereof. All references herein to the time of day shall mean the time in New York, New York. Unless otherwise provided, all financial calculations shall be performed with Inventory valued on a first-in, first-out basis. Whenever the words “including” or “include” shall be used, such words shall be understood to mean “including, without limitation” or “include, without limitation”. A Default or Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall “continue” or be “continuing” until such Event of Default has been waived in writing by the Required Lenders or all Lenders, as applicable. Any Lien referred to in this Agreement or any of the Other Documents as having been created in favor of Agent, any agreement entered into by Agent pursuant to this Agreement or any of the Other Documents, any payment made by or to or funds received by Agent pursuant to or as contemplated by this Agreement or any of the Other Documents, or any act taken or omitted to be taken by Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of Agent and Lenders. Wherever the phrase “to the best of Borrowers’ knowledge” or words of similar import relating to the knowledge or the awareness of any Borrower are used in this Agreement or Other Documents, such phrase shall mean and refer to (i) the actual knowledge of a senior officer of any Borrower or (ii) the knowledge that a senior officer would have obtained if he had engaged in good faith and diligent performance of his duties, including the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Borrower and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

1.5. Fiscal Periods. For purposes hereunder, whenever a provision of this Agreement refers to a quarter ending March 31, June 30, September 30 or December 31 or a fiscal year ending September 30, such references shall mean the actual date closest to such date which corresponds with the end of Borrowers’ quarter end or fiscal year based on Borrowers’ accounting cycle.

II. ADVANCES, PAYMENTS.

2.1. Revolving Advances.

(a) Amount of Revolving Advances. Subject to the terms and conditions set forth in this Agreement, including Sections 2.1(b), (c), (d) and (e), each Lender, severally and not jointly, will make Revolving Advances to Borrowers in aggregate amounts outstanding at (b) any time equal to such Lender’s Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount, less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit or (y) an amount equal to the sum of:

(i) up to 85%, subject to the provisions of Sections 2.1(b), (c) and (e) hereof, ("Receivables Advance Rate"), of Eligible Receivables (other than the Eligible Dating Receivables), plus

(ii) up to 85%, subject to the provision of Sections 2.1(b), (c) and (e) hereof ("Dating Receivables Advance Rate"), of Eligible Dating Receivables, plus

(iii) up to the lesser of (A) 65%, subject to the provisions of Sections 2.1(b), (c) and (e) hereof, of the value of the Eligible Inventory ("Inventory Advance Rate" and together with the Receivables Advance Rate and Dating Receivables Advance Rate, collectively, the "Advance Rates") or (B) 85% of the appraised net orderly liquidation value of Eligible Inventory (as evidenced by an Inventory appraisal satisfactory to Agent in its Permitted Discretion exercised in good faith (seasonally adjusted on July 15th and November 15th of each year based upon high season and low season values)), minus

(iv) the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, minus

(v) such reserves as Agent may in the exercise of its Permitted Discretion deem proper and necessary from time to time.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i), and (ii) and (iii) minus (y) Sections 2.1 (a)(y)(iv) and (v) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall be evidenced by one or more secured promissory notes (collectively, the "Revolving Credit Notes") substantially in the form attached hereto as Exhibit 2.1(a).

(b) Sub-Limitations on Advances.

(i) Advances Against Eligible Inventory. Aggregate Advances made on account of Eligible Inventory hereunder and aggregate advances made on account of eligible inventory under the Canadian Loan Agreement shall not exceed, at any time, an amount equal to: (A) $15,000,000 from July 15th of each year through November 15th of each year, and (B) $25,000,000 from November 16th of each year through July 14th of the immediately succeeding year.

(ii) Advances Against Eligible Dating Receivables. Aggregate Advances on account of Eligible Dating Receivables hereunder and aggregate advances made on account of eligible dating receivables under the Canadian Loan Agreement shall not exceed, at any time, an amount equal to: (A) $20,000,000 from June 1st of each year through November 30th of such year; and (B) $25,000,000 from December 1st of each year through May 31st of the immediately succeeding year.

(iii) Advances Against Eligible Dating Receivables Extended Terms. Aggregate Advances against Eligible Dating Receivables hereunder and aggregate advances made on account of eligible dating receivables under the Canadian Loan Agreement due or outstanding more than 270 days from their original invoice date shall not exceed $500,000 at any time.

(c) Annual Pay Down. Each year commencing in 2010, Borrowers shall cause the outstanding principal balance of Revolving Advances under this Agreement and revolving advances under the Canadian Loan Agreement plus the Maximum Undrawn Amount to be reduced to and remain below $25,000,000 for a consecutive sixty (60) day period, such period to begin no earlier than August 1 of each year and end no later than October 31 of each year. If, as of the date that is 60 days prior to October 31 of any year, Borrowers have not completed their compliance with this requirement, Borrowers shall, on such date, reduce and repay the outstanding Revolving Advances to an amount which after taking into account the Maximum Undrawn Amount, plus the aggregate Revolving Advances hereunder, plus the revolving advances outstanding under the Canadian Loan Agreement shall not exceed $25,000,000, and maintain such amount at or below $25,000,000 through October 31 of that year.

(d) Reduction in Maximum Revolving Advance Amount. Borrowers may elect to permanently reduce the Maximum Revolving Advance Amount in increments of not less than $1,000,000 to be effective as of the next Business Day so long as: (i) Borrowing Agent provides Agent with not less than five (5) days written notice prior to the date of the proposed reduction; (ii) no Default or Event of Default has occurred or is continuing at the time of such reduction or would occur after giving effect to such reduction; (iii) after giving effect to any such requested reduction, the Maximum Revolving Advance Amount shall not be less than $40,000,000 (based on the low season Maximum Revolving Advance Amount); and (v) Borrowers reimburse Agent and Lenders for any and all losses and expenses that Agent and Lenders may incur as a result of a prepayment of any Eurodollar Rate Loan in accordance with Sections 2.2(e) and (f). For purposes of any voluntary reduction in the Maximum Revolving Advance Amount hereunder, the amount of any such reduction shall reduce on a dollar for dollar basis the lesser of the two amounts (referred to hereunder as the "lesser advance amount") under the definition of Maximum Revolving Advance Amount and the higher Maximum Revolving Advance Amount shall automatically be adjusted to an amount equal to 150% of the adjusted "lesser advance amount". By way of example, if Borrowers elect to reduce the Maximum Revolving Advance Amount by $6,000,000, the definition of Maximum Revolving Advance Amount shall be amended to read as follows: "Maximum Revolving Advance Amount" shall mean (i) $40,000,000 for the period commencing on July 15th of each year through and including November 15th of each year, and (ii) $60,000,000 for the period commencing on November 16th of each year through and including July 14th of the immediately succeeding year. Borrowers acknowledge and agree that all sublimits set forth in Section 2.1(b) of this Agreement may be adjusted by Agent, in its Permitted Discretion, based on the amount of any such reduction requested by Borrowers

(e) Discretionary Rights. The Advance Rates may be increased or decreased by Agent at any time and from time to time in the exercise of its Permitted Discretion. Each Borrower consents to any such increases or decreases and acknowledges that decreasing the Advance Rates or increasing or imposing reserves may limit or restrict Advances requested by Borrowing Agent. Agent shall give Borrowing Agent five (5) days prior written notice of its intention to decrease the Advance Rates; provided however, if as a result of a field exam or the completion of an Inventory appraisal, Agent elects to decrease the Advance rates, impose a new reserve(s) or impose new ineligible(s) and such modification would cause the Advances calculated under the Formula Amount to be reduced by more than 20%, Agent will provide Borrowers with notice ten (10) days prior to instituting such modification. The rights of Agent under this subsection are subject to the provisions of Section 16.2(b).

2.2. Procedure for Revolving Advances Borrowing.

(a) Borrowing Agent on behalf of any Borrower may notify Agent prior to 12:00 Noon central time on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other agreement with Agent or Lenders, or with respect to any other Obligation, become due, same shall be deemed a request for a Revolving Advance as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation under this Agreement or any other agreement with Agent or Lenders, and such request shall be irrevocable.

(b) Notwithstanding the provisions of subsection (a) above, in the event any Borrower desires to obtain a Eurodollar Rate Loan for any Advance (other than a Swing Loan, which may not be a Eurodollar Rate Loan), Borrowing Agent shall give Agent written notice by no later than 12:00 Noon central time on the day which is three (3) Business Days prior to the date such Eurodollar Rate Loan is to be borrowed, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the type of borrowing and the amount on the date of such Advance to be borrowed, which amount shall be in a minimum amount of $500,000 and in integral multiples of $100,000 thereafter, and (iii) the duration of the first Interest Period therefor. Interest Periods for Eurodollar Rate Loans shall be for one, two or three months; provided, if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day. No Eurodollar Rate Loan shall be made available to any Borrower during the continuance of a Default or an Event of Default. After giving effect to each requested Eurodollar Rate Loan, including those which are converted from a Domestic Rate Loan under Section 2.2(d), there shall not be outstanding more than eight (8) Eurodollar Rate Loans, in the aggregate.

(c) Each Interest Period of a Eurodollar Rate Loan shall commence on the date such Eurodollar Rate Loan is made, continued or converted and shall end on such date as Borrowing Agent may elect as set forth in subsection (b)(iii) above provided that the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the last day of the Term.

Borrowing Agent shall elect the initial Interest Period applicable to a Eurodollar Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion or continuation given to Agent pursuant to Section 2.2(d), as the case may be.

Borrowing Agent shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not later than 12:00 Noon central time on the day which is three (3) Business Days prior to the last day of the then current Interest Period applicable to such Eurodollar Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrowing Agent, Borrowing Agent shall be deemed to have elected to convert to a Domestic Rate Loan subject to Section 2.2(d) hereinbelow.

(d) Provided that no Event of Default shall have occurred and be continuing, Borrowing Agent may, on the last Business Day of the then current Interest Period applicable to any outstanding Eurodollar Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a Eurodollar Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Eurodollar Rate Loan or continue any Eurodollar Rate Loan for the same Interest Period. If Borrowing Agent desires to convert or continue a loan, Borrowing Agent shall give Agent written notice by no later than 12:00 Noon central time (i) on the day which is three (3) Business Days' prior to the date on which such conversion is to occur with respect to a conversion from a Domestic Rate Loan to a Eurodollar Rate Loan or a continuation of a Eurodollar Rate Loan, or (ii) on the day which is one (1) Business Day prior to the date on which such conversion is to occur with respect to a conversion from a Eurodollar Rate Loan to a Domestic Rate Loan, specifying, in each case, the date of such conversion, the loans to be converted and if the conversion is from a Domestic Rate Loan to any other type of loan, the duration of the first Interest Period therefor.

(e) At its option and upon written notice given prior to 12:00 Noon central time at least three (3) Business Days' prior to the date of such prepayment, any Borrower may prepay the Eurodollar Rate Loans in whole at any time or in part from time to time with accrued interest on the principal being prepaid to the date of such repayment. Such Borrower shall specify the date of prepayment of Advances which are Eurodollar Rate Loans and the amount of such prepayment. In the event that any prepayment of a Eurodollar Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, such Borrower shall indemnify Agent and Lenders therefor in accordance with Section 2.2(f) hereof.

(f) Each Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by any Borrower in the payment of the principal of or interest on any Eurodollar Rate Loan or failure by any Borrower to complete a borrowing of, a prepayment of or conversion of or to a Eurodollar Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Eurodollar Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrowing Agent shall be conclusive absent manifest error.

(g) Notwithstanding any other provision hereof, if any Applicable Law or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender (for purposes of this subsection (g), the term "Lender" shall include any Lender and the office or branch where any Lender or any corporation or bank controlling such Lender makes or maintains any Eurodollar Rate Loans) to make or maintain its Eurodollar Rate Loans, the obligation of Lenders to make Eurodollar Rate Loans hereunder shall forthwith be cancelled and Borrowers shall, if any affected Eurodollar Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Eurodollar Rate Loans or convert such affected Eurodollar Rate Loans into loans of another type. If any such payment or conversion of any Eurodollar Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Eurodollar Rate Loan, Borrowers shall pay Agent, upon Agent's request, such amount or amounts as may be necessary to compensate Lenders for any loss or expense sustained or incurred by Lenders in respect of such Eurodollar Rate Loan as a result of such payment or conversion, including (but not limited to) any interest or other amounts payable by Lenders to lenders of funds obtained by Lenders in order to make or maintain such Eurodollar Rate Loan. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to Borrowing Agent shall be conclusive absent manifest error.

2.3. Disbursement of Advance Proceeds. All Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Borrowers to Agent or Lenders, shall be charged to Borrowers' Account on Agent's books. During the Term, Borrowers may use the Revolving Advances and Swing Loans by borrowing, prepaying and reborrowing, all in accordance with the terms and conditions hereof. The proceeds of each Revolving Advance requested by Borrowing Agent on behalf of any Borrower or deemed to have been requested by any Borrower under Section 2.2(a) hereof shall, with respect to requested Revolving Advances to the extent Lenders make such Revolving Advances, be made available to the applicable Borrower on the day so requested by way of credit to such Borrower's operating account at PNC, or such other bank as Borrowing Agent may designate following notification to Agent, in immediately available federal funds or other immediately available funds or, with respect to Revolving Advances deemed to have been requested by any Borrower, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request. The proceeds of each Swing Loan requested by Borrowing Agent on behalf of any Borrower shall be made available to the applicable Borrower on the day so requested by way of credit to such Borrower's operating account at PNC, or such other bank as Borrowing Agent may designate following notification to Agent, in immediately available federal funds or other immediately available funds.

2.4. Swing Loans.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, and in order to minimize the transfer of funds between Lenders and Agent for administrative convenience, PNC may make available to Borrowers, at its option, cancelable at any time for any reason whatsoever, Swing Loans at any time or from time to time after the date hereof to, but not including, the expiration of the Term, in an aggregate principal amount up to but not in excess of the Maximum Swing Loan Advance Amount, provided that the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount. To the extent that Borrowing Agent requests a Revolving Advance at any time and to the extent that Borrowers are entitled to obtain a Revolving Advance from Lenders under the terms and conditions of this Agreement, PNC may elect to provide all or a portion of such Revolving Advances in the form of Swing Loans in accordance with the terms hereof. The making of Swing Loans by PNC from time to time shall not create any duty or obligation, or establish any course of conduct, pursuant to which PNC shall thereafter be obligated to make Swing Loans in the future. All Swing Loans shall be evidenced by a secured promissory note (the "Swing Loan Note") substantially in the form attached hereto as Exhibit 2.4(a).

(b) Except as otherwise provided herein, Borrowers may from time to time prior to the expiration of the Term request PNC to make Swing Loans by delivery to PNC, by Borrowing Agent, not later than 12:00 Noon central time on the proposed borrowing date of a duly completed request therefor substantially in the form of Exhibit 2.4(b) hereto or a request by telephone immediately confirmed in writing by letter, facsimile or telex (each, a "Swing Loan Request"), it being understood that PNC may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Swing Loan Request shall be irrevocable and shall specify the proposed borrowing date and the principal amount of such Swing Loan, which shall be not less than $50,000. Each Swing Loan Request shall be deemed a representation by Borrowers that Borrowers have satisfied all of the conditions for the Swing Loan so requested set forth in this Agreement.

2.5. Maximum Advances. The aggregate balance of Revolving Advances plus Swing Loans outstanding at any time shall not exceed the lesser of (a) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all issued and outstanding Letters of Credit or (b) the Formula Amount.

2.6. Repayment of Advances.

(a) The Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided.

(b) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received. In consideration of Agent's agreement to conditionally credit Borrowers' Account as of the next Business Day following Agent's receipt of those items of payment, each Borrower agrees that, in computing the charges under this Agreement, all items of payment shall be deemed applied by Agent on account of the Obligations one (1) Business Day after (i) the Business Day of Agent's receipt of such payments via wire transfer or electronic depository check or (ii) in the case of payments received by Agent in any other form, the Business Day such payment constitutes good funds in Agent's account. Agent is not, however, required to conditionally credit Borrowers' Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrowers' Account for the amount of any item of payment which was conditionally credited but which is subsequently returned to Agent unpaid.

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the Other Documents shall be made to Agent at the Payment Office not later than 12:00 Noon central time on the due date therefor in lawful money of the United States of America in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment on any and all Obligations due and owing hereunder by charging Borrowers' Account or by making Advances as provided in Section 2.2 hereof.

(d) Borrowers shall pay principal, interest, and all other amounts payable hereunder, or under any related agreement, without any deduction whatsoever, including, but not limited to, any deduction for any setoff or counterclaim.

2.7. Repayment of Excess Advances. The aggregate balance of Advances outstanding at any time in excess of the maximum amount of Advances permitted hereunder shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or Event of Default has occurred.

2.8. Statement of Account. Agent shall maintain, in accordance with its customary procedures, a loan account ("Borrowers' Account") in the name of Borrowers in which shall be recorded the date and amount of each Advance made by Agent and the date and amount of each payment in respect thereof; provided, however, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to Borrowing Agent a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between Agent and Borrowers during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrowers unless Agent receives a written statement of Borrowers' specific exceptions thereto within sixty (60) days after such statement is received by Borrowing Agent. The records of Agent with respect to the loan account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.9. Letters of Credit. Subject to the terms and conditions hereof, Agent shall issue or cause the issuance of standby and/or trade Letters of Credit ("Letters of Credit") for the account of any Borrower provided, however, that Agent will not be required to issue or cause to be issued any Letters of Credit to the extent that the issuance thereof would then cause the sum of (i) the outstanding Revolving Advances plus (ii) the Maximum Undrawn Amount of all outstanding Letters of Credit to exceed the lesser of (x) the Maximum Revolving Advance Amount, minus the Maximum Undrawn Amount of all outstanding Letters of Credit or (y) the Formula Amount. The Maximum Undrawn Amount of outstanding Letters of Credit shall not exceed in the aggregate at any time the Letter of Credit Sublimit. All disbursements or payments related to Letters of Credit shall be deemed to be Revolving Advances and shall bear interest at the applicable Contract Rate; Letters of Credit that have not been drawn upon shall not bear interest.

2.10. Issuance of Letters of Credit.

(a) Borrowing Agent, on behalf of Borrowers, may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent at the Payment Office, prior to 10:00 a.m. (New York time), at least five (5) Business Days' prior to the proposed date of issuance, Agent's form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent; and, such other certificates, documents and other papers and information as Agent may reasonably request. Borrowing Agent, on behalf of Borrowers, also has the right to give instructions and make agreements with respect to any application, any applicable letter of credit and security agreement, any applicable letter of credit reimbursement agreement and/or any other applicable agreement, any letter of credit and the disposition of documents, disposition of any unutilized funds, and to agree with Agent upon any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts, other written demands for payment, or acceptances of usance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance and in no event later than the last day of the Term. Each standby Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce at the time the Letter of Credit is issued ("UCP") or the International Standby Practices (ISP98-International Chamber of Commerce Publication Number 590) ("ISP98 Rules"), and any subsequent revision thereof at the time the standby Letter of Credit is issued, as determined by Agent, and each trade Letter of Credit shall be subject to the UCP.

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Borrowing Agent for a Letter of Credit hereunder.

2.11. Requirements For Issuance of Letters of Credit.

(a) Borrowing Agent shall authorize and direct any Issuer to name the applicable Borrower as the "Applicant" or "Account Party" of each Letter of Credit. If Agent is not the Issuer of any Letter of Credit, Borrowing Agent shall authorize and direct the Issuer to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit, the application therefor or any acceptance therefor.

(b) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, each Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority if an Event of Default shall have occurred, (i) to sign and/or endorse such Borrower's name upon any warehouse or other receipts, letter of credit applications and acceptances, (ii) to sign such Borrower's name on bills of lading; (iii) to clear Inventory through the United States of America Customs Department ("Customs") in the name of such Borrower or Agent or Agent's designee, and to sign and deliver to Customs officials powers of attorney in the name of Borrower for such purpose; and (iv) to complete in such Borrower's name or Agent's, or in the name of Agent's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's or its attorney's gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

2.12. Disbursements, Reimbursement.

(a) Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from Agent a participation in such Letter of Credit and each drawing thereunder in an amount equal to such Lender's Commitment Percentage of the Maximum Face Amount of such Letter of Credit and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, Agent will promptly notify Borrowing Agent. Provided that Borrowing Agent shall have received such notice, the Borrowers shall reimburse (such obligation to reimburse Agent shall sometimes be referred to as a "Reimbursement Obligation") Agent prior to 12:00 Noon central time on each date that an amount is paid by Agent under any Letter of Credit (each such date, a "Drawing Date") in an amount equal to the amount so paid by Agent. In the event Borrowers fail to reimburse Agent for the full amount of any drawing under any Letter of Credit by 12:00 Noon central time, on the Drawing Date, Agent will promptly notify each Lender thereof, and Borrowers shall be deemed to have requested that a Domestic Rate Loan be made by Lenders to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the lesser of the Maximum Revolving Advance Amount or the Formula Amount and subject to Section 8.2 hereof. Any notice given by Agent pursuant to this Section 2.12(b) may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Lender shall upon any notice pursuant to Section 2.12(b) make available to Agent an amount in immediately available funds equal to its Commitment Percentage of the amount of the drawing, whereupon the participating Lenders shall (subject to Section 2.12(d)) each be deemed to have made a Domestic Rate Loan to Borrowers in that amount. If any Lender so notified fails to make available to Agent the amount of such Lender's Commitment Percentage of such amount by no later than 2:00 p.m., New York time on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Domestic Rate Loans on and after the fourth day following the Drawing Date. Agent will promptly give notice of the occurrence of the Drawing Date, but failure of Agent to give any such notice on the Drawing Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligation under this Section 2.12(c), provided that such Lender shall not be obligated to pay interest as provided in Section 2.12(c) (i) and (ii) until and commencing from the date of receipt of notice from Agent of a drawing.

(d) With respect to any unreimbursed drawing that is not converted into a Domestic Rate Loan to Borrowers in whole or in part as contemplated by Section 2.12(b), because of Borrowers' failure to satisfy the conditions set forth in Section 8.2 (other than any notice requirements) or for any other reason, Borrowers shall be deemed to have incurred from Agent a borrowing (each a "Letter of Credit Borrowing") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to a Domestic Rate Loan. Each Lender's payment to Agent pursuant to Section 2.12(c) shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Lender in satisfaction of its Participation Commitment under this Section 2.12.

(e) Each Lender's Participation Commitment shall continue until the last to occur of any of the following events: (x) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (y) no Letter of Credit issued or created hereunder remains outstanding and uncancelled; and (z) all Persons (other than the Borrowers) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.13. Repayment of Participation Advances.

(a) Upon (and only upon) receipt by Agent for its account of immediately available funds from Borrowers (i) in reimbursement of any payment made by Agent under the Letter of Credit with respect to which any Lender has made a Participation Advance to Agent, or (ii) in payment of interest on such a payment made by Agent under such a Letter of Credit, Agent will pay to each Lender, in the same funds as those received by Agent, the amount of such Lender's Commitment Percentage of such funds, except Agent shall retain the amount of the Commitment Percentage of such funds of any Lender that did not make a Participation Advance in respect of such payment by Agent.

(b) If Agent is required at any time to return to any Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any insolvency proceeding, any portion of the payments made by Borrowers to Agent pursuant to Section 2.13(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Lender shall, on demand of Agent, forthwith return to Agent the amount of its Commitment Percentage of any amounts so returned by Agent plus interest at the Federal Funds Effective Rate.

2.14. Documentation. Each Borrower agrees to be bound by the terms of the Letter of Credit Application and by Agent's interpretations of any Letter of Credit issued on behalf of such Borrower and by Agent's written regulations and customary practices relating to letters of credit, though Agent's interpretations may be different from such Borrower's own. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), Agent shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following the Borrowing Agent's or any Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.15. Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, Agent shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

2.16. Nature of Participation and Reimbursement Obligations. Each Lender's obligation in accordance with this Agreement to make the Revolving Advances or Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of Borrowers to reimburse Agent upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.16 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against Agent, any Borrower or any other Person for any reason whatsoever;

(ii) the failure of any Borrower or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in this Agreement for the making of a Revolving Advance, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of Lenders to make Participation Advances under Section 2.12;

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by Borrower or any Lender against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, crossclaim, defense or other right which any Borrower or any Lender may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), Agent or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Borrower or any Subsidiaries of such Borrower and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provisions of services relating to a Letter of Credit, in each case even if Agent or any of Agent's Affiliates has been notified thereof;

(vi) payments by Agent under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by Agent or any of Agent's Affiliates to issue any Letter of Credit in the form requested by Borrowing Agent, unless Agent has received written notice from Borrowing Agent of such failure within three (3) Business Days after Agent shall have furnished Borrowing Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any Material Adverse Effect on any Borrower or any Guarantor;

(x) any breach of this Agreement or any Other Document by any party thereto;

(xi) the occurrence or continuance of an insolvency proceeding with respect to any Borrower or any Guarantor;

(xii) the fact that a Default or Event of Default shall have occurred and be continuing;

(xiii) the fact that the Term shall have expired or this Agreement or the Obligations hereunder shall have been terminated; and

(xiv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing in this Section 2.16 relieves Agent from any liability arising on account of Agent's gross negligence or willful misconduct.

2.17. Indemnity. In addition to amounts payable as provided in Section 16.5, each Borrower hereby agrees to protect, indemnify, pay and save harmless Agent and any of Agent's Affiliates that have issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which Agent or any of Agent's Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (a) the gross negligence or willful misconduct of Agent as determined by a final and non-appealable judgment of a court of competent jurisdiction or (b) the wrongful dishonor by Agent or any of Agent's Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Body (all such acts or omissions herein called "Governmental Acts").

2.18. Liability for Acts and Omissions. As between Borrowers and Agent and Lenders, each Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the respective foregoing, Agent shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if Agent shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such 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; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Borrower against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Borrower and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of Agent, including any governmental acts, and none of the above shall affect or impair, or prevent the vesting of, any of Agent's rights or powers hereunder. Nothing in the preceding sentence shall relieve Agent from liability for Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall Agent or Agent's Affiliates be liable to any Borrower for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, Agent and each of its Affiliates: (i) may rely on any oral or other communication believed in good faith by Agent or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by Agent or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on Agent or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by Agent under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment), shall not put Agent under any resulting liability to any Borrower or any Lender.

2.19. Additional Payments. Any sums expended by Agent or any Lender due to any Borrower's failure to perform or comply with its obligations under this Agreement or any Other Document including any Borrower's obligations under Sections 4.2, 4.4, 4.12, 4.13, 4.14 and 6.1 hereof, may be charged to Borrowers' Account as a Revolving Advance and added to the Obligations.

2.20. Manner of Borrowing and Payment.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Commitment Percentages of Lenders.

(b) Each payment (including each prepayment) by any Borrower on account of the principal of and interest on the Revolving Advances, shall be applied to the Revolving Advances pro rata according to the applicable Commitment Percentages of Lenders. Each payment by Borrowers on account of the principal and interest on Swing Loans shall be applied to Swing Loans for the account of PNC. Except as expressly provided herein, all payments (including prepayments) to be made by any Borrower on account of principal, interest and fees shall be made without set off or counterclaim and shall be made to Agent on behalf of Lenders to the Payment Office, in each case on or prior to 12:00 Noon central time, in Dollars and in immediately available funds.

(c) (i) Making Revolving Credit Advances. Promptly after receipt by Agent of a request for a Revolving Advance pursuant to Section 2.2(a), Agent shall notify Lenders of its receipt of such request specifying the information provided by Borrowing Agent and the apportionment among Lenders of the requested Revolving Advance as determined by Agent. Each Lender shall remit the principal amount of each Revolving Advance to Agent such that Agent is able to, and Agent shall, to the extent Lenders have made funds available to it for such purpose and subject to Section 8.2, fund such Revolving Advance to Borrower in U.S. Dollars and immediately available funds at the Payment Office prior to 1:00 p.m. central time, on the applicable borrowing date; provided that if any Lender fails to remit such funds to Agent in a timely manner, Agent may elect in its sole discretion to fund with its own funds the Revolving Advance of such Lender on such borrowing date, and such Lender shall be subject to the repayment obligation in Section 2.20(c)(ii).

(ii) Presumptions by Agent. Unless Agent shall have received notice from a Lender prior to the proposed date of any Revolving Advance that such Lender will not make available to Agent such Lender's Commitment Percentage of such Revolving Advance, Agent may assume that such Lender has made such share available on such date in accordance with Section 2.20(c)(i) and may, in reliance upon such assumption, make available to Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Revolving Advance available to Agent, then the applicable Lender and Borrowers severally agree to pay to Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by Borrower, the interest rate applicable to Revolving Advances consisting of Domestic Rate Loans. If such Lender pays its share of the applicable Revolving Advance to Agent, then the amount so paid shall constitute such Lender's Revolving Advance. Any payment by Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to Agent.

(iii) Making Swing Loans. So long as PNC elects to make Swing Loans, PNC Bank shall, after receipt by it of a Swing Loan Request pursuant to Section 2.4(b), fund such Swing Loan to Borrower in U.S. Dollars and immediately available funds at the Payment Office prior to 3:00 p.m. central time, on the borrowing date.

(iv) Borrowings to Repay Swing Loans. PNC, shall request settlement with Lenders at least once every two weeks or on any date that PNC elects, by notifying Lenders of such requested settlement by facsimile, telephone or electronic transmission no later than 12:00 p.m., central time on the date of such requested settlement and each Lender shall make a Revolving Advance in an amount equal to such Lender's Commitment Percentage of the aggregate principal amount of the outstanding Swing Loans, plus, if PNC so requests, accrued interest thereon, provided that no Lender shall be obligated in any event to make Revolving Advances in an amount in excess of its Commitment Percentage times the Maximum Revolving Advance Amount. Revolving Advances made pursuant to the preceding sentence shall bear interest at the interest rate applicable to Revolving Advances consisting of Domestic Rate Loans and shall be deemed to have been properly requested in accordance with Section 2.2(a) without regard to any of the requirements of that provision. PNC shall provide notice to Lenders (which may be telephonic or written notice by letter, facsimile or telex) that such Revolving Advances are to be made under this Section 2.20(c)(iv) and of the apportionment among Lenders, and Lenders shall be unconditionally obligated to fund such Revolving Advances (whether or not the conditions specified in Section 8.2 are then satisfied) by the time PNC so requests, which shall not be earlier than 2:00 p.m. central time, on the Business Day next after the date Lenders receive such notice from PNC. If any such amount is not transferred to PNC by any Lender on such settlement date, PNC shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.23.

(d) (i) Notwithstanding anything to the contrary contained in Sections 2.20(a) and (b) hereof, commencing with the first Business Day following the Closing Date, each borrowing of Revolving Advances shall be advanced by Agent and each payment by any Borrower on account of Revolving Advances shall be applied first to those Revolving Advances advanced by Agent. On or before 1:00 p.m., central time, on each Settlement Date commencing with the first Settlement Date following the Closing Date, Agent and Lenders shall make certain payments as follows: (I) if the aggregate amount of new Revolving Advances made by Agent during the preceding Week (if any) exceeds the aggregate amount of repayments applied to outstanding Revolving Advances during such preceding Week, then each Lender shall provide Agent with funds in an amount equal to its applicable Commitment Percentage of the difference between (w) such Revolving Advances and (x) such repayments and (II) if the aggregate amount of repayments applied to outstanding Revolving Advances during such Week exceeds the aggregate amount of new Revolving Advances made during such Week, then Agent shall provide each Lender with funds in an amount equal to its applicable Commitment Percentage of the difference between (y) such repayments and (z) such Revolving Advances.

(ii) Each Lender shall be entitled to earn interest at the applicable Contract Rate on outstanding Advances which it has funded.

(iii) Promptly following each Settlement Date, Agent shall submit to each Lender a certificate with respect to payments received and Advances made during the Week immediately preceding such Settlement Date. Such certificate of Agent shall be conclusive in the absence of manifest error.

(e) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(f) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Advances available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make such amount available to Agent on the next Settlement Date and, in reliance upon such assumption, make available to Borrowers a corresponding amount. Agent will promptly notify Borrowing Agent of its receipt of any such notice from a Lender. If such amount is made available to Agent on a date after such next Settlement Date, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days from and including such Settlement Date to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this paragraph (e) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after such Settlement Date, Agent shall be entitled to recover such an amount, with interest thereon at the rate per annum then applicable to such Revolving Advances hereunder, on demand from Borrowers; provided, however, that Agent's right to such recovery shall not prejudice or otherwise adversely affect Borrowers' rights (if any) against such Lender.

2.21. Mandatory Prepayments.

(a) Subject to Section 4.3(b) hereof, when any Borrower sells or otherwise disposes of any Collateral other than (i) Inventory in the Ordinary Course of Business, Borrowers shall repay the Advances, subject to the right to reborrow hereunder, in an amount equal to the net cash proceeds of such sale (i.e., gross proceeds less the reasonable costs of such sales or other dispositions less any holdbacks or escrowed funds less any outstanding Indebtedness secured by a Permitted Encumbrance on such Collateral and required to be paid in connection with such sale or disposition) or (ii) the sale of Equipment which is subsequently replaced in accordance with Section 4.3, Borrowers shall repay the Advances, subject to the terms of the Ridgestone Intercreditor Agreement, in an amount equal to the net cash proceeds of such sale, in each case, such repayments to be made promptly but in no event more than one (1) Business Day following receipt of such net cash proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any such sale otherwise prohibited by the terms and conditions hereof. Repayments under this paragraph (a) shall be applied first, to the outstanding principal balance of the Revolving Advances and Swing Loans (in the order determined by Agent) and second, to be held by Agent as cash collateral to the extent of any outstanding Letter of Credit Obligations, provided that, after the occurrence and during the continuance of an Event of Default, such repayments shall be applied to the Advances and the other Obligations in such order as Agent may determine in its sole discretion.

(b) Upon either (i) the issuance and/or incurrence of any Indebtedness for borrowed money (other than Indebtedness permitted in accordance with the provisions of Section 7.8) by any Borrower or (ii) the issuance of any additional Equity Interests (other than Equity Interests issued to employees, officers or directors of any Borrower) or receipt of any additional capital contributions by any Borrower (not including any contributions made in the form of equity for the purposes of funding Capital Expenditures by a Borrower), Borrowers shall repay the Advances, subject to the right to reborrow hereunder, in an amount equal to the net cash proceeds of such issuance, incurrence and/or capital contribution (i.e., gross proceeds less the reasonable costs of such issuance, incurrence and/or capital contribution), such repayments to be made promptly but in no event more than one (1) Business Day following receipt of such net cash proceeds, and until the date of payment, such proceeds shall be held in trust for Agent pursuant to an express trust hereby, separate and segregated from all other funds, assets and property of Borrowers. The foregoing shall not be deemed to be implied consent to any such issuance and/or incurrence of Indebtedness or issuance of additional Equity Interests otherwise prohibited by the terms and conditions hereof (to the extent, if any, of any such prohibition contained herein).

(c) Upon (i) payment by any insurer of any proceeds under any insurance policy of any Borrower in respect of any destruction, damage or other casualty event with respect to any property or assets of a Borrower or (ii) payment of any award in respect of any exercise of eminent domain, condemnation or other taking by any Governmental Body with respect to any property or assets of a Borrower, Borrowers shall repay the Advances, subject to the terms of the Ridgestone Intercreditor Agreement and further subject to the right to reborrow hereunder, as and to the extent required by Section 4.11 below.

2.22. Use of Proceeds.

(a) Borrowers shall apply the proceeds of Advances to (i) repay existing indebtedness owed to JPMorgan Chase Bank, N.A. ("Chase") and the other lenders party to each of (1) the Amended and Restated Credit Agreement (Revolving) dated January 2, 2009, among JOI, such lenders and Chase, as Administrative Agent, and (2) the Amended and Restated Credit Agreement (Term) dated January 2, 2009, among JOI, such lenders and Chase as Administrative Agent, (ii) pay fees and expenses relating to this transaction, and (iii) provide for its working capital needs and reimburse drawings under Letters of Credit.

(b) Without limiting the generality of Section 2.22(a) above, neither the Borrowers, the Guarantors nor any other Person which may in the future become party to this Agreement or the Other Documents as a Borrower or Guarantor, intends to use nor shall they use any portion of the proceeds of the Advances, directly or indirectly, for any purpose in violation of the Trading with the Enemy Act.

2.23. Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender (x) has refused (which refusal constitutes a breach by such Lender of its obligations under this Agreement) to make available its portion of any Advance or (y) notifies either Agent or Borrowing Agent that it does not intend to make available its portion of any Advance (if the actual refusal would constitute a breach by such Lender of its obligations under this Agreement) (each, a "Lender Default"), all rights and obligations hereunder of such Lender (a "Defaulting Lender") as to which a Lender Default is in effect and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.23 while such Lender Default remains in effect.

(b) Advances (other than Swing Loans, which shall be advanced by PNC) shall be incurred pro rata from Lenders (the "Non-Defaulting Lenders") which are not Defaulting Lenders based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any pro rata share of any Advances required to be advanced by any Lender shall be increased as a result of such Lender Default. Amounts received in respect of principal of any type of Advances shall be applied to reduce the applicable Advances of each Lender (other than any Defaulting Lender) pro rata based on the aggregate of the outstanding Advances of that type of all Lenders at the time of such application; provided, that, Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Agent for the Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Agent. Agent may hold and, in its discretion, re-lend to a Borrower the amount of such payments received or retained by it for the account of such Defaulting Lender.

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents. All amendments, waivers and other modifications of this Agreement and the Other Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall be deemed not to be a Lender and not to have either Advances outstanding or a Commitment Percentage.

(d) Other than as expressly set forth in this Section 2.23, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.23 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event a Defaulting Lender retroactively cures to the satisfaction of Agent the breach which caused a Lender to become a Defaulting Lender, such Defaulting Lender shall no longer be a Defaulting Lender and shall be treated as a Lender under this Agreement.

III. INTEREST AND FEES.

3.1. Interest. Interest on Advances shall be payable in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to Eurodollar Rate Loans, at the end of each Interest Period. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to (i) with respect to Revolving Advances, the applicable Revolving Interest Rate and (ii) with respect to Swing Loans, the rate set forth in subclause (a) of the definition of Revolving Interest Rate (as applicable, the "Contract Rate"). Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Contract Rate shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The Eurodollar Rate shall be adjusted with respect to Eurodollar Rate Loans without notice or demand of any kind on the effective date of any change in the Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders, the Obligations shall bear interest at the applicable Contract Rate plus two (2%) percent per annum (as applicable, the "Default Rate").

3.2. Letter of Credit Fees.

(a) Borrowers shall pay (x) to Agent, for the ratable benefit of Lenders, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by three and one-quarter of one percent (3.25%) per annum, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each quarter and on the last day of the Term, and (y) to the Issuer, a fronting fee on the date of issuance of one quarter of one percent (0.25%) per annum, together with any and all administrative, issuance, amendment, payment and negotiation charges with respect to Letters of Credit and all fees and expenses as agreed upon by the Issuer and the Borrowing Agent in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit

and any acceptances created thereunder and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees, the "Letter of Credit Fees"). All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the Issuer's prevailing charges for that type of transaction. All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason.

(b) At any time following the occurrence of a Default or Event of Default and upon Agent's written notice, Borrowers will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to one hundred and five percent (105%) of the Maximum Undrawn Amount of all outstanding Letters of Credit, and each Borrower hereby irrevocably authorizes Agent, in its discretion, on such Borrower's behalf and in such Borrower's name, to open such an account and to make and maintain deposits therein, or in an account opened by such Borrower, in the amounts required to be made by such Borrower, out of the proceeds of Receivables or other Collateral or out of any other funds of such Borrower coming into any Lender's possession at any time. Agent will invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Borrower mutually agree and the net return on such investments shall be credited to such account and constitute additional cash collateral. No Borrower may withdraw amounts credited to any such account except upon the occurrence of all of the following: (x) payment and performance in full of all Obligations; (y) expiration of all Letters of Credit; and (z) termination of this Agreement.

3.3. Facility Fee. If, for any calendar quarter during the Term, the average daily unpaid balance of the Revolving Advances (and for purposes of this calculation, all Swing Loans advanced by PNC shall be treated as Revolving Advances) and undrawn amount of any outstanding Letters of Credit for each day of such calendar quarter does not equal the Maximum Revolving Advance Amount, then Borrowers shall pay to Agent for the ratable benefit of Lenders a fee at a rate equal to one-half of one percent (.50%) per annum on the amount by which the Maximum Revolving Advance Amount exceeds such average daily unpaid balance of Revolving Advances and undrawn amount of outstanding Letters of Credit. Such fee shall be payable to Agent in arrears on the first day of each calendar quarter with respect to the previous calendar quarter.

3.4. Fee Letter and Appraisal Fees.

(a) Borrowers shall pay the amounts required to be paid in the Fee Letter in the manner and at the times required by the Fee Letter.

(b) Agent may, in its Permitted Discretion, exercised in a commercially reasonable manner, at any time after the Closing Date, engage the services of an independent appraisal firm or firms of reputable standing, satisfactory to Agent, for the purpose of appraising the then current values of Borrowers' Inventory. Absent the occurrence and continuance of an Event of Default at such time, Agent shall consult with Borrowers as to the identity of any such firm. All of the fees and out-of-pocket costs and expense of any such firm (collectively, "appraisal amounts") shall be paid for when due, in full and without off-set, by Borrowers. In the event the value of Borrowers' Inventory, as so determined pursuant to such appraisal, is less than anticipated by Agent or Lenders, such that the Revolving Advances against Eligible Inventory, are in fact in excess of such Advances permitted hereunder, then, promptly upon Agent's written demand for same, Borrowers shall make mandatory prepayments of the then outstanding Revolving Advances made against such Eligible Inventory so as to eliminate the excess Advances, provided that, so long as no Default or Event of Default has occurred hereunder, Agent shall not charge Borrowers for more than (i) two such examinations in the first year from the Closing Date and (ii) one such examination in each year thereafter.

3.5. Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Contract Rate during such extension.

3.6. Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrowers, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.7. Increased Costs. In the event that any Applicable Law or any change therein or in the interpretation or application thereof, or compliance by any Lender (for purposes of this Section 3.7, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender (as so defined) makes or maintains any Eurodollar Rate Loans with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent or any Lender to any tax of any kind whatsoever with respect to this Agreement or any Other Document or change the basis of taxation of payments to Agent or any Lender of principal, fees, interest or any other amount payable hereunder or under any Other Documents (except for changes in the rate of tax on the overall net income of Agent or any Lender by the jurisdiction in which it maintains its principal office);

(b) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent or any Lender, including pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent or any Lender or the London interbank Eurodollar market any other condition with respect to this Agreement or any Other Document;

and the result of any of the foregoing is to increase the cost to Agent or any Lender of making, renewing or maintaining its Advances hereunder by an amount that Agent or such Lender deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent or such Lender deems to be material, then, in any case Borrowers shall promptly pay Agent or such Lender, upon its demand, such additional amount as will compensate Agent or such Lender for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the Eurodollar Rate, as the case may be. Agent or such Lender shall certify the amount of such additional cost or reduced amount to Borrowing Agent, and such certification shall be conclusive absent manifest error.

3.8. Basis For Determining Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that:

(a) reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to Section 2.2 hereof for any Interest Period; or

(b) Dollar deposits in the relevant amount and for the relevant maturity are not available in the London interbank Eurodollar market, with respect to an outstanding Eurodollar Rate Loan, a proposed Eurodollar Rate Loan, or a proposed conversion of a Domestic Rate Loan into a Eurodollar Rate Loan,

then Agent shall give Borrowing Agent prompt written, telephonic or telegraphic notice of such determination. If such notice is given, (i) any such requested Eurodollar Rate Loan shall be made as a Domestic Rate Loan, unless Borrowing Agent shall notify Agent no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Eurodollar Rate Loan, (ii) any Domestic Rate Loan or Eurodollar Rate Loan which was to have been converted to an affected type of Eurodollar Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the proposed conversion, shall be maintained as an unaffected type of Eurodollar Rate Loan, and (iii) any outstanding affected Eurodollar Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Eurodollar Rate Loan, shall be converted into an unaffected type of Eurodollar Rate Loan, on the last Business Day of the then current Interest Period for such affected Eurodollar Rate Loans. Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Eurodollar Rate Loan or maintain outstanding affected Eurodollar Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Eurodollar Rate Loan into an affected type of Eurodollar Rate Loan.

3.9. Capital Adequacy.

(a) In the event that Agent or any Lender shall have determined that any Applicable Law or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Body, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any Lender (for purposes of this Section 3.9, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender (as so defined) makes or maintains any Eurodollar Rate Loans with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent or any Lender's capital as a consequence of its obligations hereunder to a level below that which Agent or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's and each Lender's policies with respect to capital adequacy) by an amount deemed by Agent or any Lender to be material, then, from time to time, Borrowers shall pay upon demand to Agent or such Lender such additional amount or amounts as will compensate Agent or such Lender for such reduction. In determining such amount or amounts, Agent or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.9 shall be available to Agent and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the Applicable Law or condition; provided, however, that Agent and Lenders shall demonstrate to Borrowers that they have availed themselves of such protections with regard to their respective other similarly situated Borrowers.

(b) A certificate of Agent or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent or such Lender with respect to Section 3.9(a) hereof when delivered to Borrowing Agent shall be conclusive absent manifest error.

3.10. Gross Up for Taxes. If any Borrower shall be required by Applicable Law to withhold or deduct any taxes from or in respect of any sum payable under this Agreement or any of the Other Documents to Agent, or any Lender, assignee of any Lender, or Participant (each, individually, a "Payee" and collectively, the "Payees"), (a) the sum payable to such Payee or Payees, as the case may be, shall be increased as may be necessary so that, after making all required withholding or deductions, the applicable Payee or Payees receives an amount equal to the sum it would have received had no such withholding or deductions been made (the "Gross-Up Payment"), (b) such Borrower shall make such withholding or deductions, and (c) such Borrower shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with Applicable Law. Notwithstanding the foregoing, no Borrower shall be obligated to make any portion of the Gross-Up Payment that is attributable to any withholding or deductions that would not have been paid or claimed had the applicable Payee or Payees properly claimed a complete exemption with respect thereto pursuant to Section 3.11 hereof.

3.11. Withholding Tax Exemption.

(a) Each Payee that is not incorporated under the Laws of the United States of America or a state thereof (and, upon the written request of Agent, each other Payee) agrees that it will deliver to Borrowing Agent and Agent two (2) duly completed appropriate valid Withholding Certificates (as defined under §1.1441-1(c)(16) of the Income Tax Regulations ("Regulations")) certifying its status (i.e., U.S. or foreign person) and, if appropriate, making a claim of reduced, or exemption from, U.S. withholding tax on the basis of an income tax treaty or an exemption provided by the Code. The term "Withholding Certificate" means a Form W-9; a Form W-8BEN; a Form W-8ECI; a Form W-8IMY and the related statements and certifications as required under §1.1441-1(e)(2) and/or (3) of the Regulations; a statement described in §1.871-14(c)(2)(v) of the Regulations; or any other certificates under the Code or Regulations that certify or establish the status of a payee or beneficial owner as a U.S. or foreign person.

(b) Each Payee required to deliver to Borrowing Agent and Agent a valid Withholding Certificate pursuant to Section 3.11(a) hereof shall deliver such valid Withholding Certificate as follows: (i) each Payee which is a party hereto on the Closing Date shall deliver such valid Withholding Certificate at least five (5) Business Days prior to the first date on which any interest or fees are payable by any Borrower hereunder for the account of such Payee; (ii) each Payee shall deliver such valid Withholding Certificate at least five (5) Business Days before the effective date of such assignment or participation (unless Agent in its sole discretion shall permit such Payee to deliver such Withholding Certificate less than five (5) Business Days before such date in which case it shall be due on the date specified by Agent). Each Payee which so delivers a valid Withholding Certificate further undertakes to deliver to Borrowing Agent and Agent two (2) additional copies of such Withholding Certificate (or a successor form) on or before the date that such Withholding Certificate expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent Withholding Certificate so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by Borrowing Agent or Agent.

(c) Notwithstanding the submission of a Withholding Certificate claiming a reduced rate of or exemption from U.S. withholding tax required under Section 3.11(b) hereof, Agent shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under §1.1441-7(b) of the Regulations. Further, Agent is indemnified under §1.1461-1(e) of the Regulations against any claims and demands of any Payee for the amount of any tax it deducts and withholds in accordance with regulations under §1441 of the Code.

IV. COLLATERAL: GENERAL TERMS

4.1. Security Interest in the Collateral. To secure the prompt payment and performance to Agent and each Lender of the Obligations, each Borrower hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender a continuing security interest in and to and Lien on all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located. Each Borrower shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest and shall cause its financial statements to reflect such security interest. Each Borrower shall promptly provide Agent with written notice of all commercial tort claims, such notice to contain the case title together with the applicable court and a brief description of the claim(s). Upon delivery of each such notice, such Borrower shall be deemed to hereby grant to Agent a security interest and lien in and to such commercial tort claims and all proceeds thereof.

4.2. Perfection of Security Interest. Each Borrower shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) immediately discharging all Liens other than Permitted Encumbrances, (ii) obtaining Lien Waiver Agreements, (iii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral, (iv) entering into warehousing, lockbox and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, control agreements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest and Lien under the Uniform Commercial Code or other Applicable Law. By its signature hereto, each Borrower hereby authorizes Agent to file against such Borrower, one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code in form and substance satisfactory to Agent (which statements may have a description of collateral which is broader than that set forth herein). All charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations, or, at Agent's option, shall be paid to Agent for its benefit and for the ratable benefit of Lenders immediately upon demand.

4.3. Disposition of Collateral. Each Borrower will safeguard and protect all Collateral for Agent's general account and make no disposition thereof whether by sale, lease or otherwise except (a) the sale of Inventory in the Ordinary Course of Business and (b) the disposition or transfer of obsolete and worn-out Equipment in the Ordinary Course of Business or Equipment no longer used or useful in Borrowers' business during any fiscal year having an aggregate fair market value of not more than $250,000 and only to the extent that the net proceeds of any such disposition of Equipment are (i) used to acquire replacement Equipment which is subject to Agent's security interest (subject, if applicable, to a prior Lien in favor of Ridgestone or any other Permitted Encumbrance), (ii) remitted to Ridgestone or any other holder of a Permitted Encumbrance on such Equipment to the extent of Ridgestone's or such other Person's prior Lien on such Equipment, or (iii) remitted to Agent to the extent required under Section 2.21 to be applied pursuant to Section 2.21.

4.4. Preservation of Collateral. In addition to the rights and remedies set forth in Section 11.1 hereof, Agent: (a) may at any time take such steps as Agent deems necessary in its Permitted Discretion to protect Agent's interest in and to preserve the Collateral, including the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any of any Borrower's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Borrower's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of Borrowers' owned or leased property. Each Borrower shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. All of Agent's expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to Borrowers' Account as a Revolving Advance and added to the Obligations.

4.5. Ownership of Collateral.

(a) With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (i) each Borrower shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a security interest in each and every item of the its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens and encumbrances whatsoever; (ii) each document and agreement executed by each Borrower or delivered to Agent or any Lender in connection with this Agreement shall be true and correct in all respects; (iii) all signatures and endorsements of each Borrower that appear on such documents and agreements shall be genuine and each Borrower shall have full capacity to execute same; and (iv) each Borrower's Equipment and Inventory shall be located as set forth on Schedule 4.5 and shall not be removed from such location(s) without the prior written consent of Agent except with respect to the sale of Inventory in the Ordinary Course of Business and Equipment to the extent permitted in Section 4.3 hereof.

(b) (i) There is no location at which any Borrower has any Inventory (except for Inventory in transit) other than those locations listed on Schedule 4.5; (ii) Schedule 4.5 hereto contains a correct and complete list, as of the Closing Date, of the legal names and addresses of each warehouse at which Inventory of any Borrower is stored; none of the receipts received by any Borrower from any warehouse states that the goods covered thereby are to be delivered to bearer or to the order of a named Person or to a named Person and such named Person's assigns; (iii) Schedule 4.5 hereto sets forth a correct and complete list as of the Closing Date of (A) each place of business of each Borrower and (B) the chief executive office of each Borrower; and (iv) Schedule 4.5 hereto sets forth a correct and complete list as of the Closing Date of the location, by state and street address, of all Real Property owned or leased by each Borrower, together with the names and addresses of any landlords.

4.6. Defense of Agent's and Lenders' Interests. Until (a) payment and performance in full of all of the Obligations (other than indemnification obligations for which no claim has been made) and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Borrower shall, without Agent's prior written consent, pledge, sell (except Inventory in the Ordinary Course of Business and other Collateral to the extent permitted in Section 4.3 hereof), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Borrower shall defend Agent's interests in the Collateral against any and all Persons whatsoever. At any time following demand by Agent for payment of all Obligations, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Borrowers shall, upon demand, assemble it in the best manner possible and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the Uniform Commercial Code or other Applicable Law. Each Borrower shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehousers or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Borrower's possession, they, and each of them, shall be held by such Borrower in trust as Agent's trustee, and such Borrower will immediately deliver them to Agent in their original form together with any necessary endorsement.

4.7. Books and Records. Each Borrower shall: (a) keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs; (b) set up on its books accruals with respect to all taxes, assessments, charges, levies and claims; and (c) on a reasonably current basis set up on its books, from its earnings, allowances against doubtful Receivables, advances and investments and all other proper accruals (including by reason of enumeration, accruals for premiums, if any, due on required payments and accruals for depreciation, obsolescence, or amortization of properties), which should be set aside from such earnings in connection with its business. All determinations pursuant to this subsection shall be made in accordance with, or as required by, GAAP consistently applied in the opinion of such independent public accountant as shall then be regularly engaged by Borrowers.

4.8. Financial Disclosure. Each Borrower hereby irrevocably authorizes and directs all accountants and auditors employed by such Borrower at any time during the Term to exhibit and deliver to Agent and each Lender copies of any of such Borrower's financial statements, trial balances or other accounting records of any sort in the accountant's or auditor's possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Borrower's financial status and business operations. Each Borrower hereby authorizes all Governmental Bodies to furnish to Agent and each Lender copies of reports or examinations relating to such Borrower, whether made by such Borrower or otherwise; however, Agent and each Lender will attempt to obtain such information or materials directly from such Borrower prior to obtaining such information or materials from such accountants or Governmental Bodies.

4.9. Compliance with Laws. Each Borrower shall comply with all Applicable Laws with respect to the Collateral or any part thereof or to the operation of such Borrower's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect. Each Borrower may, however, contest or dispute any Applicable Laws in any reasonable manner, provided that any related Lien is inchoate or stayed and sufficient reserves are established to the reasonable satisfaction of Agent to protect Agent's Lien on or security interest in the Collateral.

4.10. Inspection of Premises. At all reasonable times and so long as no Event of Default has occurred and is continuing, upon contemporaneous notice to Borrowers, Agent and each Lender shall have full access to and the right to audit, check, inspect and make abstracts and copies from each Borrower's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Borrower's business. Subject to the foregoing, Agent, any Lender and their agents may enter upon any premises of any Borrower at any time during business hours and at any other reasonable time, and from time to time, for the purpose of inspecting the Collateral and any and all records pertaining thereto and the operation of such Borrower's business; provided, that Agent shall use its best efforts to conduct such inspections in a manner that will not interfere with Borrowers' continued operations and no Lender shall have the independent right to enter the premises of a Borrower without the Agent.

4.11. Insurance. The assets and properties of each Borrower at all times shall be maintained in accordance with the requirements of all insurance carriers which provide insurance with respect to the assets and properties of such Borrower so that such insurance shall remain in full force and effect. Each Borrower shall bear the full risk of any loss of any nature whatsoever with respect to the Collateral. At each Borrower's own cost and expense in amounts and with carriers acceptable to Agent, each Borrower shall: (a) keep all its insurable properties and properties in which such Borrower has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to such Borrower's including business interruption insurance; (b) maintain a bond in such amounts as is customary in the case of companies engaged in businesses similar to such Borrower insuring against larceny, embezzlement or other criminal misappropriation of insured's officers and employees who may either singly or jointly with others at any time have access to the assets or funds of such Borrower either directly or through authority to draw upon such funds or to direct generally the disposition of such assets; (c) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (d) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which such Borrower is engaged in business; (e) furnish Agent with (i) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least thirty (30) days before any expiration date, and (ii) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as a co-insured and loss payee as its interests may appear with respect to all insurance coverage referred to in clauses (a), and (c) above, and providing (A) that all proceeds thereunder shall be payable to Agent, (B) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (C) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent. In the event of any loss thereunder, the carriers named therein hereby are directed by Agent and the applicable Borrower to make payment for such loss to Agent and not to such Borrower and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to any Borrower and Agent jointly, Agent may endorse such Borrower's name thereon and do such other things as Agent may deem advisable to reduce the same to cash. Agent is hereby authorized to adjust and compromise claims under insurance coverage referred to in clauses (a), and (b) above; provided however, that so long as no Default or Event of Default has occurred or is continuing, Borrowers shall have the right to adjust and compromise claims in amounts less than $250,000. All loss recoveries upon any such insurance shall be applied, subject to the terms of the Ridgestone Intercreditor Agreement, to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Borrowers or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Borrowers to Agent, on demand.

4.12. Failure to Pay Insurance. If any Borrower fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Borrower, and charge Borrowers' Account therefor as a Revolving Advance of a Domestic Rate Loan and such expenses so paid shall be part of the Obligations.

4.13. Payment of Taxes. Except to the extent such charges are Properly Contested, each Borrower will pay, when due, all taxes, assessments and other Charges lawfully levied or assessed upon such Borrower or any of the Collateral including real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes. If any tax by any Governmental Body is or may be imposed on or as a result of any transaction between any Borrower and Agent or any Lender which Agent or any Lender may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's or any Lender's opinion, may possibly create a valid Lien on the Collateral, Agent may without notice to Borrowers pay the taxes, assessments or other Charges and each Borrower hereby indemnifies and holds Agent and each Lender harmless in respect thereof. Agent will not pay any taxes, assessments or Charges to the extent that any applicable Borrower has Properly Contested such charges. The amount of any payment by Agent under this Section 4.13 shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations and, until Borrowers shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Borrowers' credit and Agent shall retain its security interest in and Lien on any and all Collateral held by Agent.

4.14. Payment of Leasehold Obligations. Each Borrower shall at all times pay, when and as due, its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect and, at Agent's request will provide evidence of having done so; provided, that the foregoing will not apply to any leases Borrowers have for reasonable business purposes elected to terminate early and from which Borrowers have removed Collateral to another location otherwise in compliance herewith.

4.15. Receivables.

(a) Nature of Receivables. Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Borrower, or work, labor or services theretofore rendered by a Borrower as of the date each Receivable is created. Same shall be due and owing in accordance with the applicable Borrower's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Borrowers to Agent.

(b) Solvency of Customers. Each Customer, to the best of each Borrower's knowledge, as of the date each Receivable is created, is and will be solvent and able to pay all Receivables on which the Customer is obligated in full when due or with respect to such Customers of any Borrower who are not to Borrowers' knowledge solvent such Borrower has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Location of Borrowers. Each Borrower's chief executive office is located at the office identified on Schedule 4.5 attached hereto. Until written notice is given to Agent by Borrowing Agent of any other office at which any Borrower keeps its records pertaining to Receivables, all such records shall be kept at JOI's executive office.

(d) Collection of Receivables. Except as permitted in Section 4.15(g) hereof, until any Borrower's authority to do so is terminated by Agent (which notice Agent may give at any time following the occurrence of an Event of Default or a Default or when Agent in its Permitted Discretion deems it to be in Lenders' best interest to do so), each Borrower will, at such Borrower's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables, and shall not commingle such collections with any Borrower's funds or use the same except to pay Obligations. Each Borrower shall deposit in the Blocked Account or, upon request by Agent, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness.

(e) Notification of Assignment of Receivables. At any time following the occurrence of an Event of Default or when Agent in its Permitted Discretion deems it in Lenders' best interest to do so, Agent shall have the right to send notice of the assignment of, and Agent's security interest in and Lien on, the Receivables to any and all Customers or any third party in possession of or with other rights in any of the Collateral. Thereafter, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone and telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Power of Agent to Act on Borrowers' Behalf. Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Borrower any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Borrower hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Borrower hereby constitutes Agent or Agent's designee as such Borrower's attorney with power (i) at any time: (A) to endorse such Borrower's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (B) to sign such Borrower's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (C) to send verifications of Receivables to any Customer; (D) to sign such Borrower's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; and (ii) at any time following the occurrence of a Default or Event of Default: (A) to demand payment of the Receivables; (B) to enforce payment of the Receivables by legal proceedings or otherwise; (C) to exercise all of such Borrower's rights and remedies with respect to the collection of the Receivables and any other Collateral; (D) to settle, adjust, compromise, extend or renew the Receivables; (E) to settle, adjust or compromise any legal proceedings brought to collect Receivables; (F) to prepare, file and sign such Borrower's name on a proof of claim in bankruptcy or similar document against any Customer; (G) to prepare, file and sign such Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; (H) to accept the return of goods represented by any of the Receivables without notice to or consent by any Borrower, without discharging or in any way affecting any Borrowers' liability hereunder and (I) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment); this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid. Agent shall have the right at any time after the occurrence of an Event of Default to change the address for delivery of mail addressed to any Borrower to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Borrower.

(g) Establishment of a Lockbox Account, Dominion Account. All proceeds of Collateral shall be deposited by Borrowers into either (i) a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") established at a bank or banks (each such bank, a "Blocked Account Bank") pursuant to an arrangement with such Blocked Account Bank as may be selected by Borrowing Agent and be acceptable to Agent or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Borrower, Agent and each Blocked Account Bank shall enter into a deposit account control agreement in form and substance satisfactory to Agent directing such Blocked Account Bank to transfer such funds so deposited to Agent, either to any account maintained by Agent at said Blocked Account Bank or by wire transfer to appropriate account(s) of Agent. All funds deposited in such Blocked Accounts shall immediately become the property of Agent and Borrowing Agent shall obtain the agreement by such Blocked Account Bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Blocked Account Bank thereunder. All deposit accounts and investment accounts of each Borrower and its Subsidiaries are set forth on Schedule 4.15(g). Notwithstanding anything to the contrary set forth in this Section 4.15(g), Borrowers shall be permitted to deposit checks or other payments received at Borrowers' locations in the Ordinary Course of Business in deposit accounts which may not be subject to a blocked account or similar agreements; provided that, at no time shall Borrowers have more than $350,000 in the aggregate in all such accounts which are not Blocked Accounts or Depository Accounts.

(h) Adjustments. No Borrower will, without Agent's consent, compromise or adjust any material amount of the Receivables (or extend the time for payment thereof) or accept any material returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as granted in the Ordinary Course of Business of such Borrower.

4.16. Inventory. To the extent Inventory held for sale or lease has been produced by any Borrower, it has been and will be produced by such Borrower in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.17. Maintenance of Equipment. The Equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Equipment shall be maintained and preserved. No Borrower shall use or operate the Equipment in violation of any law, statute, ordinance, code, rule or regulation the violation of which would reasonably be expected to have a Material Adverse Effect. Each Borrower shall have the right to sell Equipment to the extent set forth in Section 4.3 hereof.

4.18. Exculpation of Liability. Nothing herein contained shall be construed to constitute Agent or any Lender as any Borrower's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Borrower's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Borrower of any of the terms and conditions thereof.

4.19. Environmental Matters.

(a) Borrowers shall ensure that the Real Property and all operations and businesses conducted thereon remains in material compliance with all Environmental Laws and they shall not place or permit to be placed any Hazardous Substances on any Real Property except as permitted by Applicable Law or appropriate governmental authorities.

(b) Borrowers shall maintain procedures to assure and monitor continued material compliance with all applicable Environmental Laws which procedures shall include periodic reviews of such compliance.

(c) Borrowers shall (i) employ in connection with the use of the Real Property appropriate technology necessary to maintain compliance with any applicable Environmental Laws and (ii) dispose of any and all Hazardous Waste generated at the Real Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Laws. Borrowers shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by Borrowers in connection with the transport or disposal of any Hazardous Waste generated at the Real Property.

(d) In the event any Borrower obtains, gives or receives written notice of any Release or threat of Release of a reportable quantity of any Hazardous Substances at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any written notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Borrower's interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which the Real Property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "Authority"), then Borrowing Agent shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Borrower is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in and Lien on the Real Property and the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(e) Borrowing Agent shall promptly forward to Agent copies of any written request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Substances at any other site owned, operated or used by any Borrower to dispose of Hazardous Substances and shall continue to forward copies of correspondence between any Borrower and the Authority regarding such claims to Agent until the claim is settled. Borrowing Agent shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge at the Real Property that any Borrower is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent's security interest in and Lien on the Real Property and the Collateral.

(f) Borrowers shall respond promptly as required by Environmental Laws to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or Real Property to any Lien. If any Borrower shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or any Borrower shall fail to comply with any of the requirements of any Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in the Collateral: (i) give such notices or (ii) enter onto the Real Property (or authorize third parties to enter onto the Real Property) and take such actions as Agent (or such third parties as directed by Agent) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Domestic Rate Loans constituting Revolving Advances shall be paid upon demand by Borrowers, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Borrower.

(g) Promptly upon the written request of Agent from time to time, Borrowers shall provide Agent, at Borrowers' expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, cleanup and removal of any Hazardous Substances found on, under, at or within the Real Property. Unless an Event of Default has occurred, such requests shall be made no more frequently than once per year unless Agent reasonably believes that a Hazardous Discharge has occurred or an Environmental Complaint has been or will be filed. Any report or investigation of such Hazardous Discharge proposed and acceptable to an appropriate Authority that is charged to oversee the clean-up of such Hazardous Discharge shall be acceptable to Agent. If such estimates, individually or in the aggregate, exceed $100,000, Agent shall have the right to require Borrowers to post a bond, letter of credit or other security reasonably satisfactory to Agent to secure payment of these costs and expenses.

(h) Borrowers shall defend and indemnify Agent and Lenders and hold Agent, Lenders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred by Agent or Lenders under or on account of any Environmental Laws, including the assertion of any Lien thereunder, with respect to any Hazardous Discharge, the presence of any Hazardous Substances affecting the Real Property, whether or not the same originates or emerges from the Real Property or any contiguous real estate, including any loss of value of the Real Property as a result of the foregoing, except to the extent such loss, liability, damage, expense, claim, cost, fine or penalty is attributable to any Hazardous Discharge or the presence of any Hazardous Substances resulting from (i) actions on the part of Agent or any Lender or (ii) the actions of a third party which occur after the termination of this Agreement. Borrowers' obligations under this Section 4.19 shall arise upon the discovery of the presence of any Hazardous Substances at the Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Substances. Borrowers' obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(i) For purposes of Section 4.19 and 5.7, all references to Real Property shall be deemed to include all of each Borrower's right, title and interest in and to its owned and leased premises.

4.20. Financing Statements. Except as respects the financing statements filed by Agent, Ridgestone Bank and the financing statements described on Schedule 1.2, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office.

4.21. Appraisals and Audits. Borrowers acknowledge that Agent shall conduct at least one appraisal of Borrowers' Inventory each year under Section 3.4 hereof and at least two field examinations each year under Section 4.10 hereof.

V. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants as follows:

5.1. Authority. Each Borrower has full power, authority and legal right to enter into this Agreement and the Other Documents and to perform all its respective Obligations hereunder and thereunder. This Agreement, the Ridgestone Intercreditor Agreement, the Subordination Agreement and the Other Documents have been duly executed and delivered by each Borrower party thereto, and this Agreement, the Ridgestone Intercreditor Agreement, the Subordination Agreement and the Other Documents constitute the legal, valid and binding obligation of such Borrower enforceable in accordance with their terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. The execution, delivery and performance of this Agreement and of the Other Documents (a) are within such Borrower's corporate or limited liability company powers, as applicable, have been duly authorized by all necessary corporate or company, action, as applicable are not in contravention of law or the terms of such Borrower's by-laws, certificate of incorporation or operating agreement, certificate of formation, as applicable, or other applicable documents relating to such Borrower's formation or to the conduct of such Borrower's business or of any material agreement or undertaking to which such Borrower is a party or by which such Borrower is bound, including the Ridgestone Intercreditor Agreement or the Subordinated Loan Documentation, (b) will not conflict with or violate any law or regulation, or any judgment, order or decree of any Governmental Body, (c) will not require the Consent of any Governmental Body or any other Person, except those Consents set forth on Schedule 5.1 hereto, all of which will have been duly obtained, made or compiled prior to the Closing Date and which are in full force and effect and (d) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Borrower under the provisions of any agreement, charter document, instrument, by-laws or operating agreement or other instrument to which such Borrower is a party or by which it or its property is a party or by which it may be bound, including under the provisions of the Subordinated Loan Documentation or the Ridgestone Intercreditor Agreement.

5.2. Formation and Qualification.

(a) Each Borrower is duly incorporated or formed, as applicable, and in good standing under the laws of the jurisdictions listed on Schedule 5.2(a) and is qualified to do business and is in good standing in the jurisdictions listed on Schedule 5.2(a) which constitute all jurisdictions in which qualification and good standing are necessary for such Borrower to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect on such Borrower. Each Borrower has delivered to Agent true and complete copies of its certificate of incorporation and by-laws or certificate of formation and operating agreement, as applicable, and will promptly notify Agent of any amendment or changes thereto.

(b) The only Subsidiaries of each Borrower are listed on Schedule 5.2(b).

5.3. Survival of Representations and Warranties. All representations and warranties of such Borrower contained in this Agreement and the Other Documents shall be true at the time of such Borrower's execution of this Agreement and the Other Documents, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4. Tax Returns. Each Borrower's federal tax identification number is set forth on Schedule 5.4. Each Borrower has filed all federal, state, and local tax returns and other reports each is required by law to file and has paid all taxes, assessments, fees and other governmental charges that are due and payable. Federal, state and local income tax returns of each Borrower have been examined and reported upon by the appropriate taxing authority or closed by applicable statute and satisfied for all fiscal years prior to and including the fiscal year ending September 2006. The provision for taxes on the books of each Borrower is adequate for all years not closed by applicable statutes, and for its current fiscal year, and no Borrower has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.5. Financial Statements.

(a) The pro forma balance sheet of JOI and consolidating balance of Borrowers (the "Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated by the Ridgestone Loan Documents, the Subordinated Loan Documentation and under this Agreement (collectively, the "Transactions") and is accurate, complete and correct and fairly reflects the financial condition of JOI and Borrowers as of the Closing Date after giving effect to the Transactions, and has been prepared in accordance with GAAP, consistently applied. The Pro Forma Balance Sheet has been certified as accurate, complete and correct in all material respects by the Chief Financial Officer of Borrowing Agent. All financial statements referred to in this subsection 5.5(a), including the related schedules and notes thereto, have been prepared, in accordance with GAAP, except as may be disclosed in such financial statements.

(b) The twelve-month cash flow projections of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis and their projected balance sheets as of the Closing Date, copies of which are annexed hereto as Exhibit 5.5(b) (the "Projections") were prepared by the Chief Financial Officer of JOI, are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect Borrowers' judgment based on present circumstances of the most likely set of conditions and course of action for the projected period. The cash flow Projections together with the Pro Forma Balance Sheet, are referred to as the "Pro Forma Financial Statements".

(c) The consolidated balance sheets of Borrowers, their Subsidiaries and such other Persons described therein (including the accounts of all Subsidiaries for the respective periods during which a subsidiary relationship existed) as of October 3, 2008, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied (except for changes in application in which such accountants concur and present fairly the financial position of Borrowers and their Subsidiaries at such date and the results of their operations for such period. Since October 3, 2008, there has been no change in the condition, financial or otherwise, of Borrowers or their Subsidiaries as shown on the consolidated balance sheet as of such date and no change in the aggregate value of machinery, equipment and Real Property owned by Borrowers and their respective Subsidiaries, except changes in the Ordinary Course of Business, none of which individually or in the aggregate has been materially adverse.

5.6. Entity Names. No Borrower has been known by any other corporate name in the five years preceding the date hereof and does not sell Inventory under any other name except as set forth on Schedule 5.6, nor has any Borrower been the surviving corporation or company, as applicable, of a merger or consolidation or acquired all or substantially all of the assets of any Person during the five (5) years preceding the date hereof except as set forth on Schedule 5.6.

5.7. O.S.H.A. and Environmental Compliance. Except as disclosed on Schedule 5.7 and except for those matters which would not reasonably be expected to have a Material Adverse Effect:

(a) Each Borrower has duly complied with, and its facilities, business, assets, property, leaseholds, Real Property and Equipment are in compliance in all material respects with, the provisions of the Federal Occupational Safety and Health Act, the Environmental Protection Act, RCRA and all other Environmental Laws; there have been no outstanding citations, notices or orders of non-compliance issued to any Borrower or relating to its business, assets, property, leaseholds or Equipment under any such laws, rules or regulations.

(b) Each Borrower has been issued all required federal, state, Canadian, provincial, and local licenses, certificates or permits relating to all applicable Environmental Laws which are material to the operation of the business.

(c) (i) There are no visible signs of releases, spills, discharges, leaks or disposal (collectively referred to as "Releases") of Hazardous Substances at, upon, under or within any Real Property including any premises leased by any Borrower; (ii) there are no underground storage tanks or polychlorinated biphenyls on the Real Property including any premises leased by any Borrower; (iii) the Real Property including any premises leased by any Borrower has never been used as a treatment, storage or disposal facility of Hazardous Waste; and (iv) no Hazardous Substances are present on the Real Property including any premises leased by any Borrower, excepting such quantities as are handled in accordance with all applicable manufacturer's instructions and governmental regulations and in proper storage containers and as are necessary for the operation of the commercial business of any Borrower or of its tenants.

5.8. Solvency; No Litigation, Violation, Indebtedness or Default; ERISA Compliance.

(a) After giving effect to the Transactions, each Borrower will be solvent, able to pay its debts as they mature, will have capital sufficient to carry on its business and all businesses in which it is about to engage, and (i) as of the Closing Date, the fair present saleable value of its assets, calculated on a going concern basis, is in excess of the amount of its liabilities and (ii) subsequent to the Closing Date, the fair saleable value of its assets (calculated on a going concern basis) will be in excess of the amount of its liabilities.

(b) Except as disclosed in Schedule 5.8(b), no Borrower has (i) any pending, or to Borrowers' knowledge threatened, litigation, arbitration, actions or proceedings which would reasonably expected to have a Material Adverse Effect, and (ii) any liabilities or indebtedness for borrowed money other than the Obligations.

(c) No Borrower is in violation of (i) any applicable statute, law, rule, regulation or ordinance or (ii) any order of any court, Governmental Body or arbitration board or tribunal, in each case, in any respect which would reasonably be expected to have a Material Adverse Effect.

(d) No Borrower nor any member of the Controlled Group maintains or is required to contribute to any Plan other than those listed on Schedule 5.8(d) hereto. (i) No Plan has incurred any "accumulated funding deficiency," as defined in Section 302(a)(2) of ERISA and Section 412(a) of the Code, whether or not waived, each Borrower and each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA and Section 412 of the Code in respect of each Plan, and each Plan is in compliance with Sections 412, 430 and 436 of the Code and Sections 206(g), 302 and 303 of ERISA, without regard to waivers and variances; (ii) each Plan which is intended to be a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code; (iii) neither any Borrower nor any member of the Controlled Group has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; (iv) no Plan has been terminated by the plan administrator thereof nor by the PBGC, and there is no occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Plan; (v) except as set forth on Schedule 5.8(d), at this time, the current value of the assets of each Plan exceeds the present value of the accrued benefits and other liabilities of such Plan and neither any Borrower nor any member of the Controlled Group knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities; (vi) neither any Borrower nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan which would reasonably be expected to have a Material Adverse Effect; (vii) neither any Borrower nor any member of a Controlled Group has incurred any liability for any excise tax arising under Section 4971, 4972 or 4980B of the Code, and no fact exists which would give rise to any such liability; (viii) neither any Borrower nor any member of the Controlled Group nor any fiduciary of, nor any trustee to, any Plan, has engaged in a "prohibited transaction" described in Section 406 of the ERISA or Section 4975 of the Code nor taken any action which would constitute or result in a Termination Event with respect to any such Plan which is subject to ERISA; (ix) each Borrower and each member of the Controlled Group has made all contributions due and payable with respect to each Plan; (x) there exists no event described in Section 4043(b) of ERISA, for which the thirty (30) day notice period has not been waived; (xi) neither any Borrower nor any member of the Controlled Group has any fiduciary responsibility for investments with respect to any plan existing for the benefit of persons other than employees or former employees of any Borrower or any member of the Controlled Group; (xii) neither any Borrower nor any member of the Controlled Group maintains or is required to contribute to any Plan which provides health, accident or life insurance benefits to former employees, their spouses or dependents, other than in accordance with Section 4980B of the Code; (xiii) neither any Borrower nor any member of the Controlled Group has withdrawn, completely or partially, within the meaning of Section 4203 or 4205 of ERISA, from any Multiemployer Plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980 and there exists no fact which would reasonably be expected to result in any such liability; and (xiv) no Plan fiduciary (as defined in Section 3(21) of ERISA) has any liability for breach of fiduciary duty or for any failure in connection with the administration or investment of the assets of a Plan.

5.9. Patents, Trademarks, Copyrights and Licenses. All patents, patent applications, trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, design rights, tradenames, assumed names, trade secrets and licenses owned or utilized by any Borrower are set forth on Schedule 5.9, are valid and have been duly registered or filed with all appropriate Governmental Bodies and constitute all of the intellectual property rights which are necessary for the operation of its business; there is no objection to or pending challenge to the validity of any such patent, trademark, copyright, design rights, tradename, trade secret or license and no Borrower is aware of any grounds for any challenge, except as set forth in Schedule 5.9 hereto. Each patent, patent application, patent license, trademark, trademark application, trademark license, service mark, service mark application, service mark license, design rights, copyright, copyright application and copyright license owned or held by any Borrower and all trade secrets used by any Borrower consist of original material or property developed by such Borrower or was lawfully acquired by such Borrower from the proper and lawful owner thereof. To the extent reasonably deemed necessary by Borrowers for the operation of their business, each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof. With respect to all software used by any Borrower, such Borrower is in possession of all source and object codes related to each piece of software or is the beneficiary of a source code escrow agreement, each such source code escrow agreement being listed on Schedule 5.9 hereto.

5.10. Licenses and Permits. Except as set forth in Schedule 5.10, each Borrower (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, provincial or local law, rule or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could have a Material Adverse Effect.

5.11. Default of Indebtedness. No Borrower is in default in the payment of the principal of or interest on any Indebtedness or under any instrument or agreement under or subject to which any Indebtedness has been issued and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

5.12. No Default. No Borrower is in default in the payment or performance of any of its contractual obligations the failure with which to comply would reasonably be expected to have a Material Adverse Effect and no Default has occurred.

5.13. No Burdensome Restrictions. No Borrower is party to any contract or agreement the performance of which would have a Material Adverse Effect. Each Borrower has heretofore delivered to Agent true and complete copies of all material contracts to which it is a party or to which it or any of its properties is subject. No Borrower has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.14. No Labor Disputes. No Borrower is involved in any material labor dispute; there are no strikes or walkouts or union organization of any Borrower's employees threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.14 hereto.

5.15. Margin Regulations. No Borrower is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.16. Investment Company Act. No Borrower is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.17. Disclosure. No representation or warranty made by any Borrower in this Agreement, the Subordinated Loan Documentation or in the Ridgestone Loan Documents, or in any financial statement, report, certificate or any other document furnished in connection herewith or therewith contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not misleading. There is no fact known to any Borrower or which reasonably should be known to such Borrower which such Borrower has not disclosed to Agent in writing with respect to the transactions contemplated or evidenced by the Ridgestone Loan Documents, the Subordinated Loan Documentation or this Agreement which would reasonably be expected to have a Material Adverse Effect.

5.18. Delivery of Ridgestone Loan Documents and Subordinated Loan Documentation. Agent has received complete copies of the Ridgestone Loan Documents and the Subordinated Loan Documentation (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and all amendments thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof. None of such documents and agreements has been amended or supplemented, nor have any of the provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Agent.

5.19. Swaps. No Borrower is a party to, nor will it be a party to, any swap agreement whereby such Borrower has agreed or will agree to swap interest rates or currencies unless same provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.20. Conflicting Agreements. No provision of any mortgage, indenture, contract, agreement, judgment, decree or order binding on any Borrower or affecting the Collateral conflicts with, or requires any Consent which has not already been obtained to, or would in any way prevent the execution, delivery or performance of, the terms of this Agreement or the Other Documents.

5.21. Application of Certain Laws and Regulations. Neither any Borrower nor any Subsidiary of any Borrower is subject to any law, statute, rule or regulation which regulates the incurrence of any Indebtedness, including laws, statutes, rules or regulations relative to common or interstate carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

5.22. Business and Property of Borrowers. Upon and after the Closing Date, Borrowers do not propose to engage in any business other than the manufacturing, distribution and sale of primarily outdoor equipment or as permitted in Section 7.9 and activities necessary to conduct the foregoing. On the Closing Date and at all times thereafter, Borrower owns all the property and possess all of the rights and Consents necessary for the conduct of the business of such Borrower.

5.23. Section 20 Subsidiaries. Borrowers do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase during the underwriting period, or for 30 days thereafter, Ineligible Securities being underwritten by a Section 20 Subsidiary.

5.24. Anti-Terrorism Laws.

(a) General. Neither any Borrower nor any Affiliate of any Borrower is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) Executive Order No. 13224. Neither any Borrower nor any Affiliate of any Borrower or their respective agents acting or benefiting in any capacity in connection with the Advances or other transactions hereunder, is any of the following (each a "Blocked Person"):

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;

(iii) a Person or entity with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;

(v) a Person or entity that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list, or

(vi) a Person or entity who is affiliated or associated with a Person or entity listed above.

Neither any Borrower nor to the knowledge of any Borrower, any of its agents acting in any capacity in connection with the Advances or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

5.25. Trading with the Enemy. No Borrower has engaged, nor does it intend to engage, in any business or activity prohibited by the Trading with the Enemy Act.

5.26. Federal Securities Laws. Neither any (i) Borrower (other than JOI) nor any of its Subsidiaries is required to file periodic reports under the Exchange Act, (ii) Borrower (other than JOI) nor any of its Subsidiaries has any securities registered under the Exchange Act or (iii) Borrower nor any of its Subsidiaries has filed a registration statement that has not yet become effective under the Securities Act.

5.27. Equity Interests. The authorized and outstanding Equity Interests of each Borrower is as shown on Schedule 5.27 hereto. All of the Equity Interests of each Borrower has been duly and validly authorized and issued and is fully paid and non-assessable and has been sold and delivered to the holders hereof in compliance with, or under valid exemption from, all federal and state laws and the rules and regulations of each Governmental Body governing the sale and delivery of securities. Except for the rights and obligations shown on Schedule 5.27, there are no subscriptions, warrants, options, calls, commitments, rights or agreement by which any Borrower or any of the shareholders of any Borrower is bound relating to the issuance, transfer, voting or redemption of shares of its Equity Interests or any pre-emptive rights held by any Person with respect to the Equity Interests of Borrowers. Except as shown on Schedule 5.27, Borrowers have not issued any securities convertible into or exchangeable for shares of its Equity Interests or any options, warrants or other rights to acquire such shares or securities convertible into or exchangeable for such shares.

5.28. Advances from Foreign Subsidiaries. Borrowers have loans or advances from their Foreign Subsidiaries of not less than $8,000,000 less amounts permanently repatriated by such Foreign Subsidiaries to JOI since the Closing Date (but in no event less than $0), each of which are Intercompany Loans hereunder.

VI. AFFIRMATIVE COVENANTS.

Each Borrower shall, unless otherwise agreed in writing by the Required Lenders or the Lenders, as applicable, or until payment in full of the Obligations and termination of this Agreement:

6.1. Payment of Fees. Pay to Agent on demand all usual and customary fees and expenses which Agent incurs in connection with (a) the forwarding of Advance proceeds and (b) the establishment and maintenance of any Blocked Accounts or Depository Accounts as provided for in Section 4.15(g). Agent may, without making demand, charge Borrowers' Account for all such fees and expenses.

6.2. Conduct of Business and Maintenance of Existence and Assets. (a) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including all licenses, patents, copyrights, design rights, tradenames, trade secrets and trademarks and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the Collateral and reasonably necessary for the operation of Borrowers' business; (b) keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so would reasonably be expected to have a Material Adverse Effect; and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof where the failure to do so would reasonably be expected to have a Material Adverse Effect.

6.3. Violations. Promptly notify Agent in writing of any violation of any law, statute, regulation or ordinance of any Governmental Body, or of any agency thereof, applicable to any Borrower which would reasonably be expected to have a Material Adverse Effect.

6.4. Government Receivables. To the extent that any Receivables from a Governmental Body are included in the Formula Amount, take all steps necessary to protect Agent's interest in the Collateral under the Federal Assignment of Claims Act, the Financial Administration Act (Canada), the Uniform Commercial Code and all other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of contracts between any Borrower and the United States, any state, Canada, any province, or any department, agency or instrumentality of any of them.

6.5. Financial Covenants.

(a) Net Worth. As of the Closing Date and through the date of delivery of the audited financial statements required pursuant to Section 9.7 of this Agreement, maintain on a Consolidated Basis a Net Worth of $103,000,000 (the "Base Net Worth"). Thereafter, Borrowers shall cause JOI to maintain on a consolidated basis a Net Worth at all times during and at the end of each fiscal year (each a "referenced fiscal year") of not less than an amount equal to the sum of (i) the Base Net Worth plus (ii) one-half of the net income of JOI and its Subsidiaries for each referenced fiscal year commencing with the fiscal year ending 2010, calculated on a cumulative basis, excluding the impact of non-cash gains or losses resulting from (1) GAAP changes in accounting principals, (2) goodwill and other intangibles impairment charges and (3) deferred tax valuation allowances, occurring after July 3, 2009. Solely for purposes of determining the Borrowers' compliance with this covenant, if JOI and its Subsidiaries have negative net income for any fiscal year, such negative net income shall be deemed to equal zero (-0-).

(b) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, cause to be maintained as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(c) MEG EBITDA. Cause to be maintained MEG EBITDA as of the end of each fiscal quarter of not less than $10,000,000, to be tested on a rolling four (4) quarter basis.

(d) Affiliate EBITDA. If, at any time, Affiliate EBITDA equals or exceeds thirty five percent (35%) of EBITDA of JOI and its Subsidiaries on a consolidated basis, Borrowers and the borrower under the Canadian Loan Agreement shall, collectively, have a Thirty Day Average Undrawn Availability of not less than $3,000,000 as of the end of each month commencing with the month immediately succeeding the month in which Affiliate EBITDA first exceeds thirty five percent (35%) of EBITDA of JOI and its Subsidiaries on a consolidated basis and continuing until such time that Affiliate EBITDA drops below thirty five percent (35%) of EBITDA of JOI and its Subsidiaries on a consolidated basis for two consecutive quarters.

6.6. Execution of Supplemental Instruments. Execute and deliver to Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may reasonably request, in order that the full intent of this Agreement may be carried into effect.

6.7. Payment of Indebtedness. Pay, discharge or otherwise satisfy at or before maturity (subject, where applicable, to specified grace periods and, in the case of the trade payables, to normal payment practices) all its obligations and liabilities of whatever nature, except when the failure to do so would not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof being Properly Contested, subject at all times to any applicable subordination arrangement in favor of Lenders.

6.8. Standards of Financial Statements. Cause all financial statements referred to in Sections 9.7, 9.8, 9.9, 9.10, 9.11, 9.12, and 9.13 as to which GAAP is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as concurred in by such reporting accountants or officer, as the case may be, and disclosed therein).

6.9. Federal Securities Laws. Promptly notify Agent in writing if (i) any Borrower (other than JOI) or any of its Subsidiaries is required to file periodic reports under the Exchange Act, (ii) any Borrower or any of its Subsidiaries registers any securities under the Exchange Act or (iii) any Borrower or any of its Subsidiaries files a registration statement under the Securities Act.

6.10. Post Closing.

(a) Within thirty (30) days of the Closing Date (unless Agent in its sole discretion agrees to a longer period of time), cause Johnson Outdoors Canada Inc. to execute and deliver the Canadian Loan Documents and cause the transactions thereunder to become final;

(b) Within thirty (30) days of the Closing Date, cause each licensor of the License Agreements identified on Schedule 5.9 to execute and deliver to Agent a Licensor/Agent Agreement; provided however, that the failure of any such Licensor to deliver a Licensor/Agent Agreement shall not be deemed to be an Event of Default hereunder;

(c) Within thirty (30) days of the Closing Date, cause JWA Holding B.V. to execute and deliver all documents deemed necessary by Agent to effectuate and perfect the pledge by Under Sea Industries, Inc. of the Equity Interests of JWA Holding B.V. in favor of Agent for the benefit of Lenders and cause Johnson Outdoors Watercraft Ltd. to execute and deliver all documents deemed necessary by Agent to effectuate and perfect the pledge by JOI of the Equity Interest of Johnson Outdoors Watercraft Ltd. in favor of Agent for the benefit of Lenders;

(d) Until such time that all cash management functions have been fully transferred to Agent, cause on each Business Day, any and all checks received by Borrowers, to be delivered to Agent to be deposited in Borrowers' collection accounts maintained with Agent.

VII. NEGATIVE COVENANTS.

No Borrower shall, unless otherwise agreed in writing by the Required Lenders or the Lenders, as applicable, or until satisfaction in full of the Obligations and termination of this Agreement:

7.1. Merger, Consolidation, Acquisition and Sale of Assets.

(a) Enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or Equity Interests of any Person or permit any other Person to consolidate with or merge with it; provided that (i) Borrowers may enter into Permitted Acquisitions and (ii) so long as no Default or Event of Default has occurred or is continuing, any Borrower may, upon prior written notice to Agent, enter into any such transactions with another Borrower.

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) dispositions of Collateral to the extent expressly permitted by Section 4.3 and (ii) any other sales or dispositions expressly permitted by this Agreement.

7.2. Creation of Liens. Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter acquired, except Permitted Encumbrances.

7.3. Guarantees. Become liable upon the obligations or liabilities of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on Schedule 7.3, (b) the endorsement of checks in the Ordinary Course of Business, (c) the guarantee by a Borrower of Indebtedness incurred by another Borrower which is permitted under this Agreement, (d) the Guaranty Agreement and the USDA Guarantees (all as defined in each of the Ridgestone Loan Documents), (e) any unsecured guarantee or co-signing by a Borrower for the benefit of Indebtedness incurred by any Person (other than a Borrower) in which such Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrowers and their respective Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in the aggregate, and (f) the Guaranty by Borrowers of the obligations of Johnson Outdoors Canada Inc. owing to National City Bank, Canada Branch under the Canadian Loan Agreement.

7.4. Investments. Purchase or acquire obligations or Equity Interests of, or any other interest in, any Person, except (a) obligations issued or guaranteed by the United States of America or any agency thereof, (b) commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating), (c) certificates of time deposit and bankers' acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (i) such bank has a combined capital and surplus of at least $500,000,000, or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency, (d) U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof, and (e) in connection with a Permitted Acquisition.

7.5. Loans. Make advances, loans or extensions of credit to any Person, including any Parent, Subsidiary or Affiliate except (a) with respect to the extension of commercial trade credit in connection with the sale of Inventory in the Ordinary Course of Business, (b) loans to employees in the Ordinary Course of Business not to exceed the aggregate amount of $500,000 at any time outstanding and (c) loans or advances from one Borrower to another Borrower.

7.6. Capital Expenditures. Contract for, purchase or make any expenditure or commitments for Capital Expenditures in an aggregate amount for all Borrowers in excess of $10,000,000 for fiscal year ending on or about September 30, 2009, $11,000,000 for fiscal year ending on or about September 30, 2010 and $12,000,000 in any fiscal year thereafter.

7.7. Dividends. Declare, pay or make any dividend or distribution on any Equity Interests of any Borrower (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Equity Interest, or of any options to purchase or acquire any Equity Interest of any Borrower except a Borrower may make dividends or distributions to another Borrower; provided however, that so long as no Default or Event of Default exists or would exist after giving effect to the making of such dividends, JOI may declare, and pay, dividends to the holders of its Equity Interests, in accordance with historical practices, but in no event may the aggregate amount of all dividends for any year exceed twenty five percent (25%) of JOI's net income.

7.8. Indebtedness. Create, incur, assume or suffer to exist any Indebtedness (exclusive of trade debt) except in respect of: (i) Indebtedness to Lenders; (ii) Indebtedness incurred for Capital Expenditures permitted under Section 7.6 hereof; (iii) Indebtedness due under the Subordinated Loan Documentation (including Intercompany Loans); provided that the aggregate amount outstanding under Subordinated Loans (excluding Intercompany Loans) shall not exceed $20,000,000 in the aggregate at any time; (iv) Indebtedness due under the Ridgestone Loan Documents; (v) Indebtedness set forth on Schedule 7.8; or (vi) Indebtedness available to Borrowers under federal, state or local incentive loan programs which provide rates that are generally more favorable to Borrowers than those that are commercially available from traditional lenders in an amount not to exceed Three Million Dollars ($3,000,000) in the aggregate at any time and after giving to the incurrence of such Indebtedness no Default or Event of Default exists or would occur.

7.9. Nature of Business. Substantially change the nature of the business in which it is presently engaged, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the Ordinary Course of Business for assets or property which are useful in, necessary for and are to be used in its business as presently conducted or in any complementary business.

7.10. Transactions with Affiliates. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise enter into any transaction or deal with, any Affiliate, except (i) transactions disclosed to Agent, which are in the Ordinary Course of Business, on an arm's-length basis on terms and conditions no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate, (ii) transactions contemplated under the Administrative Services Agreements and (iii) repayment(s) of Intercompany Loans as permitted in Section 7.21 hereof.

7.11. Leases. Enter as lessee into any lease arrangement for real or personal property (unless capitalized and permitted under Section 7.6 hereof) if after giving effect thereto, aggregate annual rental payments for all leased property would exceed $12,000,000 in any one fiscal year in the aggregate for all Borrowers.

7.12. Subsidiaries. Except in connection with a Permitted Acquisition, or for such other valid business purposes which Borrowers deem necessary, which Agent, in its Permitted Discretion, has approved:

(a) Form any Subsidiary; or

(b) Enter into any partnership, joint venture or similar arrangement.

7.13. Fiscal Year and Accounting Changes. Change its fiscal year from a 52/53 week year ending on or about September 30 of each year or make any significant change (i) in accounting treatment and reporting practices except as required by GAAP or (ii) except as required by law, in tax reporting treatment in a manner that would be adverse to Lenders.

7.14. Pledge of Credit. Now or hereafter pledge Agent's or any Lender's credit on any purchases or for any purpose whatsoever or use any portion of any Advance in or for any business other than such Borrower's business as conducted on the date of this Agreement.

7.15. Amendment of Articles of Incorporation, By-Laws or Certificate of Formation, Operating Agreement. Amend, modify or waive any material term or provision of its Articles of Incorporation or By-Laws or Certificate of Formation or Operating Agreement, as applicable, unless required by law.

7.16. Compliance with ERISA. (i) (x) Maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Plan, other than those Plans disclosed on Schedule 5.8(d), (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA or Section 4975 of the Code, (iii) incur, or permit any Plan to incur, any "accumulated funding deficiency", as that term is defined in Section 302 of ERISA or Section 412 of the Code, (iv) terminate, or permit any member of the Controlled Group to terminate, any Plan where such event could result in any liability of any Borrower or any member of the Controlled Group or the imposition of a lien on the property of any Borrower or any member of the Controlled Group pursuant to Section 4068 of ERISA, (v) assume, or permit any member of the Controlled Group to assume, any obligation to contribute to any Multiemployer Plan not disclosed on Schedule 5.8(d), (vi) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan; (vii) fail promptly to notify Agent of the occurrence of any Termination Event, (viii) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other Applicable Laws in respect of any Plan in any respect which would reasonably be likely to result in a Material Adverse Effect, (ix) fail to meet, or permit any member of the Controlled Group to fail to meet, all minimum funding requirements under ERISA and the Code, without regard to any waivers or variances, or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Plan, or (x) cause, or permit any member of the Controlled Group to cause, a representation or warranty in Section 5.8(d) to cease to be true and correct.

7.17. Prepayment of Indebtedness. Except as permitted pursuant to Section 7.21 hereof, at any time, directly or indirectly, prepay any Indebtedness (other than to Lenders), or repurchase, redeem, retire or otherwise acquire any Indebtedness of any Borrower.

7.18. Anti-Terrorism Laws. No Borrower shall, until satisfaction in full of the Obligations and termination of this Agreement, nor shall it permit any Affiliate or agent to:

(a) Conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person.

(b) Deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

(c) Engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order No. 13224, the USA PATRIOT Act or any other Anti-Terrorism Law. Borrower shall deliver to Lenders any certification or other evidence requested from time to time by any Lender in its sole discretion, confirming Borrower's compliance with this Section.

7.19. Membership/Partnership Interests. Elect to treat or permit any of its Subsidiaries to (x) treat its limited liability company membership interests or partnership interests, as the case may be, as securities as contemplated by the definition of "security" in Section 8-102(15) and by Section 8-103 of Article 8 of Uniform Commercial Code or (y) certificate its limited liability company membership interests or partnership interests, as the case may be.

7.20. Trading with the Enemy Act. Engage in any business or activity in violation of the Trading with the Enemy Act.

7.21. Subordinated Loan Documentation. At any time, directly or indirectly, pay, prepay, repurchase, redeem, retire or otherwise acquire, or make any payment on account of any principal of, interest on or premium payable in connection with the repayment or redemption of a Subordinated Loan; provided however, that notwithstanding the foregoing, Borrowers may repay Intercompany Loans so long as (i) no Default or Event of Default exists or would exist hereunder at the time of, and after giving effect to any such repayments(s) and (ii) Borrowers' demonstrate to Agent through a certification in form and substance satisfactory to Agent that Borrowers' will have Undrawn Availability of not less than (a) $2,000,000 at the time of, and after giving effect to any such repayments(s), for such repayments made during the period commencing on July 15th of each year through November 15th of such year and (b) $3,000,000 at the time of, and after giving effect to any such repayments(s), for such repayments made during the period commencing on November 16th of each year through July 14th of the following year.

7.22. Other Agreements. Enter into any material amendment, waiver or modification of the Ridgestone Loan Documents, the Subordinated Loan Documentation or any related agreements.

VIII. CONDITIONS PRECEDENT.

8.1. Conditions to Initial Advances. The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Agent, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent:

(a) Notes. Agent shall have received this Agreement and the Notes duly executed and delivered by an authorized officer of each Borrower;

(b) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by this Agreement, any related agreement or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or Lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;

(c) Corporate and Company Proceedings of Borrowers. Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of each Borrower authorizing (i) the execution, delivery and performance of this Agreement, the Notes, any related agreements, the Subordinated Loan Documentation, and the Ridgestone Loan Documents (collectively the "Documents") and (ii) the granting by each Borrower of the security interests in and Liens upon the Collateral in each case certified by the Secretary, or an Assistant Secretary, or Manager of each Borrower as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(d) Incumbency Certificates of Borrowers. Agent shall have received a certificate of the Secretary or an Assistant Secretary or the Manager of each Borrower, dated the Closing Date, as to the incumbency and signature of the officers of each Borrower executing this Agreement, the Other Documents, any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(e) Intentionally omitted.

(f) Intentionally omitted.

(g) Certificates. Agent shall have received a copy of the Articles or Certificate of Incorporation or Formation, as applicable. of each Borrower, and all amendments thereto, certified by the Secretary of State or other appropriate official of its jurisdiction of incorporation or Formation, as applicable, together with copies of the By-Laws or Operating Agreement, as applicable, of each Borrower and all agreements of each Borrower's shareholders or members, as applicable, certified as accurate and complete by the Secretary of each Borrower;

(h) Good Standing Certificates. Agent shall have received good standing certificates for each Borrower dated not more than 30 days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each Borrower's jurisdiction of incorporation or formation, as applicable and each jurisdiction where the conduct of each Borrower's business activities or the ownership of its properties necessitates qualification;

(i) Legal Opinion. Agent shall have received the executed legal opinions of Godfrey & Kahn, S.C. and Hand Arendall, L.L.C., in form and substance satisfactory to Agent, which shall cover such matters incident to the transactions contemplated by this Agreement, the Notes the Other Documents, the Ridgestone Loan Documents, the Ridgestone Intercreditor Agreement, the Subordination Agreement and related agreements as Agent may reasonably require and each Borrower hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(j) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Borrower or against the officers or directors of any Borrower (A) in connection with this Agreement, the Other Documents, the Ridgestone Loan Documents, the Subordinated Loan Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which would, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Borrower or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(k) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 8.1(k).

(l) Collateral Examination. Agent shall have completed Collateral examinations and received appraisals, the results of which shall be satisfactory in form and substance to Lenders, of the Receivables, Inventory, General Intangibles, and Equipment of each Borrower and all books and records in connection therewith;

(m) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date hereunder, including pursuant to Article III hereof;

(n) Pro Forma Financial Statements. Agent shall have received a copy of the Pro Forma Financial Statements which shall be satisfactory in all respects to Lenders;

(o) Ridgestone Loan Documents. Agent shall have received final executed copies of the Ridgestone Loan Documents, and all related agreements, documents and instruments as in effect on the Closing Date all of which shall be satisfactory in form and substance to Agent and the transactions contemplated by such documentation shall be consummated prior to or simultaneously with the making of the initial Advance including, without limitation, the receipt by Borrowers of the proceeds of a term loan under the Ridgestone Loan Documents in the sum of $15,892,000;

(p) Ridgestone Intercreditor Agreement/Subordination Agreements. Agent shall have entered into the Ridgestone Intercreditor Agreement and a Subordination Agreement with Borrowers and the holders of Subordinated Loans which shall set forth the basis upon which the "Subordinated Noteholder" may receive, and Borrowers may make, payments under the Subordinated Loan Documentation, which basis shall be satisfactory in form and substance to Agent in its sole discretion;

(q) Insurance. Agent shall have received in form and substance satisfactory to Agent, certified copies of Borrowers' casualty insurance policies, together with loss payable endorsements on Agent's standard form of loss payee endorsement naming Agent as loss payee, and certified copies of Borrowers' liability insurance policies, together with endorsements naming Agent as a co-insured;

(r) Foreign Subsidiary Advances. Agent shall have received evidence that Borrowers have received the proceeds of loans, advances or permanent repatriations of cash from their Foreign Subsidiaries in an amount not less than $8,000,000;

(s) Intentionally Omitted;

(t) Payment Instructions. Agent shall have received written instructions from Borrowing Agent directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(u) Blocked Accounts. Agent shall have received duly executed agreements establishing the Blocked Accounts or Depository Accounts with financial institutions acceptable to Agent for the collection or servicing of the Receivables and proceeds of the Collateral;

(v) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(w) No Adverse Material Change. (i) Since April 3, 2009, there shall not have occurred any event, condition or state of facts which would reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied to Agent or Lenders shall have been proven to be inaccurate or misleading in any material respect;

(x) Intentionally omitted;

(y) Other Documents. Agent shall have received the executed Other Documents, all in form and substance satisfactory to Agent;

(z) Financial Projections. Agent shall have received financial projections of the Borrowers for the upcoming three fiscal years, presented on a month by month basis for the first year and on a quarterly basis for the following years, in form and substance satisfactory to Agent;

(aa) Contract Review. Agent shall have reviewed all material contracts of Borrowers including leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(bb) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Financial Officer of each Borrower dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct on and as of such date, (ii) Borrowers are on such date in compliance with all the terms and provisions set forth in this Agreement and the Other Documents and (iii) on such date no Default or Event of Default has occurred or is continuing;

(cc) Borrowing Base. Agent shall have received evidence from Borrowers that the aggregate amount of Eligible Receivables and Eligible Inventory is sufficient in value and amount to support Advances in the amount requested by Borrowers on the Closing Date;

(dd) Undrawn Availability. After giving effect to the initial Advances hereunder, Borrowers shall have Undrawn Availability of at least $10,000,000;

(ee) Compliance with Laws. Agent shall be reasonably satisfied that each Borrower is in compliance with all pertinent federal, state, local or territorial regulations, including those with respect to the Federal Occupational Safety and Health Act, the Environmental Protection Act, ERISA and the Trading with the Enemy Act; and

(ff) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent and its counsel.

8.2. Conditions to Each Advance. The agreement of Lenders or PNC to make any Advance requested to be made on any date (including the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Borrower in or pursuant to this Agreement, the Other Documents and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement, the Other Documents or any related agreement shall be true and correct in all material respects on and as of such date as if made on and as of such date except to the extent a representation or warranty is made only as of a specified date in which case such representation or warranty shall be true as of such specified date;

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; provided, however that Agent, in its sole discretion, subject only to the limitations in Section 16.2(b), may continue to make Advances notwithstanding the existence of an Event of Default or Default and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default; and

(c) Maximum Advances. In the case of any type of Advance requested to be made, after giving effect thereto, the aggregate amount of such type of Advance shall not exceed the maximum amount of such type of Advance permitted under this Agreement.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Borrower as of the date of such Advance that the conditions contained in this subsection shall have been satisfied.

IX. INFORMATION AS TO BORROWERS.

Each Borrower shall, or (except with respect to Section 9.11) shall cause Borrowing Agent on its behalf to, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1. Disclosure of Material Matters. Immediately upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectibility of any portion of the Collateral, including any Borrower's reclamation or repossession of, or the return to any Borrower of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

9.2. Schedules. Deliver to Agent on or before the fifteenth (15th) day of each fiscal month of Borrowers as and for the prior fiscal month (a) accounts receivable agings inclusive of reconciliations to the general ledger, (b) accounts payable schedules inclusive of reconciliations to the general ledger, (c) Inventory reports and (d) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement). In addition, each Borrower will deliver to Agent at such intervals as Agent may require: (i) confirmatory assignment schedules, (ii) copies of Customer's invoices, (iii) evidence of shipment or delivery, and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may in its Permitted Discretion require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary in its Permitted Discretion to protect its interests hereunder. The items to be provided under this Section are to be in form satisfactory to Agent and, where applicable, executed by the Borrowing Agent and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Borrower's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral.

9.3. Environmental Reports. Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, with a certificate signed by the Chief Financial Officer or Vice President of Borrowing Agent stating, to the best of his knowledge, that each Borrower is in compliance in all material respects with all federal, state and local Environmental Laws. To the extent any Borrower is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of material non-compliance and the proposed action such Borrower will implement in order to achieve full compliance.

9.4. Litigation. Promptly notify Agent in writing of any claim, litigation, suit or administrative proceeding affecting any Borrower or any Guarantor, whether or not the claim is covered by insurance, and of any litigation, suit or administrative proceeding, which in any such case affects the Collateral or which would reasonably be expected to have a Material Adverse Effect.

9.5. Material Occurrences. Promptly notify Agent in writing upon the occurrence of: (a) any Event of Default or Default; (b) any event of default under the Ridgestone Loan Documents or the Subordinated Loan Documentation; (c) any event which with the giving of notice or lapse of time, or both, would constitute an event of default under the Ridgestone Loan Documents or the Subordinated Loan Documentation; (d) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Borrower as of the date of such statements; (e) any accumulated retirement plan funding deficiency which, if such deficiency continued for two plan years and was not corrected as provided in Section 4971 of the Code, could subject any Borrower to a tax imposed by Section 4971 of the Code; (f) each and every default by any Borrower which would reasonably be expected to result in the acceleration of the maturity of any Indebtedness, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; and (g) any other development in the business or affairs of any Borrower or any Guarantor which would reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Borrowers propose to take with respect thereto.

9.6. Government Receivables. Notify Agent promptly (which may be by a separate notification or by inclusion of a notation in the Borrowing Base Certificates delivered hereunder) if any of its Receivables arise out of contracts between any Borrower and the United States, any state, Canada, any province, or any department, agency or instrumentality of any of them.

9.7. Annual Financial Statements. Furnish Agent within ninety (90) days after the end of each fiscal year of Borrowers, financial statements of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis, including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Borrowers and satisfactory to Agent (the "Accountants"). The report of the Accountants shall be accompanied by a statement of the Accountants certifying that (i) they have caused this Agreement to be reviewed, (ii) in making the examination upon which such report was based either no information came to their attention which to their knowledge constituted an Event of Default or a Default under this Agreement or any related agreement or, if such information came to their attention, specifying any such Default or Event of Default, its nature, when it occurred and whether it is continuing, and such report shall contain or have appended thereto calculations which set forth Borrowers' compliance with the requirements or restrictions imposed by Sections 6.5(a), 6.5(b), 7.6, 7.7, 7.8 and 7.11 hereof. In addition, the reports shall be accompanied by a Compliance Certificate.

9.8. Quarterly Financial Statements. Furnish Agent within forty (45) days after the end of each fiscal quarter, an unaudited balance sheet of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis and unaudited statements of income and stockholders' equity and cash flow of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to Borrowers' business. The reports shall be accompanied by a Compliance Certificate.

9.9. Monthly Financial Statements. Furnish Agent within thirty (30) days after the end of each fiscal month (other than for the fiscal months of March, June, September and December which shall be delivered in accordance with the Section 9.8), an unaudited balance sheet of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis and unaudited statements of income and stockholders' equity and cash flow of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such fiscal month and for such fiscal month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to Borrowers' business**.**

9.10. Other Reports. Furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, (i) with copies of such financial statements, reports and returns as each Borrower shall send to its stockholders and/or members and (ii) copies of all notices, reports, financial statements and other materials sent pursuant to the Ridgestone Loan Documents and Subordinated Loan Documentation.

9.11. Additional Information. Furnish Agent with such additional information as Agent shall reasonably request in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Notes have been complied with by Borrowers including, without the necessity of any request by Agent, (a) copies of all environmental audits and reviews, (b) at least thirty (30) days prior thereto, notice of any Borrower's opening of any new office or place of business or any Borrower's closing of any existing office or place of business, and (c) promptly upon any Borrower's learning thereof, notice of any labor dispute to which any Borrower may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Borrower is a party or by which any Borrower is bound.

9.12. Projected Operating Budget. Furnish Agent, no later than thirty (30) days after the beginning of each Borrower's fiscal years commencing with fiscal year 2010, projected operating budget and cash flow of JOI on a consolidating and consolidated basis and of Borrowers on a consolidating basis for such fiscal year to be prepared on a month by month basis for fiscal year 2010 and on a quarter by quarter basis for each year thereafter (including an income statement for each quarter or month as applicable, and a balance sheet as at the end of each fiscal quarter, or the last month of each fiscal quarter, as applicable), such projections to be accompanied by a certificate signed by the President or Chief Financial Officer of each Borrower to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

9.13. Variances From Operating Budget. Furnish Agent, concurrently with the delivery of the financial statements referred to in Section 9.7 and each quarterly report, a written report summarizing all material variances from budgets submitted by Borrowers pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14. Notice of Suits, Adverse Events. Furnish Agent with prompt written notice of (i) any lapse or other termination of any Consent issued to any Borrower by any Governmental Body or any other Person that is material to the operation of any Borrower's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (iii) copies of any periodic or special reports filed by any Borrower or any Guarantor with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Borrower or any Guarantor, or if copies thereof are requested by Agent, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Borrower or any Guarantor.

9.15. ERISA Notices and Requests. Furnish Agent with immediate written notice in the event that (i) any Borrower or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Borrower or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) any Borrower or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which such Borrower or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan together with all communications received by any Borrower or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which any Borrower or any member of the Controlled Group was not previously contributing shall occur, (v) any Borrower or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) any Borrower or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) any Borrower or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) any Borrower or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment; (ix) any Borrower or any member of the Controlled Group knows that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

9.16. Quarterly Restructuring Updates. Until such time as Agent indicates in writing to Borrowers that such written updates are no longer necessary, within thirty (30) days of the end of each fiscal quarter, a copy of the written report delivered to JOI's Board of Directors on the progress of Borrowers in connection with the restructuring of the Watercraft and Diving divisions.

9.17. Additional Documents. Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement.

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1. Nonpayment. Failure by any Borrower to pay any principal or interest on the Obligations when due, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or by notice of intention to prepay, or by required prepayment or failure to pay any other liabilities or make any other payment, fee or charge provided for herein when due or in any Other Document;

10.2. Breach of Representation. Any representation or warranty made or deemed made by any Borrower or any Guarantor in this Agreement, any Other Document or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been misleading in any material respect on the date when made or deemed to have been made;

10.3. Financial Information. Failure by any Borrower to (i) furnish financial information when due or when requested or (ii) permit the inspection of its books or records in accordance with the terms hereof;

10.4. Judicial Actions. Issuance of a notice of Lien, levy, assessment, injunction or attachment against any Borrower's Inventory or Receivables or against a material portion of any Borrower's other property which is not stayed or lifted within thirty (30) days;

10.5. Noncompliance. Except as otherwise provided for in Sections 10.1, 10.3 and 10.5(ii), (i) failure or neglect of any Borrower or any Guarantor or any Person to perform, keep or observe any term, provision, condition, covenant herein contained, or contained in any Other Document or any other agreement or arrangement, now or hereafter entered into between any Borrower or any Guarantor or such Person, and Agent or any Lender, or (ii) failure or neglect of any Borrower to perform, keep or observe any term, provision, condition or covenant, contained in Sections 4.6, 4.7, 4.9, 6.1, 6.3, 6.4, 9.4 or 9.6 hereof which is not cured within ten (10) days from the occurrence of such failure or neglect;

10.6. Judgments. Any judgment or judgments are rendered against any Borrower or any Guarantor for an aggregate amount in excess of $350,000 or against all Borrowers or Guarantors for an aggregate amount in excess of $350,000 and (i) enforcement proceedings shall have been commenced by a creditor upon such judgment, (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, shall not be in effect, or (iii) any such judgment results in the creation of a Lien upon any of the Collateral (other than a Permitted Encumbrance);

10.7. Bankruptcy. Any Borrower or any Guarantor shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of creditors, (iii) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (iv) be adjudicated a bankrupt or insolvent, (v) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vi) acquiesce to, or fail to have dismissed, within thirty (30) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (vii) take any action for the purpose of effecting any of the foregoing;

10.8. Inability to Pay. Any Borrower or any Guarantor shall admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business;

10.9. Intentionally Omitted.

10.10. Material Adverse Effect. The occurrence of any Material Adverse Effect;

10.11. Lien Priority. Any Lien created hereunder or provided for hereby or under any related agreement for any reason ceases to be or is not a valid and perfected Lien having a first priority interest;

10.12. Ridgestone Default or Subordinated Loan Default. An event of default has occurred under the Ridgestone Loan Documents, the Subordinated Loan Documentation, the Ridgestone Intercreditor Agreement or the Subordination Agreement, which default shall not have been cured or waived within any applicable grace period;

10.13. Cross Default. A default of the obligations of any Borrower under any other agreement to which it is a party shall occur which causes a Material Adverse Effect which default is not cured within any applicable grace period;

10.14. Breach of Guaranty. Termination or breach of any Guaranty or Guaranty Security Agreement or similar agreement executed and delivered to Agent in connection with the Obligations of any Borrower, or if any Guarantor attempts to terminate, challenges the validity of, or its liability under, any such Guaranty or Guaranty Security Agreement or similar agreement;

10.15. Change of Ownership. Any Change of Ownership shall occur;

10.16. Invalidity. Any material provision of this Agreement or any Other Document shall, for any reason, cease to be valid and binding on any Borrower or any Guarantor, or any Borrower or any Guarantor shall so claim in writing to Agent or any Lender;

10.17. Licenses. (i) Any Governmental Body shall (A) revoke, terminate, suspend or adversely modify any license, permit, patent trademark or tradename of any Borrower or any Guarantor or (B) commence proceedings to suspend, revoke, terminate or adversely modify any such license, permit, trademark, tradename or patent and such proceedings shall not be dismissed or discharged within sixty (60) days, or (C) schedule or conduct a hearing on the renewal of any license, permit, trademark, tradename or patent necessary for the continuation of any Borrower's or any Guarantor's business and the staff of such Governmental Body issues a report recommending the termination, revocation, suspension or material, adverse modification of such license, permit, trademark, tradename or patent, and in each case under (A)-(C), such revocation, termination, suspension or adverse modification has occurred or is reasonably likely to occur, and would reasonably be expected to have a Material Adverse Effect; (ii) any agreement which is necessary or material to the operation of any Borrower's or any Guarantor's business shall be revoked or terminated and not replaced by a substitute acceptable to Agent within thirty (30) days after the date of such revocation or termination, and such revocation or termination and non-replacement would reasonably be expected to have a Material Adverse Effect;

10.18. Seizures. Any portion of the Collateral shall be seized or taken by a Governmental Body, or any Borrower or any Guarantor or the title and rights of any Borrower or any Guarantor which is the owner of any material portion of the Collateral shall have become the subject matter of claim, litigation, suit or other proceeding which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;

10.19. Operations. Other than scheduled shut downs in the Ordinary Course of Business, the operations of any Borrower's or any Guarantor's manufacturing facility are interrupted at any time for more than 5 consecutive days, unless such Borrower or Guarantor shall (i) be entitled to receive for such period of interruption, proceeds of business interruption insurance sufficient to assure that its per diem cash needs during such period is at least equal to its average per diem cash needs for the consecutive three month period immediately preceding the initial date of interruption and (ii) receive such proceeds in the amount described in clause (i) preceding not later than thirty (30) days following the initial date of any such interruption; provided, however, that notwithstanding the provisions of clauses (i) and (ii) of this section, an Event of Default shall be deemed to have occurred if such Borrower or Guarantor shall be receiving the proceeds of business interruption insurance for a period of sixty (60) consecutive days;

10.20. Pension Plans. An event or condition specified in Sections 7.16 or 9.15 hereof shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Borrower or any member of the Controlled Group shall incur, or in the opinion of Agent be reasonably likely to incur, a liability to a Plan or the PBGC (or both) which, in the reasonable judgment of Agent, would have a Material Adverse Effect; or

10.21. Canadian Loan Documents. The occurrence of an Event of Default under, or voluntary or involuntary termination of, the Canadian Loan Documents.

XI. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1. Rights and Remedies.

(a) Upon the occurrence of (i) an Event of Default pursuant to Section 10.7 all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated; and, (ii) any of the other Events of Default and at any time thereafter, at the option of Required Lenders all Obligations shall be immediately due and payable and Lenders shall have the right to terminate this Agreement and to terminate the obligation of Lenders to make Advances and (iii) a filing of a petition against any Borrower in any involuntary case under any state or federal bankruptcy laws, all Obligations shall be immediately due and payable and the obligation of Lenders to make Advances hereunder shall be terminated other than as may be required by an appropriate order of the bankruptcy court having jurisdiction over such Borrower. Upon the occurrence of any Event of Default, Agent shall have the right to exercise any and all rights and remedies provided for herein, under the Other Documents, under the Uniform Commercial Code and at law or equity generally, including the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any of any Borrower's premises or other premises without legal process and without incurring liability to any Borrower therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Borrowers to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Borrowers reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrowing Agent at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by each Borrower. In connection with the exercise of the foregoing remedies, including the sale of Inventory, Agent is granted a perpetual nonrevocable, royalty free, nonexclusive license and Agent is granted permission to use all of each Borrower's (a) trademarks, trade styles, trade names, patents, patent applications, copyrights, service marks, licenses, franchises and other proprietary rights which are used or useful in connection with Inventory for the purpose of marketing, advertising for sale and selling or otherwise disposing of such Inventory and (b) Equipment for the purpose of completing the manufacture of unfinished goods. The cash proceeds realized from the sale of any Collateral shall be applied to the Obligations in the order set forth in Section 11.5 hereof. Noncash proceeds will only be applied to the Obligations as they are converted into cash. If any deficiency shall arise, Borrowers shall remain liable to Agent and Lenders therefor.

(b) To the extent that Applicable Law imposes duties on Agent to exercise remedies in a commercially reasonable manner, each Borrower acknowledges and agrees that it is not commercially unreasonable for Agent (i) to fail to incur expenses reasonably deemed significant by Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as any Borrower, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of Collateral or to provide to Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Borrower acknowledges that the purpose of this Section 11.1(b) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.1(b). Without limitation upon the foregoing, nothing contained in this Section 11.1(b) shall be construed to grant any rights to any Borrower or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 11.1(b).

11.2. Agent's Discretion. Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify or to take any other action with respect thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder.

11.3. Setoff. Subject to Section 14.12, in addition to any other rights which Agent or any Lender may have under Applicable Law, upon the occurrence of an Event of Default hereunder, Agent and each Lender shall have a right, immediately and without notice of any kind, to apply any Borrower's property held by Agent or such Lender to reduce the Obligations.

11.4. Rights and Remedies not Exclusive. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any rights or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.5. Allocation of Payments After Event of Default. Notwithstanding any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Agent on account of the Obligations or any other amounts outstanding under any of the Other Documents or in respect of the Collateral (less amounts payable to the holders of prior Permitted Encumbrances) shall be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of Agent in connection with enforcing its rights and the rights of Lenders under this Agreement and the Other Documents and any protective advances made by Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

SECOND, to payment of any fees owed to Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of each of Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

FOURTH, to the payment of all of the Obligations consisting of accrued interest on account of the Swing Loans;

FIFTH:, to the payment of the outstanding principal amount of the Obligations consisting of Swing Loans;

SIXTH, to the payment of all of the remaining Obligations consisting of accrued fees and interest;

SEVENTH, to the payment of the outstanding principal amount of the remaining Obligations (including the payment or cash collateralization of any outstanding Letters of Credit);

EIGHTH, to all other Obligations and other obligations which shall have become due and payable under the Other Documents or otherwise and not repaid pursuant to clauses "FIRST" through "SEVENTH" above; and

NINTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of Lenders shall receive (so long as it is not a Defaulting Lender) an amount equal to its pro rata share (based on the proportion that the then outstanding Advances held by such Lender bears to the aggregate then outstanding Advances) of amounts available to be applied pursuant to clauses "SIXTH", "SEVENTH" and "EIGHTH" above; and (iii) to the extent that any amounts available for distribution pursuant to clause "EIGHTH" above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by Agent in a cash collateral account and applied (A) first, to reimburse the Issuer from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses "SEVENTH" and "EIGHTH" above in the manner provided in this Section 11.5.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1. Waiver of Notice. Each Borrower hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2. Delay. No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3. Jury Waiver. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1. Term. This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until September 29, 2012 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon ninety (90) days' prior written notice upon payment in full of the Obligations.

13.2. Termination. The termination of the Agreement shall not affect any Borrower's, Agent's or any Lender's rights, or any of the Obligations having their inception prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created or Obligations have been fully and indefeasibly paid, disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers' Account may from time to time be temporarily in a zero or credit position, until all of the Obligations of each Borrower have been indefeasibly paid and performed in full after the termination of this Agreement (other than obligations for indemnification for which no claim has been made) or each Borrower has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders with respect thereto. Accordingly, each Borrower waives any rights which it may have under the Uniform Commercial Code to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Borrower, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations have been indefeasibly paid in full in immediately available funds (other than obligations for indemnification for which no claim has been made and for which Borrowers have furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are indefeasibly paid and performed in full.

XIV. REGARDING AGENT.

14.1. Appointment. Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in Sections 3.3, 3.4 and the Fee Letter), charges and collections (without giving effect to any collection days) received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including collection of the Notes) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or Applicable Law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto.

14.2. Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Borrower or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Borrower to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Borrower. The duties of Agent as respects the Advances to Borrowers shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement except as expressly set forth herein.

14.3. Lack of Reliance on Agent and Resignation. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Borrower and each Guarantor in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Borrower and each Guarantor. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Borrower pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any Other Document, or of the financial condition of any Borrower or any Guarantor, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Notes, the Other Documents or the financial condition of any Borrower, or the existence of any Event of Default or any Default.

Agent may resign on sixty (60) days' written notice to each of Lenders and Borrowing Agent and upon such resignation, the Required Lenders will promptly designate a successor Agent reasonably satisfactory to Borrowers.

Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent's resignation as Agent, the provisions of this Article XIV shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

14.4. Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

14.5. Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.6. Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Borrowing Agent referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.

14.7. Indemnification. To the extent Agent is not reimbursed and indemnified by Borrowers, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the Advances (or, if no Advances are outstanding, according to its Commitment Percentage), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that, Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment).

14.8. Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Borrower as if it were not performing the duties specified herein, and may accept fees and other consideration from any Borrower for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.9. Delivery of Documents. To the extent Agent receives financial statements required under Sections 9.7, 9.8, 9.9, 9.12, 9.13 and 9.16 or Borrowing Base Certificates from any Borrower pursuant to the terms of this Agreement which any Borrower is not obligated to deliver to each Lender, Agent will promptly furnish such documents and information to Lenders.

14.10. Borrowers' Undertaking to Agent. Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Borrower hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Borrower's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.11. No Reliance on Agent's Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any Borrower, its Affiliates or its agents, this Agreement, the Other Documents or the transactions hereunder or contemplated hereby: (1) any identity verification procedures, (2) any record-keeping, (3) comparisons with government lists, (4) customer notices or (5) other procedures required under the CIP Regulations or such other laws.

14.12. Other Agreements. Each of Lenders agrees that it shall not, without the express consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the request of Agent, set off against the Obligations, any amounts owing by such Lender to any Borrower or any deposit accounts of any Borrower now or hereafter maintained with such Lender. Anything in this Agreement to the contrary notwithstanding, each of Lenders further agrees that it shall not, unless specifically requested to do so by Agent, take any action to protect or enforce its rights arising out of this Agreement or the Other Documents, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Other Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

XV. BORROWING AGENCY.

15.1. Borrowing Agency Provisions.

(a) Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to borrow, sign and endorse notes, and execute and deliver all instruments, documents, writings and further assurances now or hereafter required hereunder, on behalf of such Borrower or Borrowers, and hereby authorizes Agent to pay over or credit all loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to Borrowers and at their request. Neither Agent nor any Lender shall incur liability to Borrowers as a result thereof. To induce Agent and Lenders to do so and in consideration thereof, each Borrower hereby indemnifies Agent and each Lender and holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 15.1 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

(c) All Obligations shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted by Agent or any Lender to any Borrower, failure of Agent or any Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Borrower, the release by Agent or any Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

15.2. Waiver of Subrogation. Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Borrowers' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

XVI. MISCELLANEOUS.

16.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against any Borrower with respect to any of the Obligations, this Agreement, the Other Documents or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each Borrower accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Borrowing Agent at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's option, by service upon Borrowing Agent which each Borrower irrevocably appoints as such Borrower's Agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Borrower in the courts of any other jurisdiction. Each Borrower waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Borrower waives the right to remove any judicial proceeding brought against such Borrower in any state court to any federal court. Any judicial proceeding by any Borrower against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of New York, State of New York.

16.2. Entire Understanding.

(a) This Agreement and the documents executed concurrently herewith contain the entire understanding between each Borrower, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by each Borrower's, Agent's and each Lender's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Each Borrower acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) The Required Lenders, Agent with the consent in writing of the Required Lenders, and Borrowers may, subject to the provisions of this Section 16.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Borrowers thereunder or the conditions, provisions or terms thereof or waiving any Event of Default thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall, without the consent of all Lenders:

(i) increase the Commitment Percentage, the maximum dollar commitment of any Lender or the Maximum Revolving Advance Amount;

(ii) extend the maturity of any Notes or the due date for any amount payable hereunder, or decrease the rate of interest or reduce any fee payable by Borrowers to Lenders pursuant to this Agreement;

(iii) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b);

(iv) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of $1,000,000;

(v) change the rights and duties of Agent;

(vi) permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than thirty (30) consecutive Business Days or exceed one hundred and five percent (105%) of the Formula Amount;

(vii) increase the Advance Rates above the Advance Rates in effect on the Closing Date;

(viii) modify Section 11.5; or

(ix) release any Borrower or Guarantor.

Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Borrowers, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Borrowers, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

In the event that Agent requests the consent of a Lender pursuant to this Section 16.2 and such consent is denied, then PNC may, at its option, require such Lender to assign its interest in the Advances to PNC or to another Lender or to any other Person designated by Agent (the "Designated Lender"), for a price equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event PNC elects to require any Lender to assign its interest to PNC or to the Designated Lender, PNC will so notify such Lender in writing within forty five (45) days following such Lender's denial, and such Lender will assign its interest to PNC or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, PNC or the Designated Lender, as appropriate, and Agent.

Notwithstanding (a) the existence of a Default or an Event of Default, (b) that any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or (c) any other provision of this Agreement, Agent may at its discretion and without the consent of the Required Lenders, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount by up to five percent (5%) of the Formula Amount for up to thirty (30) consecutive Business Days; provided that such outstanding Advances shall not exceed the Maximum Revolving Advance Amount less the aggregate Maximum Undrawn Amount (the "Out-of-Formula Loans"). If Agent is willing in its sole and absolute discretion to make such Out-of-Formula Loans, such Out-of-Formula Loans shall be payable on demand and shall bear interest at the Default Rate for Revolving Advances consisting of Domestic Rate Loans; provided that, if Lenders do make Out-of-Formula Loans, neither Agent nor Lenders shall be deemed thereby to have changed the limits of Section 2.1(a). For purposes of this paragraph, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be either "Eligible Receivables", "Eligible Dating Receivables" or "Eligible Inventory", as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than five percent (5%), Agent shall use its best efforts to have Borrowers decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess, but in no event may such involuntary advances be outstanding for a period of more than sixty (60) consecutive days without the written consent of Required Lenders. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence.

In addition to (and not in substitution of) the discretionary Revolving Advances permitted above in this Section 16.2, Agent is hereby authorized by Borrowers and Lenders, from time to time in Agent's sole discretion, (A) after the occurrence and during the continuation of a Default or an Event of Default, or (B) at any time that any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied, to make Revolving Advances to Borrowers on behalf of Lenders which Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Advances and other Obligations, or (c) to pay any other amount chargeable to Borrowers pursuant to the terms of this Agreement; provided, that at any time after giving effect to any such Revolving Advances the outstanding Revolving Advances do not exceed one hundred and five percent (105%) of the Formula Amount for more than sixty (60) consecutive days without the written consent of Required Lenders; provided further that such outstanding Advances shall not exceed the Maximum Revolving Advance Amount less the aggregate Maximum Undrawn Amount.

16.3. Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Borrowers, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Borrower acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other financial institutions (each such transferee or purchaser of a participating interest, a "Participant"). Each Participant may exercise all rights of payment (including rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Participant were the direct holder thereof provided that Borrowers shall not be required to pay to any Participant more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Participant had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder and in no event shall Borrowers be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Participant. Each Borrower hereby grants to any Participant a continuing security interest in any deposits, moneys or other property actually or constructively held by such Participant as security for the Participant's interest in the Advances.

(c) Any Lender, (i) with the consent of Agent which shall not be unreasonably withheld or delayed, may sell, assign or transfer all or any part of its rights and obligations under or relating to Advances under this Agreement and the Other Documents to a Permitted Assignee (provided no consent of Agent shall be required for any sale, assignment or transfer to an Affiliate of any such Lender) and such Permitted Assignee may commit to make Advances hereunder, and (ii) with the consent of Agent and, so long as no Default or Event of Default has occurred and is continuing, the consent of Borrower, in each case not to be unreasonably withheld or delayed, may sell, assign or transfer all or any part of its rights and obligations under or relating to Advances under this Agreement and the Other Documents to one or more Persons who is not a Permitted Assignee and one or more such Persons may commit to make Advances hereunder (in each case, a "Purchasing Lender"), in minimum amounts of not less than $2,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Borrower hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Borrower hereby consents to the addition of such Purchasing CLO. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(e) Agent shall maintain at its address a copy of each Commitment Transfer Supplement and Modified Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the outstanding principal, accrued and unpaid interest and other fees due hereunder. The entries in the Register shall be conclusive, in the absence of manifest error, and each Borrower, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrowing Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender and/or Purchasing CLO upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such Purchasing Lender and/or Purchasing CLO.

(f) Each Borrower authorizes each Lender to disclose to any Transferee and any prospective Transferee any and all financial information in such Lender's possession concerning such Borrower which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or in connection with such Lender's credit evaluation of such Borrower.

16.4. Application of Payments. Subject to the terms of Section 11.5 hereof, Agent shall have the continuing and exclusive right to apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Borrower makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Borrower's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5. Indemnity. Each Borrower shall indemnify Agent, each Lender and each of their respective officers, directors, Affiliates, attorneys, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel) which may be imposed on, incurred by, or asserted against Agent or any Lender in any claim, litigation, proceeding or investigation instituted or conducted by any Governmental Body or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto, except to the extent that any of the foregoing arises out of the gross negligence or willful misconduct of the party being indemnified (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Without limiting the generality of the foregoing, this indemnity shall extend to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel) asserted against or incurred by any of the indemnitees described above in this Section 16.5 by any Person under any Environmental Laws or similar laws by reason of any Borrower's or any other Person's failure to comply with laws applicable to solid or hazardous waste materials, including Hazardous Substances and Hazardous Waste, or other Toxic Substances. Additionally, if any taxes (excluding taxes imposed upon or measured solely by the net income of Agent and Lenders, but including any intangibles taxes, stamp tax, recording tax or franchise tax) shall be payable by Agent, Lenders or Borrowers on account of the execution or delivery of this Agreement, or the execution, delivery, issuance or recording of any of the Other Documents, or the creation or repayment of any of the Obligations hereunder, by reason of any Applicable Law now or hereafter in effect, Borrowers will pay (or will promptly reimburse Agent and Lenders for payment of) all such taxes, including interest and penalties thereon, and will indemnify and hold the indemnitees described above in this Section 16.5 harmless from and against all liability in connection therewith.

16.6. Notice. Any notice or request hereunder may be given to Borrowing Agent or any Borrower or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section. Any notice, request, demand, direction or other communication (for purposes of this Section 16.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Loan Agreement shall be given or made by telephone or in writing (which includes by means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a site on the World Wide Web (a "Website Posting") if Notice of such Website Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 16.6) in accordance with this Section 16.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on Section 16.6 hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 16.6. Any Notice shall be effective:

(a) In the case of hand-delivery, when delivered;

(b) If given by mail, four days after such Notice is deposited with the United States, with first-class postage prepaid, return receipt requested;

(c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, a Website Posting or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);

(d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(e) In the case of electronic transmission, when actually received;

(f) In the case of a Website Posting, upon delivery of a Notice of such posting (including the information necessary to access such site) by another means set forth in this Section 16.6; and

(g) If given by any other means (including by overnight courier), when actually received.

Any Lender giving a Notice to Borrowing Agent or any Borrower shall concurrently send a copy thereof to Agent, and Agent shall promptly notify the other Lenders of its receipt of such Notice.

(A) If to Agent or PNC at:

PNC Bank, National Association
200 South Wacker Drive, Suite 600
Chicago, Illinois 60606
Attention: Portfolio Manager
Telephone: (312) 454-2920
Facsimile: (312) 454-2919

with a copy to:

PNC Bank, National Association
PNC Agency Services
PNC Firstside Center
500 First Avenue, 4th Floor
Pittsburgh, Pennsylvania 15219
Attention: Trina Barkley
Telephone: (412) 768-0423
Facsimile: (412) 705-2006

with an additional copy to:

Blank Rome LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174-0208

Attn: Lawrence F. Flick II, Esquire
Telephone: (212) 885-5556
Facsimile: (215) 832-5556

(B) If to a Lender other than Agent, as specified on the signature pages hereof

(C) If to Borrowing Agent or any Borrower:

Johnson Outdoors Inc.
555 Main Street
Racine, Wisconsin 53403
Attention: Alisa Swire, Esquire
Telephone: (262) 631-6644
Facsimile: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, WI 53202
Attention: Kristin A. Roeper, Esquire
Telephone: (414) 287-9594
Facsimile: (414) 273-5198

16.7. Survival. The obligations of Borrowers under Sections 2.2(f), 3.7, 3.8, 3.9, 4.19(h), and 16.5 and the obligations of Lenders under Section 14.7, shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

16.8. Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.9. Expenses. All costs and expenses including reasonable attorneys' fees (including the allocated costs of in house counsel, and with respect to clause (d) one counsel for all Lenders as a group) and disbursements incurred by Agent on its behalf or on behalf of Lenders (a) in all efforts made to enforce payment of any Obligation or effect collection of any Collateral, or (b) in connection with the entering into, modification, amendment, administration and enforcement of this Agreement, the Ridgestone Intercreditor Agreement or the Subordination Agreement or any consents or waivers hereunder or thereunder and all related agreements, documents and instruments, or (c) in instituting, maintaining, preserving, enforcing and foreclosing on Agent's security interest in or Lien on any of the Collateral, or maintaining, preserving or enforcing any of Agent's or any Lender's rights hereunder, under the Ridgestone Intercreditor Agreement or the Subordination Agreement and under all related agreements, documents and instruments, whether through judicial proceedings or otherwise, or (d) in defending or prosecuting any actions or proceedings arising out of or relating to Agent's or any Lender's transactions with any Borrower, any Guarantor or any Subordinated Lender or (e) in connection with any advice given to Agent or any Lender with respect to its rights and obligations under this Agreement, the Ridgestone Intercreditor Agreement or the Subordination Agreement and all related agreements, documents and instruments, may be charged to Borrowers' Account and shall be part of the Obligations.

16.10. Injunctive Relief. Each Borrower recognizes that, in the event any Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, or threatens to fail to perform, observe or discharge such obligations or liabilities, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.11. Consequential Damages. Neither Agent nor any Lender, nor any agent or attorney for any of them, shall be liable to any Borrower or any Guarantor (or any Affiliate of any such Person) for indirect, punitive, exemplary or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations or as a result of any transaction contemplated under this Agreement or any Other Document.

16.12. Captions. The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.13. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission or other electronic transmission shall be deemed to be an original signature hereto.

16.14. Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.15. Confidentiality; Sharing Information. Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (a) to its examiners, Affiliates, outside auditors, counsel and other professional advisors, (b) to Agent, any Lender or to any prospective Transferees, and (c) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (i) unless specifically prohibited by Applicable Law or court order, Agent, each Lender and each Transferee shall use its reasonable best efforts prior to disclosure thereof, to notify the applicable Borrower of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (ii) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Borrower other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated. Each Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Borrower or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each Borrower hereby authorizes each Lender to share any information delivered to such Lender by such Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of such Lender, it being understood that any such Subsidiary or Affiliate of any Lender receiving such information shall be bound by the provisions of this Section 16.15 as if it were a Lender hereunder. Such authorization shall survive the repayment of the other Obligations and the termination of this Agreement.

16.16. Publicity. Each Borrower and each Lender hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Borrowers, Agent and Lenders, including announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate; provided, that the contents of such announcements shall be subject to the prior written consent of JOI which consent shall not be unreasonably withheld, conditioned or delayed.

16.17. Certifications From Banks and Participants; USA PATRIOT Act. Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within 10 days after the Closing Date, and (2) as such other times as are required under the USA PATRIOT Act.

Each of the parties has signed this Agreement as of the day and year first above written.

JOHNSON OUTDOORS INC.

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Assistant Treasurer

JOHNSON OUTDOORS WATERCRAFT INC.

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Treasurer

JOHNSON OUTDOORS MARINE ELECTRONICS LLC

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Secretary

JOHNSON OUTDOORS GEAR LLC

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Secretary and Treasurer

JOHNSON OUTDOORS DIVING LLC

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Secretary

UNDER SEA INDUSTRIES, INC.

By: /s/ Donald P. Sesterhenn
Paul Hoesly, Secretary and Treasurer

TECHSONIC INDUSTRIES, INC.

By: /s/ Donald P. Sesterhenn
Donald P. Sesterhenn, Secretary and Treasurer

[SIGNATURE PAGE TO CREDIT AGREEMENT]

PNC BANK, NATIONAL ASSOCIATION,
As Collateral Agent and Administrative Agent

By: /s/ Lee LaBine
Name: Lee LaBine
Title: Senior Vice President

200 South Wacker Drive, Suite 600
Chicago, Illinois 60606
Attention: Portfolio Manager

PNC BANK, NATIONAL ASSOCIATION,
As a Lender

By: /s/ Lee LaBine
Name: Lee LaBine
Title: Senior Vice President

200 South Wacker Drive, Suite 600
Chicago, Illinois 60606
Attention: Portfolio Manager
Commitment Percentage: 40.000000000%

[SIGNATURE PAGE TO CREDIT AGREEMENT]

TD BANK, N.A.

By: /s/ William H. Moul, Jr.
Name: William H. Moul, Jr.
Title: Vice President

Address for Notices:
2005 Market St., 2nd Floor
Philadelphia, PA 19103
c/o William H. Moul, Jr.
phone: 215-282-3863
fax: 215-282-4033
william.moul@tdbanknorth.com

Commitment Percentage: 21.333333333%

ASSOCIATED COMMERCIAL FINANCE, INC.

By: /s/ Peter O. Strobel
Name: Peter O. Strobel
Title: Senior Vice President

Address for Notices:
19601 West Bluemound Road
Suite 100
Brookfield, WI 53045
c/o Peter O. Strobel
phone: 262-797-7344
fax: 262-797-7177
peter.strobel@associatedbank.com

Commitment Percentage: 13.333333333%

[SIGNATURE PAGE TO CREDIT AGREEMENT]

THE PRIVATEBANK AND TRUST COMPANY

By: /s/ Mitchell B. Rasky
Name: Mitchell B. Rasky
Title: Managing Director

Address for Notices:
The PrivateBank and Trust Company
120 South LaSalle Street
Chicago, IL 60603
c/o Mitchell B. Rasky
phone: 312-564-6954
fax: 312-564-6888
mrasky@theprivatebank.com

Commitment Percentage: 25.333333333%

[SIGNATURE PAGE TO CREDIT AGREEMENT]

LOAN AGREEMENT

BY AND BETWEEN

RIDGESTONE BANK

AND

TECHSONIC INDUSTRIES, INC.

AND

JOHNSON OUTDOORS MARINE ELECTRONICS LLC

DATED AS OF SEPTEMBER 29, 2009

[LOAN NUMBER 15613]

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made as of the 29th day of September, 2009, by and among RIDGESTONE BANK, a Wisconsin banking corporation ("Ridgestone"), TECHSONIC INDUSTRIES, INC., an Alabama corporation ("Techsonic"), and JOHNSON OUTDOORS MARINE ELECTRONICS LLC, a Delaware limited liability company ("Marine"). Techsonic and Marine are sometimes referred to herein individually as a "Borrower," and collectively as the "Borrower."

IN CONSIDERATION of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I
THE LOAN

1.1 Term Loan. On the Closing Date and subject to the terms and conditions set forth in this Agreement, Ridgestone agrees to make the Term Loan to the Borrower in the original principal amount of Six Million Three Hundred Twenty Thousand Dollars ($6,320,000). The Term Loan shall be evidenced by the Term Note and shall mature on the Term Loan Termination Date.

1.2 Interest. The unpaid principal of the Term Loan shall bear interest at the rate or rates set forth in the Term Note. All interest, fees and other amounts due under this Agreement and the Term Note shall be computed for the actual number of days elapsed on the basis of a 365-day year.

1.3 Fees.

(a) Closing Fee. The Borrower agrees to pay to Ridgestone a closing fee in the amount of Thirty One Thousand Six Hundred Dollars ($31,600). Ridgestone acknowledges that it has received Twenty-Five Thousand Dollars ($25,000) of such closing fee, which the Borrower agrees shall be non-refundable in the event the transactions under this Agreement are not consummated as a result of the failure of any of the conditions to closing set forth in Article II hereof or the breach or default by Borrower of any of its obligations hereunder or the Borrower elects not to consummate the transaction contemplated herein for any reason whatsoever. The balance of such closing fee shall be due and payable at the Closing.

(b) Loan Note Guarantee Fee. The Borrower agrees to pay to the USDA on the Closing Date a guarantee fee for the Loan Note Guarantee in the amount of Forty-Four Thousand Two Hundred Forty Dollars ($44,240) which, at the election of the Borrower, may be financed into the Term Loan.

1.4 Payments.

(a) Principal and Interest. The Borrower shall make payments of principal and interest in accordance with the terms and conditions of the Term Note. Subject to adjustments for changes to the Prime Rate as provided for in this Agreement and in the Term Note, monthly payments of principal and interest are set forth on the amortization schedule attached as Exhibit A hereto and to the Term Note. The entire balance of principal and interest outstanding under this Note shall be due and payable in full on Term Loan Termination Date.

(b) Payment Delivery. All payments of principal and interest on account of the Term Note and all other payments made pursuant to this Agreement shall be delivered to Ridgestone in immediately available funds by 12:00 P.M., Milwaukee, Wisconsin time, on the date when due, and if received after such time on any day shall be deemed to have been made on the next Business Day. Payments of the Term Loan may be made by Ridgestone via electronic transfers from the Borrowers' operating accounts or any other accounts maintained at Ridgestone.

(c) No Set-Offs. All payments owed by the Borrower to Ridgestone under this Agreement and the Term Note shall be made without any counterclaim and free and clear of any restrictions or conditions and free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed on the Borrower by any governmental authority. If the Borrower is compelled by Law to make any such deductions or withholdings it will pay such additional amounts as may be necessary in order that the net amount received by Ridgestone after such deductions or withholding shall equal the amount Ridgestone would have received had no such deductions or withholding been required to be made, and it will provide Ridgestone with evidence satisfactory to Ridgestone that it has paid such deductions or withholdings.

1.5 Use of Proceeds. The proceeds of the Term Loan shall be used for (a) the repayment of existing debt of the Guarantor to JPMorgan Chase Bank, N.A., pursuant to loans made under that certain Amended and Restated Credit Agreement (Revolving) dated as of January 2, 2009, and the promissory notes executed and delivered pursuant thereto, and (b) closing costs of approximately Seventy Nine Thousand Nine Hundred Twenty Dollars ($79,920) incurred by the Borrower in connection with the transaction contemplated in this Agreement.

1.6 Prepayment. The Borrower may, from time to time, prepay the principal outstanding on the Term Loan subject to and in accordance with the terms and conditions of the Term Note.

1.7 Recordkeeping. Ridgestone shall record in its records the date and amount of the Term Loan and each repayment of the Term Loan. The aggregate amounts so recorded shall be rebuttable presumptive evidence of the principal and interest owing and unpaid on the Term Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Borrower under this Agreement or under the Term Note to repay the principal amount of the Term Loan together with all interest accruing thereon.

1.8 Increased Costs. If Regulation D of the Board of Governors of the Federal Reserve System, or the adoption of any Law, or compliance by Ridgestone with any Law:

(a) shall subject Ridgestone to any tax, duty or other charge with respect to the Term Loan or the Term Note, or shall change the basis of taxation of payments to Ridgestone of the principal of or interest on the Term Loan or any other amounts due under this Agreement in respect of the Term Loan; or

(b) shall affect the amount of capital required or expected to be maintained by Ridgestone or any corporation controlling Ridgestone; or

(c) shall impose on Ridgestone any other condition affecting the Term Loan or the Term Note;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D referred to above, to impose a cost on) Ridgestone of making or maintaining the Term Loan, or to reduce the amount of any sum received or receivable by Ridgestone under this Agreement or under the Term Note with respect thereto, then within thirty (30) days after demand by Ridgestone (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to Ridgestone

such additional amount or amounts as will compensate Ridgestone for such increased cost or such reduction. Determinations by Ridgestone for purposes of this Section of the effect of any change in Law on its costs of making or maintaining the Term Loan, or sums receivable by it in respect of the Term Loan, and of the additional amounts required to compensate Ridgestone in respect thereof, shall be conclusive, absent manifest error.

ARTICLE II
CONDITIONS

2.1 General Conditions. The obligation of Ridgestone to make the Term Loan is subject to the satisfaction, on the date hereof of the following conditions:

(a) the representations and warranties of the Borrower contained in this Agreement shall be true and accurate in all material respects on and as of such date;

(b) there shall not exist on such date any Default or Event of Default;

(c) the making of the Term Loan shall not be prohibited by any applicable Law and shall not subject Ridgestone to any penalty under or pursuant to any applicable Law; and

(d) all proceedings to be taken in connection with the Term Loan and all documents incident thereto shall be reasonably satisfactory in form and substance to Ridgestone and its counsel.

2.2 Deliveries at Closing. The obligation of Ridgestone to make the Term Loan is further subject to the satisfaction on or before the Closing Date of each of the following express conditions precedent:

(a) Ridgestone shall have received each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Ridgestone and Borrower (or Guarantor, as applicable):

(i) this Agreement;

(ii) the Term Note;

(iii) the Mortgages;

(iv) the Security Agreements;

(v) the Environmental Indemnity Agreements;

(vi) the Guarantee Agreement;

(vii) the USDA Guarantee;

(viii) the Intercreditor Agreement;

(ix) the Acknowledgements;

(x) the Financing Statements;

(xi) a certificate of an officer of each Borrower dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officers of each Borrower who have signed or will sign this Agreement, the Term Note and any other Loan Document; (B) the adoption and continued effect of resolutions in a form reasonably satisfactory to Ridgestone authorizing the execution, delivery and performance of this Agreement, the Term Note and the other Loan Documents, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of Techsonic, as amended to date, and of the Certificate of Formation and Memorandum of Organization and Operating Agreement of Marine, as amended to date;

(xii) a certificate of an officer for the Guarantor dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officer of the Guarantor who has signed or will sign the Guaranty Agreement, the USDA Guarantee and any other Loan Document; (B) the adoption and continued effect of resolutions of the directors of the Guarantor authorizing the execution, delivery and performance of the Guarantee Agreement, the USDA Guarantee and the other Loan Documents executed by the Guarantor, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of the Guarantor, as amended to date;

(xiii) the Closing Date Balance Sheet showing the Borrower to have a combined tangible net worth of at least ten percent (10%) of the total, combined assets of the Borrower as of the Closing Date, and otherwise acceptable to Ridgestone in its discretion;

(b) Ridgestone shall have received a commitment of title insurance covering Ridgestone's interest in the Property, together with such endorsements thereto as Ridgestone may reasonably require and as are generally available in the State in which the Property is located at a commercially reasonable cost, written by a title insurance company reasonably acceptable to Ridgestone, on a current ALTA form in the total face amount of the Term Loan, insuring to Ridgestone that: (i) the Borrower (or, with respect to the Minnesota Property, Guarantor) owns marketable, fee simple title to the Property, subject only to the Permitted Liens; and (ii) Ridgestone holds a valid, first-lien mortgage on the Property pursuant to the Mortgages. The Borrower shall pay for the title insurance commitment and the policy subsequently issued and all such endorsements thereto;

(c) Ridgestone shall have received an ALTA improvement survey or surveys for the Property, prepared within the past twelve (12) months by a surveyor licensed by the State in which the Property is located, which survey shall be prepared in form satisfactory to the title company for the issuance of a lender's policy of title for the Property, as Ridgestone may require, with no exceptions for matters of survey, and shall meet the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys;

(d) Ridgestone shall have received certificates of the Alabama Department of Revenue and the Alabama Secretary of State as to the good standing and existence of Techsonic, dated as of a recent date;

(e) Ridgestone shall have received a certificate of the Delaware Department of State and the Minnesota Secretary of State as to the good standing of Marine, dated as of a recent date;

(f) Ridgestone shall have received a certificate of the Wisconsin Department of Financial Institutions as to the good standing of the Guarantor, dated as of a recent date;

(g) Ridgestone shall have received searches of the appropriate public offices demonstrating that no Lien or other charge or encumbrance is of record affecting the Borrower, their Subsidiaries, or their respective properties, except those which are Permitted Liens;

(h) Ridgestone shall have received a certificate or certificates, as necessary, evidencing the insurance coverages required under this Agreement and the Collateral Documents;

(i) Ridgestone shall have received a favorable opinion of Borrowers' counsel, in form and substance reasonably satisfactory to Ridgestone and its counsel;

(j) Ridgestone will have been satisfied, in its commercially reasonable discretion, with its due diligence investigations of the Borrower, the Guarantor and their Subsidiaries;

(k) Ridgestone shall have received the closing fee set forth in Section 1.3(a) and the USDA guarantee fee set forth in Section 1.3(b), and all reasonable fees and expenses of Ridgestone's legal counsel (which fees and expenses are estimated not to exceed Thirty Five Thousand Dollars $35,000) shall have been paid or will be paid at Closing;

(l) Ridgestone shall have received payoff letters and/or lien releases, in form and substance satisfactory to Ridgestone, from the holders of all Indebtedness which is not Permitted Indebtedness and all holders of Liens which are not Permitted Liens;

(m) Ridgestone shall have received copies of all Material Agreements;

(n) Ridgestone shall have received and approved all appraisals requested by Ridgestone;

(o) USDA Rural Development will have approved the Term Loan and all Loan Documents required to be approved by the USDA;

(p) Ridgestone shall have received a completed FEMA Form 81-93, "Standard Flood Hazard Determination," for the Property;

(q) the Borrower shall have established the Tax Escrow Account;

(r) Ridgestone shall have received an Automatic Transfer Authorization executed by the Borrower allowing Ridgestone to make payments toward the Term Loan via electronic transfers from the Borrower's operating or other deposit account maintained at Ridgestone or at other financial institutions; and

(s) Ridgestone shall have received such other agreements, instruments, documents, certificates and opinions as Ridgestone or its counsel may reasonably request.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Ridgestone as follows:

3.1 Organization and Qualification. Techsonic is a corporation duly organized, validly existing and in good standing under the laws of the state of Alabama, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. Techsonic is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. Marine is a limited liability company duly and validly organized and existing under the laws of the state of Delaware, and has the company power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. Marine is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. The Guarantor is a corporation duly organized and validly existing under the laws of the state of Wisconsin, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Guarantor is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect.

3.2 Financial Statements. All of the financial statements of Borrower, its Subsidiaries, and the Guarantor heretofore furnished to Ridgestone by such parties are accurate and complete in all material respects and fairly present the financial condition and the results of operations of the Borrower and its Subsidiaries for the periods covered thereby and as of the relevant dates thereof. All such financial statements for the Borrower, its Subsidiaries and the Guarantor were prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower, its Subsidiaries or the Guarantor since the date of the latest of such financial statements. As of the Closing Date, the Borrower has no knowledge of any material liabilities of any nature of the Borrower, its Subsidiaries or the Guarantor other than as disclosed in the financial statements heretofore furnished to Ridgestone, and as otherwise disclosed in writing to Ridgestone.

The Closing Date Balance Sheet attached hereto as Schedule 3.2 is complete and correct in all material respects and presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries, on a consolidated basis, as of the Closing Date, based upon the balance sheet of the Borrower and their Subsidiaries prepared as of July 3, 2009.

3.3 Authorization; Enforceability. The making, execution, delivery and performance of this Agreement, the Term Note and the Collateral Documents, and compliance with their respective terms, have been duly authorized by all necessary corporate, limited liability company or partnership action of the Borrower, its Subsidiaries, or the Guarantor, as the case may be. This Agreement, the Term Note and the other Loan Documents are the valid and binding obligations of the Borrower and the Guarantor, as applicable, enforceable against the Borrower the Guarantor, as applicable, in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws generally affecting the rights of creditors and subject to general equity principles.

3.4 Organization and Ownership of Subsidiaries. (a) Schedule 3.4 contains complete and correct lists, as of the Closing Date, of: (i) each Borrower's and the Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its equity interests outstanding owned by the Borrower and each other Subsidiary or other Persons; and (ii) of the ownership of each Borrower and the Guarantor and the percentage of shares, units or interests of each class of its equity outstanding and the ownership interests of such shares, units or interests.

(b) All of the outstanding shares, units or interests of equity of each such domestic Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or another Subsidiary free and clear of any Lien.

(c) Each of the Borrowers' domestic Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in current status in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such domestic Subsidiary has the corporate, company or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) None of the Borrowers' or Guarantor's domestic Subsidiaries is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the PNC Loan Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Borrower to which it is a Subsidiary or any of the Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

3.5 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance of the Borrower and the Guarantor, as applicable of this Agreement, the Term Note and the other Loan Documents will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower, the Guarantor or any of their Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or bylaws, or any other agreement or instrument to which the Borrower, the Guarantor or any of their Subsidiaries is bound; (b) conflict with or result in a breach of any of the terms, conditions or provisions of any material order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; (c) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; or (d) violate the articles of incorporation, articles of organization, certificate of limited partnership, bylaws, partnership agreement or operating agreement, or other documents of formation, of the Borrower, the Guarantor or any of their Subsidiaries.

2.9 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by the Borrower or the Guarantor of this Agreement, the Term Note or any other Loan Document except those consents, approvals, authorizations, registrations and filings which have already been made or obtained and filings necessary to perfect the Liens under the Collateral Documents.

3.7 Litigation; Observance of Agreements, Statutes and Orders. Except as set forth on Schedule 3.7:

(a) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is a party to, and so far as is known to the Borrower there is no credible threat of, any litigation or administrative proceeding which would, if adversely determined, cause any Material Adverse Effect; and

(b) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or governmental authority or is in violation of any applicable Law (including without limitation Environmental Laws) of any governmental authority, which in the event of any of the foregoing defaults or violations, individually or in the aggregate, would have a Material Adverse Effect.

3.8 Taxes. The Borrower, the Guarantor and their Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments, the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower, the Guarantor or any of their Subsidiaries, as the case may be, has established adequate reserves in accordance with GAAP or other accounting principles applicable to the Guarantor's Subsidiaries in foreign jurisdictions.

3.9 Title to Property; Leases. The Borrower and the Guarantor each have marketable title to their respective parcels of the Property subject to the Permitted Liens. To the Borrower's knowledge, there are no Liens on the Property other than Permitted Liens. All leases to which the Borrower or their domestic Subsidiaries is a party are valid and subsisting and are in full force and effect. All leases relating to the Property are set forth on Schedule 3.9 hereto. A copy of each lease set forth on Schedule 3.9 hereto has been provided to Ridgestone and, to Borrower's knowledge, the Borrower is not in default under any provision contained in any such lease which has not been cured.

3.10 Licenses, Permits, Etc. (a) To Borrower's knowledge without investigation, Borrower and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto necessary in the ownership of their properties and operation of their businesses, the absence of which would cause a Material Adverse Effect; (b) to Borrower's knowledge without investigation, no product of the Borrower or any of its Subsidiaries infringes any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which would cause a Material Adverse Effect; and (c) to the knowledge of Borrower without investigation, there is no violation by any Person of any right of the Borrower or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Borrower, the Guarantor or any of their Subsidiaries, which violation would cause a Material Adverse Effect.

3.11 Compliance with ERISA. (a) The Borrower has no knowledge that any Plan is in noncompliance in any material respect with the applicable provisions of ERISA or the Internal Revenue Code; (b) the Borrower has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against or relating to any Plan; (c) the Borrower has no knowledge of any reasonable basis for any material proceedings, claims or actions against or relating to any Plan; (d) the Borrower has no knowledge that it has incurred any "accumulated funding deficiency" within the meaning of Section 302(a)(2) of ERISA in connection with any Plan; and (e) the Borrower has no knowledge that there has been any Reportable Event or Prohibited Transaction (as such terms are defined in ERISA) with respect to any Plan, or that the Borrower, any of their Subsidiaries or the Guarantor, or all of them, has incurred any material liability to the PBGC under Section 4062 of ERISA in connection with any Plan.

3.12 Fiscal Year. Borrower's fiscal year for accounting and tax purposes is a period consisting of a 52/53 calendar week year ending on or about September 30 of each year. The current fiscal year, which is the 2009 fiscal year, ends on October 2, 2009.

3.13 Indebtedness; No Default. Other than inter-company Indebtedness among Borrower, Guarantor and their respective Subsidiaries, neither any Borrower nor any of their Subsidiaries has any outstanding Indebtedness except for Permitted Indebtedness. There exists no default nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default under any material provisions of (a) any instrument evidencing such Indebtedness or any agreement relating thereto or (b) any other agreement or instrument to which the Borrower, any of their Subsidiaries or the Guarantor is a party.

3.14 Compliance With Laws. Except as disclosed in Schedule 3.14, to Borrower's knowledge after reasonable investigation: (a) Borrower is in compliance with all applicable Environmental Laws and all other Laws applicable to Borrower's respective assets or operations, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect; and (b) the Borrower has not received any written notice from any governmental entity or authority that it is not in compliance with any Environmental Laws which non-compliance has not been cured.

3.15 Dump Sites. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.15, with respect to any period during which the Borrower, the Guarantor or any of their Subsidiaries has occupied the Property, neither Borrower, the Guarantor nor any of their Subsidiaries (nor any agent or invitee of any of the foregoing) has caused or permitted petroleum products or hazardous substances or other materials to be stored, deposited, treated, recycled or disposed of on, under or at the Property in violation of Environmental Laws, which materials, if known to be present, would require cleanup, removal or other remedial action under Environmental Laws.

3.16 Tanks. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.16, to Borrowers' knowledge after reasonable investigation, there are not now nor have there ever been tanks, containers or other vessels on, under or at the Property that contained petroleum products or hazardous substances or other materials which, if known to be present in soils or ground water, would require cleanup, removal or other remedial action under Environmental Laws.

3.17 Other Environmental Conditions. To the knowledge of the Borrower after reasonable investigation and except as previously disclosed to Ridgestone in writing and as set forth on Schedule 3.17, there are no conditions existing currently that would subject the Borrower, the Guarantor or any of their Subsidiaries to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws that would reasonably be expected to cause a Material Adverse Effect or require cleanup, removal or other remedial action by the Borrower, the Guarantor or any of their Subsidiaries under Environmental Laws.

3.18 Environmental Judgments, Decrees and Orders. Except as disclosed on Schedule 3.18, no unsatisfied judgment, decree, order or citation relating to the Property or the current operations of the Property and related to or arising out of Environmental Laws is applicable to or binds the Borrower, the Guarantor, any of their Subsidiaries, or the Property.

3.19 Environmental Permits and Licenses. Except as disclosed on Schedule 3.19, to the knowledge of the Borrower after reasonable investigation, all permits, licenses and approvals required under Environmental Laws necessary for the Borrower to own or operate the Facilities and to conduct its business as now conducted or proposed to be conducted, have been obtained and are in full force and effect, the failure of which would cause a Material Adverse Effect.

3.20 Accuracy of Information. All documents, certificates or statements by the Borrower, their Subsidiaries, and the Guarantor given in, or pursuant to, this Agreement shall be accurate, true and complete in all material respects when given.

3.21 Offering of Term Note. Neither the Borrower nor any agent acting for the Borrower has offered the Term Note or any similar obligation of the Borrower for sale to, or solicited any offers to buy the Term Note or any similar obligation of the Borrower from, any Person other than Ridgestone, and neither the Borrower nor any agent acting for the Borrower will take any action that would subject the sale of the Term Note to the registration provisions of the Securities Act of 1933, as amended.

3.22 Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loan solely for the purposes set forth in Section 1.5 hereof. No part of the proceeds of the Term Loan will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

3.23 Subsidiaries. The Borrower does not have any Subsidiaries other than those set forth on Schedule 3.4.

3.24 Solvency. The Borrower and their Subsidiaries taken as a whole, and the Guarantor, are able to pay their debts as they become due in the ordinary course of business and have sufficient capital to carry on their businesses and all businesses in which they are about to engage in; and the amount that will be required to pay the Borrower's and each of its Subsidiary's, and to pay the Guarantor's, probable liabilities as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

ARTICLE IV
NEGATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations have been paid in full including any obligations under any Swap Agreements and Ridgestone shall have no obligations under any Swap Agreements:

4.1 Liens. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume or permit to be created or allow to exist any Lien upon or in any of its assets or properties, except Permitted Liens.

4.2 Indebtedness. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any Indebtedness, except Permitted Indebtedness.

4.3 Consolidation or Merger or Recapitalization. Excepting Permitted Transactions (defined in Article 7), the Guarantor or the Borrower shall not consolidate with or merge into any other Person, or permit another Person to merge into it, or acquire all or substantially all of the assets or equity of any other Person or allow another Person to acquire all or substantially of its assets or equity, whether in one or a series of transactions or liquidate, dissolve or effect a recapitalization or reorganization in any form (including, without limitation, any reorganization after which the Borrower becomes a Subsidiary of another Person). Notwithstanding the foregoing, the Guarantor shall be permitted to engage in any consolidation, merger, acquisition or similar transaction: (a) with respect to any such transaction wherein the aggregate purchase price does not exceed Five Million Dollars ($5,000,000), the Guarantor shall be permitted to engage in such transaction without consent or notice to Ridgestone; (b) with respect to any such transaction wherein the aggregate purchase price is more than Five Million Dollars ($5,000,000) but less than Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor shall be permitted to engage in such transaction, however, the Borrower shall provide to Ridgestone written notice of the Guarantor's completion of such transaction within a reasonable time thereafter; and (c) with respect to any such transaction wherein the aggregate purchase price exceeds Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor must obtain Ridgestone's written consent prior to entering into a definitive agreement for such transaction.

4.4 Disposition of Assets. The Borrower and their Subsidiaries shall not sell, lease, assign, transfer or otherwise dispose of (collectively, "Dispositions") any of their now owned or hereafter acquired assets or properties except, prior to the occurrence of an Event of Default: (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of used, obsolete, worn out or surplus equipment or property in the ordinary course of business; (c) Dispositions to the Borrower, Guarantor, or any of their Subsidiaries; (d) Dispositions of receivables in connection with the compromise, settlement or collection thereof; (e) 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; (f) the leasing of intellectual property rights to third parties; (g) Dispositions of non-strategic assets in the ordinary course of business (including, but not limited to, the Disposition of all or any portion of that certain building consisting of approximately 50,000 square feet situated at the Alabama Property (the "Vacated Alabama Building"); and (h) Dispositions of equipment or other property not permitted under any other subsection of this Section, provided that such equipment or other property is either replaced by equipment or property of a similar kind and equivalent value or sold or otherwise disposed of in the ordinary course of business, provided the value of such equipment or property sold or otherwise disposed of and not replaced during any fiscal year does not exceed One Hundred Thousand Dollars ($100,000).

4.5 Sale and Leaseback. Neither the Borrower nor the Guarantor shall enter into any agreement, directly or indirectly, to sell or transfer any real property used in its business and thereafter to lease back the same or similar property other than for property with a selling price of less than Five Hundred Thousand Dollars ($500,000) or less.

4.6 Restricted Payments. Neither the Borrower nor the Guarantor shall make or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except Borrower and the Guarantor may make Restricted Payments pursuant to and in accordance with the PNC Loan Agreement, stock option plans, grants of restricted stock, employee stock purchase plans, or other benefit plans for management or employees of Borrower, Guarantor, and their Subsidiaries pursuant to such plans as are currently in effect as set forth on Schedule 4.6 hereto, or as may be in effect from time to time hereafter.

4.7 Transactions with Affiliates. The Borrower shall not engage in any transaction with an Affiliate involving the payment or exchange of funds in any single instance in excess of One Hundred Thousand Dollars ($100,000) and on terms that are materially less favorable to the Borrower than would be available at the time from a Person who is not an Affiliate.

4.8 Loans and Advances. The Borrower shall not make any loan or advance to any Person, except: (a) extensions of credit in the ordinary course of business by the Borrower to its customers; (b) advances to officers and employees of the Borrower for travel and other expenses in the ordinary course of business; and (c) loans, advances or guarantees made among Borrower, Guarantor and any of their respective Subsidiaries which loans, advances or guarantees are reflected in the books and records of the respective entities. In addition, the Borrower may make any loans or advances to any of its Subsidiaries.

4.9 Guarantees. Neither the Borrower nor the Guarantor shall, without the prior written consent of Ridgestone, which consent shall not be unreasonably withheld, conditioned or delayed, guarantee the Indebtedness of any Person or co-signing or otherwise becoming liable for the Indebtedness of another Person, except for: (a) any guarantee or co-signing made for the benefit of Borrower, Guarantor or any of their respective Subsidiaries; (b) such guarantees or co-signings which are currently in effect and are set forth in Schedule 4.9 hereof; and (c) any guarantee or co-signing in which the Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrower, the Guarantor and Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in any fiscal year.

4.10 Subsidiaries. The Borrower shall not form any Subsidiary other than those set forth on Schedule 3.4 hereof.

4.11 Capital Expenditures. The Guarantor shall not make or enter into any binding agreement(s) to make Capital Expenditures in excess of the Capital Expenditure Limit, as defined in this Section. "Capital Expenditure Limit" shall mean: (a) for the Guarantor's 2009 fiscal year ending October 2, 2009, Ten Million Dollars ($10,000,000) in the aggregate; (b) for the Guarantor's 2010 fiscal year ending on or about September 30, 2010, Eleven Million Dollars ($11,000,000) in the aggregate; (c) for the Guarantor's 2011 fiscal year ending on or about September 30, 2011, Twelve Million Dollars ($12,000,000) in the aggregate; and (d) for the Guarantor's 2012 fiscal year ending on or about September 30, 2012 and for each fiscal year thereafter, one hundred five percent (105%) of the Capital Expenditure Limit for the immediately preceding fiscal.

4.12 Notes or Debt Securities Containing Equity Features. Neither the Borrower nor the Guarantor shall authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities containing equity features (including, without limitation, any notes or debt securities convertible into or exchangeable for capital stock or other equity securities, issued in connection with the issuance of capital stock or other equity securities or containing profit participation features), other than any agreement authorized, issued or entered into with any member of the Johnson Family which shall be permitted hereby.

4.13 Nature of Business. The Borrower shall not enter into the ownership, act of management, or operation of any business other than the manufacture, distribution or sale of outdoor equipment and any activities incidental thereto.

4.14 Other Agreements. Neither the Borrower nor the Guarantor shall enter into, become subject to, amend, modify or waive, or permit any of their Subsidiaries to enter into, become subject to, amend, modify or waive, any agreement or instrument (other than the Loan Documents and the Other Loan Documents (as such term is defined in the PNC Loan Agreement)) which by its terms would (under any circumstances) restrict (i) the right of any of their Subsidiaries or the Guarantor to make loans or advances or pay dividends to, transfer property to, or repay any Indebtedness owed to, the Borrower, the Guarantor or their Subsidiaries, or (ii) the Borrowers' right to perform the provisions of any of the Loan Documents.

4.15 Sales of Subsidiaries. Neither the Borrower nor the Guarantor shall sell or otherwise dispose of any stock (or other ownership interest), or securities convertible into stock (or other ownership interest), of any domestic Subsidiary (however, the liquidation or dissolution of non-operating entities shall not be prohibited hereby).

4.16 Modification of Organizational Documents. The Borrower shall not permit the articles of incorporation or organization, certificate of partnership, bylaws, operating agreement or other organizational documents of the Borrower, their Subsidiaries, or the Guarantor to be amended or modified in a manner adverse to the interests of Ridgestone, except for such amendments or modifications as may be required by Law.

4.17 Compensation. The current compensation of all officers of the Guarantor are as set forth on Schedule 4.18. Compensation of the Chairman and Chief Executive Officer, and the Vice President and Chief Financial Officer shall be limited to an amount that shall not cause a Material Adverse Effect and shall not be increased in any year unless: (a) such increase will not cause Borrower to breach any covenant of this Agreement; (b) the Borrower is current in all material respects on its Indebtedness; and (c) such increase has been approved by the Compensation Committee of the Board of Directors of Guarantor which committee is comprised solely of independent outside directors.

4.18 Location of Collateral. Except for the Collateral that is (a) identified in the machinery and equipment appraisal dated January 29, 2009, prepared by AccuVal Associates, Incorporated, and (b) located at the Holly Lane Facility and at the Power Drive Facility on the Closing Date, the Borrower shall not store any additional or other Collateral at the Holly Lane Facility or at the Power Drive Facility unless and until the Borrower has delivered to Ridgestone a landlord waiver executed by the landlord/lessor waiving any and all Liens in and to any Collateral, in a form reasonably satisfactory to Ridgestone.

ARTICLE V
AFFIRMATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations to Ridgestone have been paid in full including, without limitation, any obligations to Ridgestone under any Swap Agreements:

5.1 Payment. The Borrower shall timely pay or cause to be paid the principal of and interest on the Term Loan and all other amounts due under this Agreement, the Term Note and the Collateral Documents.

5.2 Existence; Property. The Borrower shall, and shall cause their Subsidiaries to: (a) maintain its limited liability company, corporate existence or partnership status; (b) conduct its business substantially as now conducted or as described in any business plans delivered to Ridgestone prior to the Closing Date unless otherwise consented to by Ridgestone; (c) maintain the Property or cause other Persons to maintain the Property; and (d) maintain accurate records and books of account, consistently applied throughout all accounting periods. Notwithstanding the foregoing, the Borrower shall have no obligation to maintain, rebuild, repair or reconstruct, and is permitted to demolish, all or any portion of the Vacated Alabama Building.

5.3 Licenses. The Borrower shall, and the Borrower shall cause each of its Subsidiaries to, maintain in good standing and in full force and effect each license, permit and franchise granted or issued by any federal, state or local governmental agency or regulatory authority that is necessary to or used in the Borrowers' or any of their Subsidiary's businesses, the failure of which would cause a Material Adverse Effect.

5.4 Reporting Requirements. The Borrower and the Guarantor shall furnish to Ridgestone such information respecting the business, assets and financial condition of the Borrower and the Guarantor and their Subsidiaries as Ridgestone may reasonably request and, without request:

(a) as soon as available, and in any event within sixty (60) days after the end of each fiscal quarter (i) a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such quarter and of the comparable quarter in the preceding fiscal year; and (ii) consolidated statements of income of each Guarantor and its Subsidiaries for each such quarter and for that part of the fiscal year ending with each quarter and for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity; and

(b) as soon as available, and in any event within sixty (60) days after the end of each fiscal year a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity (Borrower and/or the Guarantor shall be in compliance with Section 5.4(a) and this Section 5.4(b) by timely providing to Ridgestone a hyperlink to Guarantor's SEC Form 10-K and 10-Q Statements, as appropriate); and

(c) as soon as available, and in any event within one hundred ten (110) days after the close of each fiscal year, a copy of the detailed annual audit report for such year and accompanying consolidated financial statements of each Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries prepared in reasonable detail and in accordance with GAAP and prepared by the independent certified public accountants ratified by Guarantor's shareholders at its annual meeting, which audit report shall be accompanied by: (i) an unqualified opinion of such accountants, to the effect that the same fairly presents the financial condition and the results of operations of each Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries, respectively, for the periods and as of the relevant dates thereof, and (ii) a certificate of such accountants setting forth their computations as to Borrower's compliance with Section 5.12 of this Agreement; and

(d) together with each delivery required by Sections 5.4(a), 5.4(b) and 5.4(c) of this Agreement, an executed Officer's Certificate or Member's Certificate, as applicable, in the form of Exhibit B attached to this Agreement containing information as to the financial statements so delivered; and

(e) as soon as available, and in any event within forty-five (45) days of filing, a copy of the annual federal corporate tax returns for the Guarantor (including its domestic Subsidiaries); and

(f) as soon as received, but in any event not later than ten (10) days after receipt, copies of all management letters and other reports submitted to the Borrower or their domestic Subsidiaries, by independent certified public accountants in connection with any examination of the financial statements of the Borrower or their domestic Subsidiaries or the Guarantor, and notify Ridgestone promptly of any material change in any accounting method used by the Borrower or their Subsidiaries in the preparation of the financial statements to be delivered to Ridgestone pursuant to this Section; and

(g) as soon as available, and in any event within forty-five (45) days after the end of each fiscal year, business projections for each Borrower and the Guarantor for the upcoming fiscal year.

5.5 Taxes. The Borrower shall, and the Borrower shall cause each of their Subsidiaries and the Guarantor and its Subsidiaries, to pay all taxes and assessments prior to the date on which penalties attach thereto, except for any tax or assessment which is either not delinquent or which is being contested in good faith and by proper proceedings and against which adequate reserves have been provided in accordance with GAAP.

5.6 Inspection of Property and Records. The Borrower shall, and the Borrower shall cause their Subsidiaries and the Guarantor and its Subsidiaries to, permit Ridgestone or its agents or representatives, at Ridgestone's expense, to visit any of their properties and examine and audit any of its books and records after delivery of reasonable advance written notice, and provided such activities occur during normal business hours and in a manner that does not cause unreasonable interruptions. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing hereunder, such visits, examinations and audits shall be limited to not more than one (1) visit to each Property per fiscal year. The Borrower, the Guarantor or their Subsidiaries shall reimburse Ridgestone, up to a maximum of Two Thousand Five Hundred Dollars ($2,500) in the aggregate, per fiscal year, for travel and lodging expenses incurred by Ridgestone in connection with visits made pursuant to this Section 5.6 and pursuant to the similar provisions of other loan agreements between the Guarantor or any of its Subsidiaries and Ridgestone. Notwithstanding anything contained herein to the contrary, the Borrower shall be responsible for all costs and expenses incurred by Ridgestone in connection with any visit to any Facility following the occurrence of an Event of Default, and for visits to any Facility made pursuant to any other section of this Agreement.

5.7 Compliance with Laws. The Borrower shall, and the Borrower shall cause their Subsidiaries and the Guarantor and its Subsidiaries to: (a) comply in all material respects with all applicable Environmental Laws, and orders of regulatory and administrative authorities with respect thereto, and, without limiting the generality of the foregoing, promptly undertake and diligently pursue to completion appropriate and legally authorized containment, investigation and clean-up action in the event of any release of petroleum products or hazardous materials or substances on, upon or into any real property owned, operated or within the control of the Borrower, the Guarantor or any of their Subsidiaries; and (b) comply in all material respects with all other Laws applicable to the Borrower, the Guarantor, and any of their Subsidiaries, their assets or operations where failure to so comply could have a Material Adverse Effect.

5.8 Compliance with Agreements. The Borrower shall, and the Borrower shall cause the Guarantor and their Subsidiaries to, perform and comply in all respects with the provisions of any agreement (including without limitation any collective bargaining agreement), license, regulatory approval, permit and franchise binding upon the Borrower, the Guarantor, their Subsidiaries, or their properties, if the failure to so perform or comply would have a Material Adverse Effect.

5.9 Notices. The Borrower shall:

(a) as soon as possible and in any event within five (5) Business Days after the occurrence of any Default or Event of Default, notify Ridgestone in writing of such Default or Event of Default and set forth the details thereof and the action which is being taken or proposed to be taken by the Borrower with respect thereto;

(b) promptly notify Ridgestone of the commencement of any litigation or administrative proceeding that would cause the representation and warranty of the Borrower contained in Section 3.7 of this Agreement to be untrue;

(c) promptly notify Ridgestone: (i) of the occurrence of any Reportable Event or, to the extent a Prohibited Transaction would have a Material Adverse Effect, a Prohibited Transaction (as such terms are defined in ERISA) that has occurred with respect to any Plan; and (ii) of the institution by the PBGC or the Borrower of proceedings under Title IV of ERISA to terminate any Plan;

(d) unless prohibited by applicable Law, notify Ridgestone, and provide copies, immediately upon receipt but in any event not later than ten (10) days after receipt, of any written notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that is reasonably expected to require a clean-up, removal, remedial action or other response by or on the part of the Borrower, the Guarantor or any Subsidiary under Environmental Laws or which seeks damages or civil, criminal or punitive penalties from or against the Borrower, the Guarantor or any Subsidiary, for an alleged violation of Environmental Laws, in each of the foregoing which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect or would reasonably be expected to cause or require the Borrower, the Guarantor or any of their Subsidiaries to expend, in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) in costs and expenses; and provide Ridgestone with written notice of any condition or event which would make the representations and warranties contained in Sections 3.14 through 3.19 of this Agreement inaccurate, as soon as ten (10) Business Days after the Borrower becomes aware of such condition or event;

(e) notify Ridgestone at least thirty (30) days prior to any change of either of the Borrower's, the Guarantor's or their Subsidiary's name or its use of any trade name;

(f) promptly notify Ridgestone of any damage to, or loss of, any of the assets or properties of the Borrower, the Guarantor or of their Subsidiaries if the net book value of the damaged or lost asset or property at the time of such damage or loss exceeds Two Hundred Fifty Thousand Dollars ($250,000); and

(g) promptly notify Ridgestone of the commencement of any investigation, litigation, or administrative or regulatory proceeding by, or the receipt of any notice, citation, pleading, order, decree or similar document issued by, any federal, state or local governmental agency or regulatory authority that results in the termination or suspension of any license, permit or franchise necessary to the Borrowers', the Guarantor's or any of their Subsidiary's business, or that imposes a material fine or penalty on the Borrower, the Guarantor or any of their Subsidiaries.

5.10 Environmental Assessment. Within ten (10) Business Days after the Borrower or Guarantor learns of the occurrence of any event or condition described in Section 5.9(d) of this Agreement, the Borrower shall undertake and, within a reasonable time thereafter, obtain an Environmental Assessment (the scope of which shall be limited to the event or condition giving rise to the disclosure requirement under Section 5.9(d) hereof), at the Borrowers' expense, and provide promptly to Ridgestone a written report of the results of such Environmental Assessment, which report shall recite that Ridgestone is entitled to rely thereon. Except as otherwise required by applicable Law or as may be reasonably necessary, in the opinion of Ridgestone, for evaluation and analysis by Ridgestone, any participating financial institution, or their attorneys, agents and consultants, any Environmental Assessment provided to Ridgestone pursuant to this Section shall be treated as confidential and shall not be disclosed without the prior written consent of the Borrower.

5.11 Insurance.

(a) The Borrower shall, and Borrower shall cause their Subsidiaries and the Guarantor to, obtain and maintain at their own expense the following insurance, which shall be with insurers satisfactory to Ridgestone (Ridgestone hereby acknowledging and agreeing that the insurers providing the insurance coverages in effect as of the Closing Date are satisfactory to Ridgestone):

(i) insurance against physical loss or damage to the Collateral as provided under a standard "All Risk" property policy including but not limited to flood (if required by Ridgestone), fire, windstorm, lightning, hail, explosion, riot, civil commotion, smoke, sewer back-up, business interruption and such other risks of loss generally and customarily maintained by companies of similar size in the same industry and line of business as Borrower, the Guarantor and their Subsidiaries, in amounts not less than the actual replacement cost of the Collateral or the balance of the Term Loan, whichever is greater. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than Three Hundred Thousand Dollars ($300,000) per occurrence. Notwithstanding the foregoing, with respect to earthquake insurance covering Collateral located in the state of California, the deductible may be increased to the greater of five percent (5%) of the total insured value or Five Hundred Thousand Dollars ($500,000), and with respect to windstorm insurance covering Collateral located in the state of Florida, the deductible may be increased to the greater of five percent (5%) of the total insured value or Two Hundred Fifty Thousand Dollars ($250,000);

(ii) commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, including personal injury, and property damage with umbrella coverage in an amount at least equal to the balance of the Term Loan;

(iii) product liability insurance in such amounts as is customarily maintained by companies engaged in the same or similar businesses as the Borrower;

(iv) worker's compensation insurance in amounts meeting all statutory state and local requirements;

(v) comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit; and

(vi) during construction of any improvements at the Facilities and during any period in which substantial alterations or repairs at the Facilities are being undertaken, (i) builder's risk insurance (on a completed value, non-reporting basis) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed Three Hundred Thousand Dollars ($300,000), in non-reporting form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with "soft cost" and such other endorsements as Ridgestone may reasonably require, and (ii) general liability, worker's compensation and automobile liability insurance with respect to the improvements being constructed, altered or repaired; and

(vii) Such other insurance as Ridgestone may reasonably require, that at the time is commonly obtained in connection with similar businesses and is generally available at commercially reasonable rates.

(b) Each insurance policy described in Section 5.11(a)(i), (ii) or (vi) with respect to any Collateral shall name Ridgestone as a lender's loss payee, and shall require the insurer to provide at least thirty (30) days' prior written notice to Ridgestone of any material change or cancellation of such policy.

5.12 Financial Covenants.

(a) Current Ratio. The Guarantor will not permit as of the end of any fiscal year end of the Guarantor, commencing with the 2009 fiscal year ending October 2, 2009, its Current Ratio to be less than 1.75 to 1.

(b) Tangible Net Worth. The Borrower and their Subsidiaries shall have a tangible net worth of at least ten percent (10%) of the total assets of the Borrower as of the Closing Date as verified by the Closing Date Balance Sheet.

(c) Total Debt to Book Net Worth. The Guarantor shall not permit the ratio of Total Debt to Book Net Worth for the Guarantor to exceed 2.00 to 1 beginning as of the last day of the Guarantor's 2009 fiscal year ending October 2, 2009, and at the end of each fiscal quarter thereafter.

(d) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, the Guarantor shall maintain as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(e) Minimum Book Net Worth. The Guarantor shall not permit its consolidated Book Net Worth, as of the last day of each calendar year, to be less than the Book Net Worth Requirement. As used herein, the term "Book Net Worth Requirement" shall mean: (i) Ninety Five Million Dollars ($95,000,000) as the last day of the Guarantor's 2009 fiscal year ending October 2, 2009; (ii) One Hundred Million Dollars ($100,000,000) by the last day of the Guarantor's 2010 fiscal year ending on or about September 30, 2010; and (iii) One Hundred Five Million Dollars ($105,000,000) by the last day of the Guarantor's 2011 fiscal year ending on or about September 30, 2011, and at all times thereafter.

5.13 Borrowers' Certification. At the request of Ridgestone, Borrower shall deliver to Ridgestone a fully executed Borrowers' Certification in the form attached hereto as Exhibit C.

5.14 Maintenance of Accounts; Tax Escrow Account. The Borrower shall maintain an escrow account for real estate taxes at Ridgestone (the "Tax Escrow Account") into which the Borrower shall make an initial deposit at the Closing in an amount equal to thirty percent (30%) of aggregate 2008 real estate taxes for the Properties securing all loans. Funds maintained in the Tax Escrow Account may be used by Ridgestone to pay any delinquent real estate taxes and special assessments relating to the Property. The Borrower shall provide to Ridgestone a copy of all annual real estate tax bills for the Properties within thirty (30) days following the Borrower's receipt of the same. Following the fifth (5^{th}) anniversary of the Closing Date and after each five (5)-year period thereafter, Ridgestone shall have the right to re-examine and adjust the amount the Borrower is required to maintain in the Tax Escrow Account so that at such times the amount maintained by the Borrower in the Tax Escrow Account is equal to thirty percent (30%) of all real estate taxes for the Property for the immediately preceding calendar year.

ARTICLE VI
REMEDIES

6.1 Acceleration. (a) Upon the occurrence of an Automatic Event of Default, then, without notice, demand or action of any kind by Ridgestone the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, shall be automatically and immediately due and payable.

(b) Upon the occurrence of a Notice Event of Default, Ridgestone may, upon written notice and demand to the Borrower declare the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, immediately due and payable.

6.2 Ridgestone's Right to Cure Default. In case of failure by the Borrower or any Subsidiary or the Guarantor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to any properties and assets pledged or secured under any Collateral Documents, Ridgestone shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by the Borrower to Ridgestone immediately upon demand together with interest at an annual rate equal to the Default Rate for Advances (to the extent permitted by applicable Law) from the date of disbursement by Ridgestone to the date of payment by the Borrower.

6.3 Remedies Not Exclusive. Upon the occurrence of any Event of Default Ridgestone may implement any remedies available to it under or in connection with the Loan Documents. No remedy conferred upon Ridgestone herein or in any other Loan Document is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Term Note or the Collateral Documents or now or hereafter existing at law or in equity. No failure or delay on the part of Ridgestone in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

6.4 Setoff. The Borrower agrees that Ridgestone and its affiliates shall have all rights of setoff and bankers' lien provided by applicable Law, and in addition thereto, the Borrower agrees that if at any time any payment or other amount owing by the Borrower under the Term Note or this Agreement is then due to Ridgestone, Ridgestone may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter with Ridgestone or any affiliates of Ridgestone. Ridgestone rights under this Section 6.4 shall be limited to the Borrower's accounts maintained at Ridgestone.

ARTICLE VII
DEFINITIONS

7.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Acknowledgements" shall mean the Acknowledgement by each Borrower of even date herewith to the Intercreditor Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, or is controlled by, or is under common control with, the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Loan Agreement, together with the Exhibits and Schedules attached hereto, as the same shall be amended or amended and restated from time to time in accordance with the terms hereof.

"Alabama Property" shall mean the land, together with the buildings and improvements thereon, located at 678 Humminbird Lane, Eufaula, Alabama, as more particularly described on Exhibit E-1 attached hereto.

"Automatic Event of Default" shall mean any one or more of the following:

(a) The Borrower, the Guarantor or any of their domestic Subsidiaries shall become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) The Borrower, the Guarantor or any of their Subsidiaries shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or

(c) The Borrower, the Guarantor or any of their Subsidiaries shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or a similar law of any other country, or shall file a petition in bankruptcy, for reorganization or liquidation under any Federal, state or foreign Law; or

(d) The Borrower, the Guarantor or any of their Subsidiaries shall have a petition or application filed against it in bankruptcy or any similar proceeding, or shall have such a proceeding commenced against it, and such petition, application or proceeding shall remain unstayed or undismissed for a period of sixty (60) days or more, or the Borrower or any Subsidiary shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) The Borrower, the Guarantor or any of their Subsidiaries shall apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or shall have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged or dismissed within sixty (60) days after his appointment; or

(f) The Borrower, the Guarantor or any of their Subsidiaries shall adopt a plan of complete liquidation of its assets; or

(g) The USDA refuses or fails to issue the Loan Note Guarantee to Ridgestone, or the Loan Note Guarantee shall be rescinded, retracted or becomes otherwise unenforceable, in whole or in part, for any reason whatsoever;

(h) Provided, however, that nowithstanding any other language in this definition, a "Permitted Transaction" as defined below, shall not be an "Automatic Event of Default."

"Book Net Worth" shall mean, at any date of determination, the difference between: (a) the total assets appearing on the balance sheet at such date prepared in accordance with GAAP after deducting adequate reserves in each case where, in accordance with GAAP, a reserve is proper; and (b) the total liabilities appearing on such balance sheet.

"Borrower" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday or other day when commercial banks in Wisconsin are authorized or required by Law to close.

"Capital Expenditure Limit" shall have the meaning set forth in Section 4.11 hereof.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

"Capitalized Lease Obligation" shall mean any Indebtedness of the Guarantor or any of its Subsidiaries represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capital Securities" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Closing" shall mean the consummation of the transaction(s) contemplated in this Agreement.

"Closing Date" shall mean September 29, 2009.

"Closing Date Balance Sheet" shall mean the balance sheet of the Borrower and their Subsidiaries attached hereto as Schedule 3.2, which balance sheet is prepared in accordance with GAAP, not including subordinated debt or appraisal surplus, and certified by an accountant acceptable to Ridgestone, presents fairly in all material respects the financial condition of the Borrower and their Subsidiaries as of Closing Date as if the transactions contemplated by this Agreement had occurred immediately prior to such date, and contains all pro forma adjustments necessary in order to fairly reflect such assumption, all based upon the balance sheet of the Borrower and their Subsidiaries prepared as of July 3, 2009.

"Collateral" shall mean all of the real and personal property of the Borrower and their Subsidiaries subject to a Lien in favor of Ridgestone pursuant to the Collateral Documents, including, without limitation, the Property and the equipment and machinery set forth on Schedule 7.1(a) hereto.

"Collateral Documents" shall mean the Mortgages, the Security Agreements, the Guarantee Agreement and such other guarantees, security agreements, mortgages, deeds of trust and other credit enhancements as may be executed from time to time by the Borrower or third parties in favor of Ridgestone in connection with this Agreement.

"Current Ratio" shall mean the relationship, expressed as a numerical ratio, which, with reference to any period, that current assets bears to current liabilities, measured on a first-in, first-out basis and including the borrowing base on any lines of credit with other lenders as a current liability, notwithstanding the maturity date for such lines of credit.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (b) all cash actually expended by any the Guarantor and its Subsidiaries to make payments for all fees, commissions and charges set forth in the PNC Loan Agreement and with respect to any Advances, plus (c) all cash actually expended by the Guarantor and its Subsidiaries to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by the Guarantor and its Subsidiaries to make payments under any Plan to which the Guarantor or any of its Subsidiaries is a party, plus (e) all cash actually expended by the Guarantor and its Subsidiaries to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone), plus (f) all cash expended by the Guarantor and its Subsidiaries to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, the terms "Advances", "Revolving Advances", and "Maximum Revolving Advance Amount" shall have the meanings given to such terms under the PNC Loan Agreement.

"Default" shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Rate" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Default Rate for Advances" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Dispositions" shall have the meaning set forth in Section 4.4 of this Agreement.

"Earnings Before Interest and Taxes" shall mean for any period the sum of (i) net income (or loss) of the Guarantor for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of the Guarantor for such period, plus (iii) all charges against income of the Guarantor for such period for federal, state and local taxes, determined on a consolidated basis.

"EBITDA" shall mean for any period the sum of (i) Earnings Before Interest and Taxes for such period, plus (ii) depreciation expenses for such period, plus (iii) amortization expenses for such period, plus (iv) non-cash stock compensation expenses and non-cash pension expenses for such period, plus (v) up to an aggregate of $5,000,000 for Fiscal Years 2009 and 2010 for severance costs actually incurred by the Guarantor or any its direct or indirect Subsidiaries for such period, in each case acceptable to Ridgestone and subject to documentation reasonably satisfactory to Ridgestone, minus (vi) non-cash income for such period, plus (vii) other non-cash items reducing consolidated net income (other than any such items which reflect on an accrual or reserve for a future cash charge or expense) for such period.

"Environmental Assessment" shall mean a review of environmental conditions at the Property undertaken by an independent environmental consultant satisfactory to Ridgestone for the purpose of determining whether the Borrower, the Guarantor and their Subsidiaries are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or will require clean-up, removal or other remedial action under Environmental Laws on the part of the Borrower, the Guarantor or their Subsidiaries and may include, but are not limited to, some or all of the following: (a) on-site inspection, including review of site geology, hydrogeology, demography, land use and population; (b) taking and analyzing soil borings, installing ground water monitoring wells and analyzing samples taken from such wells; (c) reviewing plant permits, compliance records and regulatory correspondence relating to environmental matters, and interviewing enforcement staff at regulatory agencies; (d) reviewing the operations, procedures and documentation of the Borrower, the Guarantor and their Subsidiaries relating to environmental matters; (e) interviewing Ms. Alisa Swire (or her successor, if applicable), and interviewing past and present facility or plant managers of each Facility who, through their employment, are or would have been familiar with such environmental condition and who would typically be interviewed by an independent environmental consulting conducting an environmental review; and (f) reviewing all records and information regarding the past activities of prior owners and prior or current tenants of the Facilities, to the extent such information is available and is not required to be procured by the Borrower, Guarantor or any of their Subsidiaries from a third party.

"Environmental Indemnity Agreements" shall mean (a) the Environmental Indemnity Agreement of even date herewith between the Borrower and Ridgestone, relating to the Alabama Property, and (b) the Environmental Indemnity Agreement of even date herewith between the Borrower and Ridgestone, relating to the Minnesota Property, as the same may be amended or otherwise modified from time to time.

"Environmental Laws" shall mean any Law, including any common law, which relates to or otherwise imposes liability or standards of conduct concerning discharges, emissions, releases or threatened releases of pollutants, contaminants or hazardous or toxic wastes, substances or materials, into air, water or groundwater, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous or toxic wastes, substances or materials, including, but not limited to CERCLA as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, the Oil Pollution Act of 1990, as amended, any so-called "Superlien" law, and any other similar Federal, state or local statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and as in effect from time to time.

"Event of Default" shall mean any Automatic Event of Default or any Notice Event of Default.

"Facilities" shall mean all real property and improvements now or hereafter owned, used or occupied by the Borrower, the Guarantor or any of their Subsidiaries including, without limitation, the Property.

"Financing Statements" shall mean Uniform Commercial Code financing statements related to the Collateral Documents.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends, cash taxes paid during such period to (b) all Debt Payments made during such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America, applied by the Borrower and their Subsidiaries on a basis consistent with the preparation of the Borrowers' most recent financial statements furnished to Ridgestone pursuant to Section 5.4(c) hereof.

"Guarantee Agreement" shall mean an unlimited guarantee agreement made by the Guarantor in favor of Ridgestone, as the same is amended or otherwise modified from time to time.

"Guarantor" shall mean Johnson Outdoors Inc., a Wisconsin corporation, its successors and assigns.

"Holly Lane Facility" shall mean the land, together with the buildings and improvements thereon, located at 706 Holly Lane, Mankato, Minnesota.

"Indebtedness" shall mean all liabilities or obligations, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business, which are not the result of any borrowing or which are not more than ninety (90) days past due); (b) as lessee under leases that have been or should be capitalized according to GAAP; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guarantee or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; (e) secured by any Liens on assets, whether or not the obligations secured have been assumed; (f) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA; or (g) any interest rate swap obligations or similar obligations including all obligations under Swap Agreements.

"Intercompany Loans" shall mean temporary loans incurred from time to time by the Guarantor or any of its Subsidiaries from another Subsidiary or Affiliate of the Guarantor.

"Intercreditor Agreement" shall mean the Intercreditor Agreement of even date herewith by and between Ridgestone and PNC, as the same is amended or otherwise modified from time to time.

"Investment" shall mean: (a) any transfer or delivery of cash, Capital Securities or other property or value by such Person in exchange for Indebtedness, Capital Securities or any other security of another Person; (b) any loan, advance or capital contribution to or in any other Person; (c) any guarantee, creation or assumption of any liability or obligation of any other Person; and (d) any investment in any fixed property or fixed assets other than fixed properties and fixed assets acquired and used in the ordinary course of the business of that Person.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson, and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Law" shall mean any federal, state, local or other law, rule, regulation or governmental requirement of any kind, and the rules, regulations, written interpretations and orders promulgated thereunder.

"Lien" shall mean, with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loan Documents" shall mean this Agreement, the Term Note, the Intercreditor Agreement, the Collateral Documents and any other document, instrument, contract or agreement executed by the Borrower, the Guarantor or a Subsidiary in connection with this Agreement or the Term Loan.

"Loan Note Guarantee" shall mean a USDA Rural Development guarantee of repayment of seventy percent (70%) of the Term Loan.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, operations or financial condition of the Borrower, the Guarantor or any of their Subsidiaries taken as a whole; or (b) the ability of the Borrower or the Guarantor to perform their respective obligations under this Agreement, the Collateral Documents, the Term Note or the other Obligations; or (c) the validity or enforceability of this Agreement, the Term Note, any Collateral Documents, any other Loan Document or the other Obligations.

"Material Agreements" shall mean any and all written or oral material agreements or instruments to which any Borrower or their assets or properties is subject, and all documents or agreements to be executed in connection with the Senior Liens, including, but not limited to, intercreditor agreements, subordination agreements, third party financing agreements, leases, subleases, loan agreements, promissory notes and partnership agreements.

"Minnesota Property" shall mean the land, together with the buildings and improvements thereon, located at 1531 Madison Avenue, Blue Earth County, Minnesota, as more particularly described on Exhibit E-2 attached hereto.

"Mortgages" shall mean (a) the Mortgage, Assignment of Rents and Leases and Fixture Financing Statement of even date herewith made by Techsonic in favor of Ridgestone, granting to Ridgestone a first-lien mortgage on the Alabama Property, and (b) the Mortgage, Assignment of Rents and Leases and Fixture Financing Statement of even date herewith made by the Guarantor in favor of Ridgestone granting to Ridgestone a first-lien mortgage on the Minnesota Property, as the same are amended or otherwise modified from time to time.

"Notice Event of Default" shall mean any one or more of the following:

(a) the Borrower shall fail to pay, within five (5) Business Days after written notice from Ridgestone to the Borrower specifying such failure: (i) any installment of the principal of the Term Note or any interest on the Term Note; or (ii) any of the other Obligations; or (iii) any fee, expense or other amount due under the Loan Documents or any of the other Obligations; or

(b) there shall be a default in the performance or observance of any of the covenants and agreements contained in Article IV or Sections 5.2, 5.4, 5.6, 5.9, 5.10, 5.11 or 5.12 of this Agreement and, if such default is of a nature that can be cured, such default shall have continued for a period of five (5) Business Days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(c) there shall be a default in the performance or observance of any of the other covenants, agreements or conditions contained in any Loan Document and such default shall have continued for a period of thirty (30) calendar days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(d) any representation or warranty made by the Borrower, the Guarantor or any of their Subsidiaries in any Loan Document or financial statement delivered pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

(e) any non-appealable, final judgment or binding settlement agreement (or any final judgment whatsoever that could reasonably be expected to result in a loss to the Borrower, the Guarantor and/or their Subsidiaries, individually or together, in an amount greater than Fifteen Million Dollars ($15,000,000) higher than the limit of the insurance policy coverage amount(s) that are reasonably likely to be paid against such loss) shall be entered against the Borrower or any of its Subsidiaries which, when aggregated with other final judgments against the Borrower or any of its Subsidiaries would reasonably be expected to result in a Material Adverse Effect and shall remain outstanding and unsatisfied, unbonded or unstayed after sixty (60) days from the date of entry thereof; provided that no final judgment shall be included in the calculation under this subsection to the extent that the claim underlying such judgment is covered by insurance and defense of such claim has been tendered to and accepted by the insurer without reservation; or

(f) (i) any Reportable Event (as defined in ERISA) shall have occurred which constitutes grounds for the termination of any Plan by the PBGC or for the appointment of a trustee to administer any Plan, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate court to administer any Plan, or the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or the Borrower or any of their Subsidiaries or any trade or business which together with the Borrower or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA shall withdraw in whole or in part from a multiemployer Plan, and (ii) the aggregate amount of the Borrowers' and their Subsidiaries' liability for all such occurrences, whether to a Plan, the PBGC or otherwise, would reasonably be expected to result in a Material Adverse Effect and such liability is not covered for the benefit of the Borrower or their Subsidiaries by insurance; or

(g) the Borrower, the Guarantor or any of their Subsidiaries (i) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to PNC or to any other Secured Lender when required to be performed or observed, and (ii) such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, and (iii) in the case of PNC only, PNC has accelerated, with the giving of notice if required, the maturity of such Indebtedness; or

(h) the Borrower, the Guarantor or any of their Subsidiaries: (i) fail to pay any amount of principal or interest when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) under any Indebtedness to Ridgestone (other than the Term Note) and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Indebtedness; or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to Ridgestone when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit acceleration of, with the giving of notice if required, the maturity of such Indebtedness; or

(i) any Collateral Document shall cease to be in full force and effect as a result of the default, negligent act or inaction, or misconduct of the Borrower; or

(j) the Borrower shall fail to pay any amount owed by it under any Swap Agreement or shall fail to perform any terms or conditions or covenants contained in any Swap Agreement and any grace periods provided therefore shall have lapsed.

"OFAC" shall have the meaning set forth in Section 8.17 of this Agreement.

"Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Term Note, and any renewal, extension or refinancing thereof; (b) all debts, liabilities, obligations, covenants and agreements of the Borrower contained in this Agreement, the Term Note and the Collateral Documents, including, without limitation, any and all fees and expenses, including reasonably attorneys' fees incurred in connection with enforcing any obligations of Ridgestone under any of the Loan Documents or any other Obligations, both before and after judgment and all other fees and expenses set forth in the Obligations; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower to Ridgestone contained in any Swap Agreement; and (d) any and all other debts, liabilities and obligations of the Borrower to Ridgestone.

"Patriot Act" shall have the meaning set forth in Section 8.17 of this Agreement.

"PBGC" shall mean Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Indebtedness" shall mean: (a) Indebtedness of the Borrower and its Subsidiaries to Ridgestone; (b) Purchase Money Indebtedness secured by Purchase Money Liens, which Indebtedness shall not exceed One Million Dollars ($1,000,000) per year on a noncumulative consolidated basis; (c) other Indebtedness incurred in the ordinary course of business, which Indebtedness shall not exceed Five Million Dollars ($5,000,000.00) on a consolidated basis at any time during the term of the Loan; (d) unsecured accounts payable and other unsecured obligations incurred in the ordinary course of business and not as a result of any borrowing; (e) Indebtedness secured by the Permitted Liens listed on Exhibit D attached hereto, and the Indebtedness of Borrower, Guarantor and their Subsidiaries to PNC; (f) inter-company Indebtedness which is reflected on Borrower's and/or Guarantor's financial statements; (g) Indebtedness incurred in connection with any governmental loans, debt obligations, incentives, revenue bonds, and similar loan or debt programs which provide funds at rates and on terms that are generally more beneficial to Borrower, Guarantor and their Subsidiaries, as applicable, than those commercially available from traditional lenders such as Ridgestone and PNC, provided that such Indebtedness shall not exceed the aggregate sum of Five Million Dollars ($5,000,000); (h) other Indebtedness to PNC, other lenders, and/or the Johnson Family incurred on a temporary basis in the ordinary course of business, which Indebtedness shall not exceed Ten Million Dollars ($10,000,000) outstanding at any given time; and (i) with respect to each of the foregoing, all extensions, renewals and replacements of such Indebtedness with Indebtedness of a similar type.

"Permitted Liens" shall mean:

(a) Liens in favor of Ridgestone;

(b) Liens for taxes, assessments, or governmental charges, or levies that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established;

(c) zoning ordinances, easements, restrictions, minor title irregularities and similar matters which have no material adverse effect as a practical matter upon the ownership and use of the affected property;

(d) Liens or deposits in connection with workmen's compensation, unemployment insurance, social security, ERISA or similar legislation or to secure customs' duties, public or statutory obligations in lieu of surety, stay or appeal bonds, or to secure performance of contracts or bids (other than contracts for the payment of borrowed money) or deposits required by law as a condition to the transaction of business or other liens or deposits of a like nature made in the ordinary course of business;

(e) Purchase Money Liens securing purchase money Indebtedness which is permitted hereunder;

(f) Liens in favor of bailees, shippers, or warehousemen arising in the ordinary course of the Borrowers' business;

(g) any Liens securing Permitted Indebtedness hereunder; and

(h) any Liens that are approved by Ridgestone and listed on Exhibit D attached hereto including, but not limited to, Liens in favor of PNC set forth on Exhibit D attached hereto.

"Permitted Transaction" shall mean and include (a) a merger of any of Guarantor's Subsidiaries into Guarantor or into any other of Guarantor's Subsidiaries; and/or (b) the liquidation or merger of any of Guarantor's foreign (non-domestic) Subsidiaries.

"Person" shall mean and include an individual, partnership, limited liability entity, corporation, trust, unincorporated association and any unit, department or agency of government.

"Plan" shall mean each pension, profit sharing, stock bonus, thrift, savings and employee stock ownership plan established or maintained, or to which contributions have been made, by the Borrower, the Guarantor or any of their Subsidiaries or any trade or business which together with the Borrower, the Guarantor or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA.

"PNC" shall mean PNC Bank, National Association, a national banking association, its successors and assigns.

"PNC Loan Agreement" shall mean that certain Revolving Credit and Security Agreement dated as of the Closing Date, among the Guarantor, the Borrower, Johnson Outdoors Watercraft Inc., Johnson Outdoors Gear LLC, Johnson Outdoors Diving LLC, Under Sea Industries, Inc., the financial institutions which are now or which hereafter become a party thereto, and PNC, as administrative agent and collateral agent for the lenders named therein.

"PNC Loan Documents" shall mean, collectively, (i) the PNC Loan Agreement and (ii) the Other Documents (as such term is defined in the PNC Loan Agreement).

"Power Drive Facility" shall mean the land, together with the buildings and improvements thereon, located at 121 Power Drive, Mankato, Minnesota.

"Prime Rate" shall mean the Prime Rate of interest published in *The Wall Street Journal* from time to time. Each change in any rate of interest computed by reference to the Prime Rate, if any, shall take effect on the first day of each calendar quarter (*i.e.*, January 1, April 1, July 1, and October 1).

"Property" shall mean the Alabama Property and the Minnesota Property.

"Purchase Money Liens" shall mean Liens securing purchase money Indebtedness incurred in connection with the acquisition of capital assets by the Borrower, Guarantor or any of their Subsidiaries in the ordinary course of business, provided that such Liens do not extend to or cover assets or properties other than those purchased in connection with the purchase in which such Indebtedness was incurred and that the obligation secured by any such Lien so created shall not exceed one hundred percent (100%) of the cost of the property covered thereby.

"Renewal Fee" shall have the meaning set forth in Section 1.3(c) of this Agreement.

"Restricted Payments" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in Borrower, Guarantor or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase or repurchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests in the Borrower, Guarantor or any of their Subsidiaries.

"Ridgestone" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Ridgestone Loan Documents" shall mean, collectively (i) this Agreement, (ii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Gear LLC dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Watercraft Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"Secured Lender" shall mean (a) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and who holds a Lien or Liens on any Collateral to secure such Indebtedness and such Indebtedness is greater than One Million Dollars ($1,000,000), or (b) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and such Indebtedness is greater than Five Million Dollars ($5,000,000).

"Security Agreements" shall mean the Security Agreements of even date herewith between each Borrower and Ridgestone and between the Guarantor and Ridgestone, as the same are amended or otherwise modified from time to time.

"Senior Liens" shall mean the Liens that are set forth on Exhibit F attached hereto.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which Capital Securities representing fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" shall mean any agreement governing any transaction now existing or hereafter entered into between the Borrower and Ridgestone or any of its Subsidiaries or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Tangible Net Worth" shall mean the Borrowers' and their Subsidiaries' shareholders' or members' equity (including retained earnings), less the book value of all intangible assets as determined by Borrower on a consistent basis, less prepaid expenses, less amounts due from officers, employees and Affiliates and investments, less leasehold improvements, plus the amount of any LIFO reserve, plus the amount of any debt subordinated to Ridgestone, all as determined under GAAP applied on a basis consistent with the financial statements dated July 3, 2009, except as set forth herein.

"Term Loan" shall mean the non-revolving basis loan made to the Borrower by Ridgestone pursuant to Section 1.1 of this Agreement.

"Term Loan Termination Date" shall mean the earlier of October 1, 2029, and the date on which the Term Loan becomes due and payable pursuant to Section 6.1 of this Agreement.

"Term Note" shall mean the promissory note of even date herewith made by the Borrower to Ridgestone evidencing the Term Loan and all amendments thereto and all renewals, extensions or refinancings thereof.

"Total Debt" shall mean (i) all Indebtedness for borrowed money (including without limitation, Indebtedness evidenced by promissory notes, bonds, debentures and similar interest-bearing instruments), plus (ii) all purchase money Indebtedness, plus (iii) the principal portion of capital lease obligations, plus (iv) all reimbursement obligations and other obligations with respect to any letters of credit, all as determined for the Borrower and their Subsidiaries on a consolidated basis as of the date of determination, without duplication, and in accordance with GAAP applied on a consistent basis.

"Total Debt to Book Net Worth" shall mean the relationship, expressed as a numerical ratio, between Total Debt and Book Net Worth.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances (as such term is defined in the PNC Loan Agreement) or out of the Guarantor's own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"USDA" shall mean the United States Department of Agriculture.

"USDA Guarantee" shall mean a Rural Development Unconditional Guarantee (Form RD 4279-14) executed by the Guarantor.

"Vacated Alabama Building" shall have the meaning set forth in Section 4.4 of this Agreement.

7.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" as words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Expenses and Attorneys' Fees. The Borrower shall pay all reasonable fees and expenses incurred by Ridgestone and any loan participants, including the reasonable fees of counsel (written invoices for which shall be delivered to the Borrower upon written request for the same), in connection with the preparation, issuance, maintenance and amendment of the Loan Documents and the consummation of the transactions contemplated by this Agreement, and the administration, protection and enforcement of Ridgestone's rights under the Loan Documents, or with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving the Borrower, the Guarantor or any of their Subsidiaries, both before and after judgment. The Borrower further agrees to pay on demand all reasonable internal audit fees and accountants' fees incurred by Ridgestone in connection with the maintenance and enforcement of the Loan Documents or any other collateral security.

8.2 Assignability; Successors. The Borrowers' rights and liabilities under this Agreement are not assignable or delegable, in whole or in part, without the prior written consent of Ridgestone. The provisions of this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

8.3 Survival. All agreements, representations and warranties made in this Agreement or in any document delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the issuance of the Term Note and the delivery of any such document.

8.4 Governing Law. To the extent permitted by the laws of the States of Alabama and Minnesota, this Agreement, the Term Note, the Collateral Documents and the other instruments, agreements and documents issued pursuant to this Agreement shall be governed by, and construed and interpreted in accordance with, the Laws of the State of Wisconsin applicable to agreements made and wholly performed within such state.

8.5 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed original, but such counterparts shall together constitute but one and the same agreement. The table of contents and article and section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement.

8.6 Entire Agreement; Schedules. This Agreement, the Term Note, the Collateral Documents and the other documents referred to herein and therein contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement. This Agreement supersedes all prior negotiations, agreements and undertakings between the parties with respect to such subject matter. Ridgestone agrees that for purposes of completing and delivering the Schedules to this Agreement any information disclosed by the Borrower in one Schedule shall be deemed to be a disclosure on other Schedule(s) provided that the Schedule in which the information is disclosed is specifically referenced in such other Schedule(s).

8.7 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given: (a) upon delivery if hand delivered; or (b) upon deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid; or (c) upon transmission if by facsimile, provided that such transmission is promptly confirmed by hand delivery, mail or courier as provided above, and each such communication or notice shall be addressed as follows, unless and until any party notifies the other in accordance with this Section 8.7 of a change of address:

If to the Borrower:

Johnson Outdoors Global
555 Main St.
Racine, WI 53403
Attention: Alisa Swire
Fax No.: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 N. Water Street
Milwaukee, WI 53202
Attention: Kristine Cherek
Fax No.: (414) 273-5198

If to Ridgestone:

Ridgestone Bank
13925 West North Avenue
Brookfield, WI 53005
Attention: Jessie L. Hagen
Fax No.: (262) 432-0549

with a copy to:

Hopp Neumann Humke LLP
2124 Kohler Memorial Drive, Suite 110
Sheboygan, WI 53081
Attention: Kristopher L. Gotzmer
Fax No.: (920) 457-8411

8.8 Amendment. No amendment of this Agreement shall be effective unless in writing and signed by the Borrower and Ridgestone.

8.9 Taxes. If any transfer or documentary taxes, assessments or charges levied by any governmental authority shall be payable by reason of the execution, delivery or recording of this Agreement, the Term Note, the Collateral Documents or any other document or instrument issued or delivered pursuant to this Agreement, the Borrower shall pay all such taxes, assessments and charges, including interest and penalties, and hereby indemnifies Ridgestone against any liability therefor.

8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

8.11 Indemnification. Unless caused by the negligence or willful misconduct of Ridgestone or Ridgestone's failure to comply with any of its obligations hereunder, the Borrower hereby agrees to indemnify, defend and hold Ridgestone harmless from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys' fees, suffered or incurred by Ridgestone arising out of or related to: (i) any Borrower's or any Subsidiary's failure to comply with any Environmental Law, or any order of any regulatory or administrative authority with respect thereto; (ii) any release of petroleum products or hazardous materials or substances on, upon or into real property owned, operated or controlled by the Borrower or any Subsidiary; and (iii) any and all damage to natural resources or real property or harm or injury to Persons resulting or alleged to have resulted from any failure to comply or any release of petroleum products or hazardous materials or substances as described in clauses (i) and (ii) above. All indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and the Term Note and the making and repayment of the Term Loan.

The Borrower hereby agrees to indemnify Ridgestone against all losses, liabilities, claims, damages and expenses including, but not limited to, reasonable attorneys' fees and settlement costs resulting from or relating to: (a) any Borrower's or any Subsidiary's failure to comply with any of its obligations hereunder, its negligence or its intentional misconduct; (b) the Borrowers' use of any proceeds of the Term Loan.

Upon and after an Event of Default, the Borrower hereby grants and licenses to Ridgestone full and complete access, for itself, its employees and representatives (including without limitation independent engineering consultants retained by Ridgestone), to the Property, and to the books and records of the Borrower relating to the Facilities, in order to conduct an Environmental Assessment from time to time as Ridgestone may deem necessary in its commercially reasonable discretion for the purpose of confirming Borrower's compliance with Environmental Laws. The license granted by this paragraph is irrevocable. The Borrower shall reimburse Ridgestone for all reasonable costs and expenses associated with any Environmental Assessment obtained by Ridgestone under this paragraph if the Borrower were obligated to obtain and provide to Ridgestone an Environmental Assessment pursuant to Section 5.10 of this Agreement and failed to do so or if any Event of Default shall have occurred. The Borrower and Ridgestone agree that there is no adequate remedy at law for the damage that Ridgestone might sustain for failure of the Borrower to permit Ridgestone to exercise and enjoy the license granted by this paragraph and, accordingly, Ridgestone shall be entitled at its option to the remedy of specific performance to enforce such license.

8.12 Participation. Ridgestone may at any time and from time to time, grant to any bank or banks a participation in any part of the Term Loan. All of the representations, warranties and covenants of the Borrower in this Agreement are also made to any participant with the same force and effect as if expressly so made.

8.13 Inconsistent Provisions. The provisions of the Collateral Documents, the Term Note and this Agreement are not intended to supersede the provisions of each other or this Agreement, but shall be construed as supplemental to this Agreement and to each other. In the event of any inconsistency between the provisions of the Collateral Documents and this Agreement, it is intended that the provisions of this Agreement shall control. In the event of any inconsistency between the provisions of the Term Note and this Agreement, it is intended that the provisions of this the Term Note shall control.

8.14 **WAIVER OF RIGHT TO JURY TRIAL**. RIDGESTONE AND THE BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE TERM NOTE AND THE COLLATERAL DOCUMENTS OR WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY AND THEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY AND THE BORROWER HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL.

8.15 **TIME OF ESSENCE**. TIME IS OF THE ESSENCE FOR THE PERFORMANCE BY THE BORROWER OF THE OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE NOTE, THE COLLATERAL DOCUMENTS AND THE OTHER LOAN DOCUMENTS.

8.16 **SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** AS A MATERIAL INDUCEMENT TO RIDGESTONE TO ENTER INTO THIS AGREEMENT:

(a) THE BORROWER AGREES THAT, TO THE EXTENT PERMITTED BY THE LAWS OF THE STATES OF ALABAMA AND MINNESOTA, ALL ACTIONS OR PROCEEDINGS IN ANY MANNER RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR THE OTHER COLLATERAL DOCUMENTS MAY BE BROUGHT ONLY IN COURTS OF THE STATE OF WISCONSIN LOCATED IN MILWAUKEE COUNTY OR THE FEDERAL COURT FOR THE EASTERN DISTRICT OF WISCONSIN AND THE BORROWER CONSENTS TO THE JURISDICTION OF SUCH COURTS. THE LAWS OF THE STATE OF ALABAMA WILL GOVERN THE FORECLOSURE AND DISPOSITON OF THE ALABAMA PROPERTY, AND THE LAWS OF THE STATE OF MINNESOTA WILL GOVERN THE FORECLOSURE AND DISPOSITON OF THE MINNESOTA PROPERTY. THE BORROWER WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH COURT AND ANY RIGHT IT MAY HAVE NOW OR HEREAFTER HAVE TO CLAIM THAT ANY SUCH ACTION OR PROCEEDING IS IN AN INCONVENIENT COURT; and

(b) The Borrower consents to the service of process in any such action or proceeding by certified mail sent to the address specified in Section 8.7; and

(c) Nothing contained herein shall affect the right of Ridgestone to serve process in any other manner permitted by law or to commence an action or proceeding in any other jurisdiction.

8.17 USA Patriot Act. Ridgestone hereby notifies the Borrower and each of their Subsidiaries that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each of their Subsidiaries, which information includes the name and address of the Borrower and each of their Subsidiaries and other information that will allow Ridgestone to identify the Borrower, each of their Subsidiaries in accordance with the Patriot Act and the Borrower agree to provide such information. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any affiliated entity is or shall be listed on the "Specially Designated Nationals and Blocked Person List" or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each affiliated entity to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

8.18 Joint and Several Obligations. In the event the Borrower consists of more than one Person, then all liabilities, obligations and undertakings of the Borrower pursuant to this Agreement and each other Loan Document to which any Borrower is a party shall be the joint and several obligations of each Borrower.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TECHSONIC INDUSTRIES, INC., an Alabama corporation

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Treasurer and Secretary

JOHNSON OUTDOORS MARINE ELECTRONICS LLC,
a Delaware limited liability company

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Secretary

RIDGESTONE BANK, a Wisconsin banking corporation

By: /s/ Jessie L. Hagen
Name: Jessie L. Hagen
Title: Vice President

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Schedules

Exhibit 99.4

LOAN AGREEMENT

BY AND BETWEEN

RIDGESTONE BANK

AND

JOHNSON OUTDOORS GEAR LLC

DATED AS OF SEPTEMBER 29, 2009

[LOAN NUMBER 15612]

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made as of the 29th day of September, 2009, by and among RIDGESTONE BANK, a Wisconsin banking corporation ("Ridgestone"), and JOHNSON OUTDOORS GEAR LLC, a Delaware limited liability company (the "Borrower").

IN CONSIDERATION of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I
THE LOAN

1.1 Term Loan. On the Closing Date and subject to the terms and conditions set forth in this Agreement, Ridgestone agrees to make the Term Loan to the Borrower in the original principal amount of Two Million Nine Hundred Sixty Thousand Dollars ($2,960,000). The Term Loan shall be evidenced by the Term Note and shall mature on the Term Loan Termination Date.

1.2 Interest. The unpaid principal of the Term Loan shall bear interest at the rate or rates set forth in the Term Note. All interest, fees and other amounts due under this Agreement and the Term Note shall be computed for the actual number of days elapsed on the basis of a 365-day year.

1.3 Fees.

(a) Closing Fee. The Borrower agrees to pay to Ridgestone a closing fee in the amount of Fourteen Thousand Eight Hundred Dollars ($14,800), which shall be due and payable at the Closing.

(b) Loan Note Guarantee Fee. The Borrower agrees to pay to the USDA on the Closing Date a guarantee fee for the Loan Note Guarantee in the amount of Twenty Three Thousand Six Hundred Eighty Dollars ($23,680) which, at the election of the Borrower, may be financed into the Term Loan.

1.4 Payments.

(a) Principal and Interest. The Borrower shall make payments of principal and interest in accordance with the terms and conditions of the Term Note. Subject to adjustments for changes to the Prime Rate as provided for in this Agreement and in the Term Note, monthly payments of principal and interest are set forth on the amortization schedule attached as Exhibit A hereto and to the Term Note. The entire balance of principal and interest outstanding under this Note shall be due and payable in full on Term Loan Termination Date.

(b) Payment Delivery. All payments of principal and interest on account of the Term Note and all other payments made pursuant to this Agreement shall be delivered to Ridgestone in immediately available funds by 12:00 P.M., Milwaukee, Wisconsin time, on the date when due, and if received after such time on any day shall be deemed to have been made on the next Business Day. Payments of the Term Loan may be made by Ridgestone via electronic transfers from the Borrower's operating accounts or any other accounts maintained at Ridgestone.

(c) No Set-Offs. All payments owed by the Borrower to Ridgestone under this Agreement and the Term Note shall be made without any counterclaim and free and clear of any restrictions or conditions and free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed on the Borrower by any governmental authority. If the Borrower is compelled by Law to make any such deductions or withholdings it will pay such additional amounts as may be necessary in order that the net amount received by Ridgestone after such deductions or withholding shall equal the amount Ridgestone would have received had no such deductions or withholding been required to be made, and it will provide Ridgestone with evidence satisfactory to Ridgestone that it has paid such deductions or withholdings.

1.5 Use of Proceeds. The proceeds of the Term Loan shall be used for (a) the repayment of existing debt of the Guarantor to JPMorgan Chase Bank, N.A., pursuant to loans made under that certain Amended and Restated Credit Agreement (Revolving) dated as of January 2, 2009, and the promissory notes executed and delivered pursuant thereto, and (b) closing costs of approximately Twenty Three Thousand Eight Hundred Forty Dollars ($23,840) incurred by the Borrower in connection with the transaction contemplated in this Agreement.

1.6 Prepayment. The Borrower may, from time to time, prepay the principal outstanding on the Term Loan subject to and in accordance with the terms and conditions of the Term Note.

1.7 Recordkeeping. Ridgestone shall record in its records the date and amount of the Term Loan and each repayment of the Term Loan. The aggregate amounts so recorded shall be rebuttable presumptive evidence of the principal and interest owing and unpaid on the Term Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Borrower under this Agreement or under the Term Note to repay the principal amount of the Term Loan together with all interest accruing thereon.

1.8 Increased Costs. If Regulation D of the Board of Governors of the Federal Reserve System, or the adoption of any Law, or compliance by Ridgestone with any Law:

(a) shall subject Ridgestone to any tax, duty or other charge with respect to the Term Loan or the Term Note, or shall change the basis of taxation of payments to Ridgestone of the principal of or interest on the Term Loan or any other amounts due under this Agreement in respect of the Term Loan; or

(b) shall affect the amount of capital required or expected to be maintained by Ridgestone or any corporation controlling Ridgestone; or

(c) shall impose on Ridgestone any other condition affecting the Term Loan or the Term Note;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D referred to above, to impose a cost on) Ridgestone of making or maintaining the Term Loan, or to reduce the amount of any sum received or receivable by Ridgestone under this Agreement or under the Term Note with respect thereto, then within thirty (30) days after demand by Ridgestone (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to Ridgestone such additional amount or amounts as will compensate Ridgestone for such increased cost or such reduction. Determinations by Ridgestone for purposes of this Section of the effect of any change in Law on its costs of making or maintaining the Term Loan, or sums receivable by it in respect of the Term Loan, and of the additional amounts required to compensate Ridgestone in respect thereof, shall be conclusive, absent manifest error.

ARTICLE II
CONDITIONS

2.1 General Conditions. The obligation of Ridgestone to make the Term Loan is subject to the satisfaction, on the date hereof of the following conditions:

(a) the representations and warranties of the Borrower contained in this Agreement shall be true and accurate in all material respects on and as of such date;

(b) there shall not exist on such date any Default or Event of Default;

(c) the making of the Term Loan shall not be prohibited by any applicable Law and shall not subject Ridgestone to any penalty under or pursuant to any applicable Law; and

(d) all proceedings to be taken in connection with the Term Loan and all documents incident thereto shall be reasonably satisfactory in form and substance to Ridgestone and its counsel.

2.2 Deliveries at Closing. The obligation of Ridgestone to make the Term Loan is further subject to the satisfaction on or before the Closing Date of each of the following express conditions precedent:

(a) Ridgestone shall have received each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Ridgestone and Borrower (or Guarantor, as applicable):

(i) this Agreement;

(ii) the Term Note;

(iii) the Mortgage;

(iv) the Security Agreements;

(v) the Environmental Indemnity Agreement;

(vi) the Guarantee Agreement;

(vii) the USDA Guarantee;

(viii) the Intercreditor Agreement;

(ix) the Acknowledgement;

(x) the Financing Statement;

(xi) a certificate of an officer of Borrower dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officers of Borrower who have signed or will sign this Agreement, the Term Note and any other Loan Document; (B) the adoption and continued effect of resolutions in a form reasonably satisfactory to Ridgestone authorizing the execution, delivery and performance of this Agreement, the Term Note and the other Loan Documents, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the of the Certificate of Formation and Operating Agreement of the Borrower, as amended to date;

(xii) a certificate of an officer for the Guarantor dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officer of the Guarantor who has signed or will sign the Guaranty Agreement, the USDA Guarantee and any other Loan Document; (B) the adoption and continued effect of resolutions of the directors of the Guarantor authorizing the execution, delivery and performance of the Guarantee Agreement, the USDA Guarantee and the other Loan Documents executed by the Guarantor, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of the Guarantor, as amended to date;

(xiii) the Closing Date Balance Sheet showing the Borrower to have a tangible net worth of at least ten percent (10%) of the total, combined assets of the Borrower as of the Closing Date, and otherwise acceptable to Ridgestone in its discretion;

(b) Ridgestone shall have received a commitment of title insurance covering Ridgestone's interest in the Property, together with such endorsements thereto as Ridgestone may reasonably require and as are generally available in the State in which the Property is located at a commercially reasonable cost, written by a title insurance company reasonably acceptable to Ridgestone, on a current ALTA form in the total face amount of the Term Loan, insuring to Ridgestone that: (i) the Guarantor owns marketable, fee simple title to the Property, subject only to the Permitted Liens; and (ii) Ridgestone holds a valid, first-lien mortgage on the Property pursuant to the Mortgage. The Borrower shall pay for the title insurance commitment and the policy subsequently issued and all such endorsements thereto.

(c) Ridgestone shall have received an ALTA improvement survey or surveys for the Property, prepared within the past twelve (12) months by a surveyor licensed by the State in which the Property is located, which survey shall be prepared in form satisfactory to the title company for the issuance of a lender's policy of title for the Property, as Ridgestone may require, with no exceptions for matters of survey, and shall meet the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys;

(d) Ridgestone shall have received a certificates of the New York Department of State and the Delaware Department of State as to the good standing and existence of the Borrower, dated as of a recent date;

(e) Ridgestone shall have received a certificate of the Wisconsin Department of Financial Institutions as to the good standing of the Guarantor, dated as of a recent date;

(f) Ridgestone shall have received searches of the appropriate public offices demonstrating that no Lien or other charge or encumbrance is of record affecting the Borrower, its Subsidiaries, or their respective properties, except those which are Permitted Liens;

(g) Ridgestone shall have received a certificate or certificates, as necessary, evidencing the insurance coverages required under this Agreement and the Collateral Documents;

(h) Ridgestone shall have received a favorable opinion of Borrower's counsel, in form and substance reasonably satisfactory to Ridgestone and its counsel;

(i) Ridgestone will have been satisfied, in its commercially reasonable discretion, with its due diligence investigations of the Borrower, the Guarantor and their Subsidiaries;

(j) Ridgestone shall have received the closing fee set forth in Section 1.3(a) and the USDA guarantee fee set forth in Section 1.3(b), and all reasonable fees and expenses of Ridgestone's legal counsel (which fees and expenses are estimated not to exceed Eighteen Thousand Dollars ($18,000) shall have been paid or will be paid at Closing;

(k) Ridgestone shall have received payoff letters and/or lien releases, in form and substance satisfactory to Ridgestone, from the holders of all Indebtedness which is not Permitted Indebtedness and all holders of Liens which are not Permitted Liens;

(l) Ridgestone shall have received copies of all Material Agreements;

(m) Ridgestone shall have received and approved all appraisals requested by Ridgestone;

(n) USDA Rural Development will have approved the Term Loan and all Loan Documents required to be approved by the USDA;

(o) Ridgestone shall have received a completed FEMA Form 81-93, "Standard Flood Hazard Determination," for the Property;

(p) the Borrower shall have established the Tax Escrow Account;

(q) Ridgestone shall have received an Automatic Transfer Authorization executed by the Borrower allowing Ridgestone to make payments toward the Term Loan via electronic transfers from the Borrower's operating or other deposit account maintained at Ridgestone or at other financial institutions; and

(r) Ridgestone shall have received such other agreements, instruments, documents, certificates and opinions as Ridgestone or its counsel may reasonably request.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Ridgestone as follows:

3.1 Organization and Qualification. The Borrower is a limited liability company duly and validly organized and existing under the laws of the state of Delaware, and has the company power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Borrower is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. The Guarantor is a corporation duly organized and validly existing under the laws of the state of Wisconsin, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Guarantor is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect.

3.2 Financial Statements. All of the financial statements of Borrower, its Subsidiaries, and the Guarantor heretofore furnished to Ridgestone by such parties are accurate and complete in all material respects and fairly present the financial condition and the results of operations of the Borrower and its Subsidiaries for the periods covered thereby and as of the relevant dates thereof. All such financial statements for the Borrower, its Subsidiaries and the Guarantor were prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower, its Subsidiaries or the Guarantor since the date of the latest of such financial statements. As of the Closing Date, the Borrower has no knowledge of any material liabilities of any nature of the Borrower, its Subsidiaries or the Guarantor other than as disclosed in the financial statements heretofore furnished to Ridgestone, and as otherwise disclosed in writing to Ridgestone.

The Closing Date Balance Sheet attached hereto as Schedule 3.2 is complete and correct in all material respects and presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries, on a consolidated basis, as of the Closing Date, based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

3.3 Authorization; Enforceability. The making, execution, delivery and performance of this Agreement, the Term Note and the Collateral Documents, and compliance with their respective terms, have been duly authorized by all necessary corporate, limited liability company or partnership action of the Borrower, its Subsidiaries, or the Guarantor, as the case may be. This Agreement, the Term Note and the other Loan Documents are the valid and binding obligations of the Borrower and the Guarantor, as applicable, enforceable against the Borrower the Guarantor, as applicable, in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws generally affecting the rights of creditors and subject to general equity principles.

3.4 Organization and Ownership of Subsidiaries. (a) Schedule 3.4 contains complete and correct lists, as of the Closing Date, of: (i) the Borrower's and the Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its equity interests outstanding owned by the Borrower and each other Subsidiary or other Persons; and (ii) of the ownership of the Borrower and the Guarantor and the percentage of shares, units or interests of each class of its equity outstanding and the ownership interests of such shares, units or interests.

(b) All of the outstanding shares, units or interests of equity of each such domestic Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or another Subsidiary free and clear of any Lien.

(c) Each of the Borrower's domestic Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in current status in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such domestic Subsidiary has the corporate, company or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) None of the Borrower's or Guarantor's domestic Subsidiaries is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the PNC Loan Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Borrower to which it is a Subsidiary or any of the Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

3.5 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance of the Borrower and the Guarantor, as applicable of this Agreement, the Term Note and the other Loan Documents will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower, the Guarantor or any of their Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or bylaws, or any other agreement or instrument to which the Borrower, the Guarantor or any of their Subsidiaries is bound; (b) conflict with or result in a breach of any of the terms, conditions or provisions of any material order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; (c) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; or (d) violate the articles of incorporation, articles of organization, certificate of limited partnership, bylaws, partnership agreement or operating agreement, or other documents of formation, of the Borrower, the Guarantor or any of their Subsidiaries.

3.6 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by the Borrower or the Guarantor of this Agreement, the Term Note or any other Loan Document except those consents, approvals, authorizations, registrations and filings which have already been made or obtained and filings necessary to perfect the Liens under the Collateral Documents.

3.7 Litigation; Observance of Agreements, Statutes and Orders. Except as set forth on Schedule 3.7:

(a) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is a party to, and so far as is known to the Borrower there is no credible threat of, any litigation or administrative proceeding which would, if adversely determined, cause any Material Adverse Effect; and

(b) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or governmental authority or is in violation of any applicable Law (including without limitation Environmental Laws) of any governmental authority, which in the event of any of the foregoing defaults or violations, individually or in the aggregate, would have a Material Adverse Effect.

3.8 Taxes. The Borrower, the Guarantor and their Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments, the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower, the Guarantor or any of their Subsidiaries, as the case may be, has established adequate reserves in accordance with GAAP or other accounting principles applicable to the Guarantor's Subsidiaries in foreign jurisdictions.

3.9 Title to Property; Leases. The Guarantor has marketable title to the Property subject to the Permitted Liens. To the Borrower's knowledge, there are no Liens on the Property other than Permitted Liens. All leases to which the Borrower or their domestic Subsidiaries is a party are valid and subsisting and are in full force and effect. All leases relating to the Property are set forth on Schedule 3.9 hereto. A copy of each lease set forth on Schedule 3.9 hereto has been provided to Ridgestone and, to Borrower's knowledge, the Guarantor is not in default under any provision contained in any such lease which has not been cured.

3.10 Licenses, Permits, Etc. (a) To Borrower's knowledge without investigation, Borrower and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto necessary in the ownership of their properties and operation of their businesses, the absence of which would cause a Material Adverse Effect; (b) to Borrower's knowledge without investigation, no product of the Borrower or any of its Subsidiaries infringes any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which would cause a Material Adverse Effect; and (c) to the knowledge of Borrower without investigation, there is no violation by any Person of any right of the Borrower or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Borrower, the Guarantor or any of their Subsidiaries, which violation would cause a Material Adverse Effect.

3.11 Compliance with ERISA. (a) The Borrower has no knowledge that any Plan is in noncompliance in any material respect with the applicable provisions of ERISA or the Internal Revenue Code; (b) the Borrower has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against or relating to any Plan; (c) the Borrower has no knowledge of any reasonable basis for any material proceedings, claims or actions against or relating to any Plan; (d) the Borrower has no knowledge that it has incurred any "accumulated funding deficiency" within the meaning of Section 302(a)(2) of ERISA in connection with any Plan; and (e) the Borrower has no knowledge that there has been any Reportable Event or Prohibited Transaction (as such terms are defined in ERISA) with respect to any Plan, or that the Borrower, any of their Subsidiaries or the Guarantor, or all of them, has incurred any material liability to the PBGC under Section 4062 of ERISA in connection with any Plan.

3.12 Fiscal Year. Borrower's fiscal year for accounting and tax purposes is a period consisting of a 52/53 calendar week year ending on or about September 30 of each year. The current fiscal year, which is the 2009 fiscal year, ends on October 2, 2009.

3.13 Indebtedness; No Default. Other than inter-company Indebtedness among Borrower, Guarantor and their respective Subsidiaries, neither any Borrower nor any of its Subsidiaries has any outstanding Indebtedness except for Permitted Indebtedness. There exists no default nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default under any material provisions of (a) any instrument evidencing such Indebtedness or any agreement relating thereto or (b) any other agreement or instrument to which the Borrower, any of its Subsidiaries or the Guarantor is a party.

3.14 Compliance With Laws. Except as disclosed in Schedule 3.14, to Borrower's knowledge after reasonable investigation: (a) Borrower is in compliance with all applicable Environmental Laws and all other Laws applicable to Borrower's respective assets or operations, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect; and (b) the Borrower has not received any written notice from any governmental entity or authority that it is not in compliance with any Environmental Laws which non-compliance has not been cured.

3.15 Dump Sites. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.15, with respect to any period during which the Borrower, the Guarantor or any of their Subsidiaries has occupied the Property, neither Borrower, the Guarantor nor any of their Subsidiaries (nor any agent or invitee of any of the foregoing) has caused or permitted petroleum products or hazardous substances or other materials to be stored, deposited, treated, recycled or disposed of on, under or at the Property in violation of Environmental Laws, which materials, if known to be present, would require cleanup, removal or other remedial action under Environmental Laws.

3.16 Tanks. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.16, to Borrower's knowledge after reasonable investigation, there are not now nor have there ever been tanks, containers or other vessels on, under or at the Property that contained petroleum products or hazardous substances or other materials which, if known to be present in soils or ground water, would require cleanup, removal or other remedial action under Environmental Laws.

3.17 Other Environmental Conditions. To the knowledge of the Borrower after reasonable investigation and except as previously disclosed to Ridgestone in writing and as set forth on Schedule 3.17, there are no conditions existing currently that would subject the Borrower, the Guarantor or any of their Subsidiaries to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws that would reasonably be expected to cause a Material Adverse Effect or require cleanup, removal or other remedial action by the Borrower, the Guarantor or any of their Subsidiaries under Environmental Laws.

3.18 Environmental Judgments, Decrees and Orders. Except as disclosed on Schedule 3.18, no unsatisfied judgment, decree, order or citation relating to the Property or the current operations of the Property and related to or arising out of Environmental Laws is applicable to or binds the Borrower, the Guarantor, any of their Subsidiaries, or the Property.

3.19 Environmental Permits and Licenses. Except as disclosed on Schedule 3.19, to the knowledge of the Borrower after reasonable investigation, all permits, licenses and approvals required under Environmental Laws necessary for the Borrower to own or operate the Facilities and to conduct its business as now conducted or proposed to be conducted, have been obtained and are in full force and effect, the failure of which would cause a Material Adverse Effect.

3.20 Accuracy of Information. All documents, certificates or statements by the Borrower, its Subsidiaries, and the Guarantor given in, or pursuant to, this Agreement shall be accurate, true and complete in all material respects when given.

3.21 Offering of Term Note. Neither the Borrower nor any agent acting for the Borrower has offered the Term Note or any similar obligation of the Borrower for sale to, or solicited any offers to buy the Term Note or any similar obligation of the Borrower from, any Person other than Ridgestone, and neither the Borrower nor any agent acting for the Borrower will take any action that would subject the sale of the Term Note to the registration provisions of the Securities Act of 1933, as amended.

3.22 Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loan solely for the purposes set forth in Section 1.5 hereof. No part of the proceeds of the Term Loan will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

3.23 Subsidiaries. The Borrower does not have any Subsidiaries other than those set forth on Schedule 3.4.

3.24 Solvency. The Borrower and its Subsidiaries taken as a whole, and the Guarantor, are able to pay their debts as they become due in the ordinary course of business and have sufficient capital to carry on their businesses and all businesses in which they are about to engage in; and the amount that will be required to pay the Borrower's and each of its Subsidiary's, and to pay the Guarantor's, probable liabilities as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

ARTICLE IV
NEGATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations have been paid in full including any obligations under any Swap Agreements and Ridgestone shall have no obligations under any Swap Agreements:

4.1 Liens. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume or permit to be created or allow to exist any Lien upon or in any of its assets or properties, except Permitted Liens.

4.2 Indebtedness. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any Indebtedness, except Permitted Indebtedness.

4.3 Consolidation or Merger or Recapitalization. Excepting Permitted Transactions (defined in Article 7), the Guarantor or the Borrower shall not consolidate with or merge into any other Person, or permit another Person to merge into it, or acquire all or substantially all of the assets or equity of any other Person or allow another Person to acquire all or substantially of its assets or equity, whether in one or a series of transactions or liquidate, dissolve or effect a recapitalization or reorganization in any form (including, without limitation, any reorganization after which the Borrower becomes a Subsidiary of another Person). Notwithstanding the foregoing, the Guarantor shall be permitted to engage in any consolidation, merger, acquisition or similar transaction: (a) with respect to any such transaction wherein the aggregate purchase price does not exceed Five Million Dollars ($5,000,000), the Guarantor shall be permitted to engage in such transaction without consent or notice to Ridgestone; (b) with respect to any such transaction wherein the aggregate purchase price is more than Five Million Dollars ($5,000,000) but less than Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor shall be permitted to engage in such transaction, however, the Borrower shall provide to Ridgestone written notice of the Guarantor's completion of such transaction within a reasonable time thereafter; and (c) with respect to any such transaction wherein the aggregate purchase price exceeds Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor must obtain Ridgestone's written consent prior to entering into a definitive agreement for such transaction.

4.4 Disposition of Assets. The Borrower and its Subsidiaries shall not sell, lease, assign, transfer or otherwise dispose of (collectively, "Dispositions") any of their now owned or hereafter acquired assets or properties except, prior to the occurrence of an Event of Default: (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of used, obsolete, worn out or surplus equipment or property in the ordinary course of business; (c) Dispositions to the Borrower, Guarantor, or any of their Subsidiaries; (d) Dispositions of receivables in connection with the compromise, settlement or collection thereof; (e) 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; (f) the leasing of intellectual property rights to third parties; (g) Dispositions of non-strategic assets in the ordinary course of business; and (h) Dispositions of equipment or other property not permitted under any other subsection of this Section, provided that such equipment or other property is either replaced by equipment or property of a similar kind and equivalent value or sold or otherwise disposed of in the ordinary course of business, provided the value of such equipment or property sold or otherwise disposed of and not replaced during any fiscal year does not exceed One Hundred Thousand Dollars ($100,000).

4.5 Sale and Leaseback. Neither the Borrower nor the Guarantor shall enter into any agreement, directly or indirectly, to sell or transfer any real property used in its business and thereafter to lease back the same or similar property other than for property with a selling price of less than Five Hundred Thousand Dollars ($500,000) or less.

4.6 Restricted Payments. Neither the Borrower nor the Guarantor shall make or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except Borrower and the Guarantor may make Restricted Payments pursuant to and in accordance with the PNC Loan Agreement, stock option plans, grants of restricted stock, employee stock purchase plans, or other benefit plans for management or employees of Borrower, Guarantor, and their Subsidiaries pursuant to such plans as are currently in effect as set forth on Schedule 4.6 hereto, or as may be in effect from time to time hereafter.

4.7 Transactions with Affiliates. The Borrower shall not engage in any transaction with an Affiliate involving the payment or exchange of funds in any single instance in excess of One Hundred Thousand Dollars ($100,000) and on terms that are materially less favorable to the Borrower than would be available at the time from a Person who is not an Affiliate.

4.8 Loans and Advances. The Borrower shall not make any loan or advance to any Person, except: (a) extensions of credit in the ordinary course of business by the Borrower to its customers; (b) advances to officers and employees of the Borrower for travel and other expenses in the ordinary course of business; and (c) loans, advances or guarantees made among Borrower, Guarantor and any of their respective Subsidiaries which loans, advances or guarantees are reflected in the books and records of the respective entities. In addition, the Borrower may make any loans or advances to any of its Subsidiaries.

4.9 Guarantees. Neither the Borrower nor the Guarantor shall, without the prior written consent of Ridgestone, which consent shall not be unreasonably withheld, conditioned or delayed, guarantee the Indebtedness of any Person or co-signing or otherwise becoming liable for the Indebtedness of another Person, except for: (a) any guarantee or co-signing made for the benefit of Borrower, Guarantor or any of their respective Subsidiaries; (b) such guarantees or co-signings which are currently in effect and are set forth in Schedule 4.9 hereof; and (c) any guarantee or co-signing in which the Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrower, the Guarantor and Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in any fiscal year.

4.10 Subsidiaries. The Borrower shall not form any Subsidiary other than those set forth on Schedule 3.4 hereof.

4.11 Capital Expenditures. The Guarantor shall not make or enter into any binding agreement(s) to make Capital Expenditures in excess of the Capital Expenditure Limit, as defined in this Section. "Capital Expenditure Limit" shall mean: (a) for the Guarantor's 2009 fiscal year ending October 2, 2009, Ten Million Dollars ($10,000,000) in the aggregate; (b) for the Guarantor's 2010 fiscal year ending on or about September 30, 2010, Eleven Million Dollars ($11,000,000) in the aggregate; (c) for the Guarantor's 2011 fiscal year ending on or about September 30, 2011, Twelve Million Dollars ($12,000,000) in the aggregate; and (d) for the Guarantor's 2012 fiscal year ending on or about September 30, 2012 and for each fiscal year thereafter, one hundred five percent (105%) of the Capital Expenditure Limit for the immediately preceding fiscal.

4.12 Notes or Debt Securities Containing Equity Features. Neither the Borrower nor the Guarantor shall authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities containing equity features (including, without limitation, any notes or debt securities convertible into or exchangeable for capital stock or other equity securities, issued in connection with the issuance of capital stock or other equity securities or containing profit participation features), other than any agreement authorized, issued or entered into with any member of the Johnson Family which shall be permitted hereby.

4.13 Nature of Business. The Borrower shall not enter into the ownership, act of management, or operation of any business other than the manufacture, distribution or sale of outdoor equipment and any activities incidental thereto.

4.14 Other Agreements. Neither the Borrower nor the Guarantor shall enter into, become subject to, amend, modify or waive, or permit any of their Subsidiaries to enter into, become subject to, amend, modify or waive, any agreement or instrument (other than the Loan Documents and the Other Loan Documents (as such term is defined in the PNC Loan Agreement)) which by its terms would (under any circumstances) restrict (i) the right of any of their Subsidiaries or the Guarantor to make loans or advances or pay dividends to, transfer property to, or repay any Indebtedness owed to, the Borrower, the Guarantor or their Subsidiaries, or (ii) the Borrower's right to perform the provisions of any of the Loan Documents.

4.15 Sales of Subsidiaries. Neither the Borrower nor the Guarantor shall sell or otherwise dispose of any stock (or other ownership interest), or securities convertible into stock (or other ownership interest), of any domestic Subsidiary (however, the liquidation or dissolution of non-operating entities shall not be prohibited hereby).

4.16 Modification of Organizational Documents. The Borrower shall not permit the articles of incorporation or organization, certificate of partnership, bylaws, operating agreement or other organizational documents of the Borrower, its Subsidiaries, or the Guarantor to be amended or modified in a manner adverse to the interests of Ridgestone, except for such amendments or modifications as may be required by Law.

4.17 Compensation. The current compensation of all officers of the Guarantor are as set forth on Schedule 4.18. Compensation of the Chairman and Chief Executive Officer, and the Vice President and Chief Financial Officer shall be limited to an amount that shall not cause a Material Adverse Effect and shall not be increased in any year unless: (a) such increase will not cause Borrower to breach any covenant of this Agreement; (b) the Borrower is current in all material respects on its Indebtedness; and (c) such increase has been approved by the Compensation Committee of the Board of Directors of Guarantor which committee is comprised solely of independent outside directors.

ARTICLE V
AFFIRMATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations to Ridgestone have been paid in full including, without limitation, any obligations to Ridgestone under any Swap Agreements:

5.1 Payment. The Borrower shall timely pay or cause to be paid the principal of and interest on the Term Loan and all other amounts due under this Agreement, the Term Note and the Collateral Documents.

5.2 Existence; Property. The Borrower shall, and shall cause its Subsidiaries to: (a) maintain its limited liability company, corporate existence or partnership status; (b) conduct its business substantially as now conducted or as described in any business plans delivered to Ridgestone prior to the Closing Date unless otherwise consented to by Ridgestone; (c) maintain the Property or cause other Persons to maintain the Property; and (d) maintain accurate records and books of account, consistently applied throughout all accounting periods.

5.3 Licenses. The Borrower shall, and the Borrower shall cause each of its Subsidiaries to, maintain in good standing and in full force and effect each license, permit and franchise granted or issued by any federal, state or local governmental agency or regulatory authority that is necessary to or used in the Borrower's or any of its Subsidiary's businesses, the failure of which would cause a Material Adverse Effect.

5.4 Reporting Requirements. The Borrower and the Guarantor shall furnish to Ridgestone such information respecting the business, assets and financial condition of the Borrower and the Guarantor and their Subsidiaries as Ridgestone may reasonably request and, without request:

(a) as soon as available, and in any event within sixty (60) days after the end of each fiscal quarter (i) a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such quarter and of the comparable quarter in the preceding fiscal year; and (ii) consolidated statements of income of each Guarantor and its Subsidiaries for each such quarter and for that part of the fiscal year ending with each quarter and for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity; and

(b) as soon as available, and in any event within sixty (60) days after the end of each fiscal year a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity (Borrower and/or the Guarantor shall be in compliance with Section 5.4(a) and this Section 5.4(b) by timely providing to Ridgestone a hyperlink to Guarantor's SEC Form 10-K and 10-Q Statements, as appropriate); and

(c) as soon as available, and in any event within one hundred ten (110) days after the close of each fiscal year, a copy of the detailed annual audit report for such year and accompanying consolidated financial statements of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries prepared in reasonable detail and in accordance with GAAP and prepared by the independent certified public accountants ratified by Guarantor's shareholders at its annual meeting, which audit report shall be accompanied by: (i) an unqualified opinion of such accountants, to the effect that the same fairly presents the financial condition and the results of operations of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries, respectively, for the periods and as of the relevant dates thereof, and (ii) a certificate of such accountants setting forth their computations as to Borrower's compliance with Section 5.12 of this Agreement; and

(d) together with each delivery required by Sections 5.4(a), 5.4(b) and 5.4(c) of this Agreement, an executed Officer's Certificate or Member's Certificate, as applicable, in the form of Exhibit B attached to this Agreement containing information as to the financial statements so delivered; and

(e) as soon as available, and in any event within forty-five (45) days of filing, a copy of the annual federal corporate tax returns for the Guarantor (including its domestic Subsidiaries); and

(f) as soon as received, but in any event not later than ten (10) days after receipt, copies of all management letters and other reports submitted to the Borrower or its domestic Subsidiaries, by independent certified public accountants in connection with any examination of the financial statements of the Borrower or its domestic Subsidiaries or the Guarantor, and notify Ridgestone promptly of any material change in any accounting method used by the Borrower or its Subsidiaries in the preparation of the financial statements to be delivered to Ridgestone pursuant to this Section; and

(g) as soon as available, and in any event within forty-five (45) days after the end of each fiscal year, business projections for the Borrower and the Guarantor for the upcoming fiscal year.

5.5 Taxes. The Borrower shall, and the Borrower shall cause each of its Subsidiaries and the Guarantor and its Subsidiaries, to pay all taxes and assessments prior to the date on which penalties attach thereto, except for any tax or assessment which is either not delinquent or which is being contested in good faith and by proper proceedings and against which adequate reserves have been provided in accordance with GAAP.

5.6 Inspection of Property and Records. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to, permit Ridgestone or its agents or representatives, at Ridgestone's expense, to visit any of their properties and examine and audit any of its books and records after delivery of reasonable advance written notice, and provided such activities occur during normal business hours and in a manner that does not cause unreasonable interruptions. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing hereunder, such visits, examinations and audits shall be limited to not more than one (1) visit to the Property per fiscal year. The Borrower, the Guarantor or their Subsidiaries shall reimburse Ridgestone, up to a maximum of Two Thousand Five Hundred Dollars ($2,500) in the aggregate, per fiscal year, for travel and lodging expenses incurred by Ridgestone in connection with visits made pursuant to this Section 5.6 and pursuant to the similar provisions of other loan agreements between the Guarantor or any of its Subsidiaries and Ridgestone. Notwithstanding anything contained herein to the contrary, the Borrower shall be responsible for all costs and expenses incurred by Ridgestone in connection with any visit to any Facility following the occurrence of an Event of Default, and for visits to any Facility made pursuant to any other section of this Agreement.

5.7 Compliance with Laws. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to: (a) comply in all material respects with all applicable Environmental Laws, and orders of regulatory and administrative authorities with respect thereto, and, without limiting the generality of the foregoing, promptly undertake and diligently pursue to completion appropriate and legally authorized containment, investigation and clean-up action in the event of any release of petroleum products or hazardous materials or substances on, upon or into any real property owned, operated or within the control of the Borrower, the Guarantor or any of their Subsidiaries; and (b) comply in all material respects with all other Laws applicable to the Borrower, the Guarantor, and any of their Subsidiaries, their assets or operations where failure to so comply could have a Material Adverse Effect.

5.8 Compliance with Agreements. The Borrower shall, and the Borrower shall cause the Guarantor and their Subsidiaries to, perform and comply in all respects with the provisions of any agreement (including without limitation any collective bargaining agreement), license, regulatory approval, permit and franchise binding upon the Borrower, the Guarantor, their Subsidiaries, or their properties, if the failure to so perform or comply would have a Material Adverse Effect.

5.9 Notices. The Borrower shall:

(a) as soon as possible and in any event within five (5) Business Days after the occurrence of any Default or Event of Default, notify Ridgestone in writing of such Default or Event of Default and set forth the details thereof and the action which is being taken or proposed to be taken by the Borrower with respect thereto;

(b) promptly notify Ridgestone of the commencement of any litigation or administrative proceeding that would cause the representation and warranty of the Borrower contained in Section 3.7 of this Agreement to be untrue;

(c) promptly notify Ridgestone: (i) of the occurrence of any Reportable Event or, to the extent a Prohibited Transaction would have a Material Adverse Effect, a Prohibited Transaction (as such terms are defined in ERISA) that has occurred with respect to any Plan; and (ii) of the institution by the PBGC or the Borrower of proceedings under Title IV of ERISA to terminate any Plan;

(d) unless prohibited by applicable Law, notify Ridgestone, and provide copies, immediately upon receipt but in any event not later than ten (10) days after receipt, of any written notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that is reasonably expected to require a clean-up, removal, remedial action or other response by or on the part of the Borrower, the Guarantor or any Subsidiary under Environmental Laws or which seeks damages or civil, criminal or punitive penalties from or against the Borrower, the Guarantor or any Subsidiary, for an alleged violation of Environmental Laws, in each of the foregoing which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect or would reasonably be expected to cause or require the Borrower, the Guarantor or any of their Subsidiaries to expend, in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) in costs and expenses; and provide Ridgestone with written notice of any condition or event which would make the representations and warranties contained in Sections 3.14 through 3.19 of this Agreement inaccurate, as soon as ten (10) Business Days after the Borrower becomes aware of such condition or event;

(e) notify Ridgestone at least thirty (30) days prior to any change of either of the Borrower’s, the Guarantor’s or their Subsidiary’s name or its use of any trade name;

(f) promptly notify Ridgestone of any damage to, or loss of, any of the assets or properties of the Borrower, the Guarantor or of their Subsidiaries if the net book value of the damaged or lost asset or property at the time of such damage or loss exceeds Two Hundred Fifty Thousand Dollars ($250,000); and

(g) promptly notify Ridgestone of the commencement of any investigation, litigation, or administrative or regulatory proceeding by, or the receipt of any notice, citation, pleading, order, decree or similar document issued by, any federal, state or local governmental agency or regulatory authority that results in the termination or suspension of any license, permit or franchise necessary to the Borrower's, the Guarantor's or any of their Subsidiary's business, or that imposes a material fine or penalty on the Borrower, the Guarantor or any of their Subsidiaries.

5.10 Environmental Assessment. Within ten (10) Business Days after the Borrower or Guarantor learns of the occurrence of any event or condition described in Section 5.9(d) of this Agreement, the Borrower shall undertake and, within a reasonable time thereafter, obtain an Environmental Assessment (the scope of which shall be limited to the event or condition giving rise to the disclosure requirement under Section 5.9(d) hereof), at the Borrower's expense, and provide promptly to Ridgestone a written report of the results of such Environmental Assessment, which report shall recite that Ridgestone is entitled to rely thereon. Except as otherwise required by applicable Law or as may be reasonably necessary, in the opinion of Ridgestone, for evaluation and analysis by Ridgestone, any participating financial institution, or their attorneys, agents and consultants, any Environmental Assessment provided to Ridgestone pursuant to this Section shall be treated as confidential and shall not be disclosed without the prior written consent of the Borrower.

5.11 Insurance.

(a) The Borrower shall, and Borrower shall cause its Subsidiaries and the Guarantor to, obtain and maintain at their own expense the following insurance, which shall be with insurers satisfactory to Ridgestone (Ridgestone hereby acknowledging and agreeing that the insurers providing the insurance coverages in effect as of the Closing Date are satisfactory to Ridgestone):

(i) insurance against physical loss or damage to the Collateral as provided under a standard "All Risk" property policy including but not limited to flood (if required by Ridgestone), fire, windstorm, lightning, hail, explosion, riot, civil commotion, smoke, sewer back-up, business interruption and such other risks of loss generally and customarily maintained by companies of similar size in the same industry and line of business as Borrower, the Guarantor and their Subsidiaries, in amounts not less than the actual replacement cost of the Collateral or the balance of the Term Loan, whichever is greater. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than Three Hundred Thousand Dollars ($300,000) per occurrence. Notwithstanding the foregoing, with respect to earthquake insurance covering Collateral located in the state of California, the deductible may be increased to the greater of five percent (5%) of the total insured value or Five Hundred Thousand Dollars ($500,000), and with respect to windstorm insurance covering Collateral located in the state of Florida, the deductible may be increased to the greater of five percent (5%) of the total insured value or Two Hundred Fifty Thousand Dollars ($250,000);

(ii) commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, including personal injury, and property damage with umbrella coverage in an amount at least equal to the balance of the Term Loan;

(iii) product liability insurance in such amounts as is customarily maintained by companies engaged in the same or similar businesses as the Borrower;

(iv) worker's compensation insurance in amounts meeting all statutory state and local requirements;

(v) comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit; and

(vi) during construction of any improvements at the Facilities and during any period in which substantial alterations or repairs at the Facilities are being undertaken, (i) builder's risk insurance (on a completed value, non-reporting basis) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed Three Hundred Thousand Dollars ($300,000), in non-reporting form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with "soft cost" and such other endorsements as Ridgestone may reasonably require, and (ii) general liability, worker's compensation and automobile liability insurance with respect to the improvements being constructed, altered or repaired; and

(vii) Such other insurance as Ridgestone may reasonably require, that at the time is commonly obtained in connection with similar businesses and is generally available at commercially reasonable rates.

(b) Each insurance policy described in Section 5.11(a)(i), (ii) or (vi) with respect to any Collateral shall name Ridgestone as a lender's loss payee, and shall require the insurer to provide at least thirty (30) days' prior written notice to Ridgestone of any material change or cancellation of such policy.

5.12 Financial Covenants.

(a) Current Ratio. The Guarantor will not permit as of the end of any fiscal year end of the Guarantor, commencing with the 2009 fiscal year ending October 2, 2009, its Current Ratio to be less than 1.75 to 1.

(b) Tangible Net Worth. The Borrower and its Subsidiaries shall have a tangible net worth of at least ten percent (10%) of the total assets of the Borrower as of the Closing Date as verified by the Closing Date Balance Sheet.

(c) Total Debt to Book Net Worth. The Guarantor shall not permit the ratio of Total Debt to Book Net Worth for the Guarantor to exceed 2.00 to 1 beginning as of the last day of the Guarantor's 2009 fiscal year ending October 2, 2009, and at the end of each fiscal quarter thereafter.

(d) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, the Guarantor shall maintain as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(e) Minimum Book Net Worth. The Guarantor shall not permit its consolidated Book Net Worth, as of the last day of each calendar year, to be less than the Book Net Worth Requirement. As used herein, the term "Book Net Worth Requirement" shall mean: (i) Ninety Five Million Dollars ($95,000,000) as the last day of the Guarantor's 2009 fiscal year ending October 2, 2009; (ii) One Hundred Million Dollars ($100,000,000) by the last day of the Guarantor's 2010 fiscal year ending on or about September 30, 2010; and (iii) One Hundred Five Million Dollars ($105,000,000) by the last day of the Guarantor's 2011 fiscal year ending on or about September 30, 2011, and at all times thereafter.

5.13 Borrower's Certification. At the request of Ridgestone, Borrower shall deliver to Ridgestone a fully executed Borrower's Certification in the form attached hereto as Exhibit C.

5.14 Maintenance of Accounts; Tax Escrow Account. The Borrower shall maintain an escrow account for real estate taxes at Ridgestone (the "Tax Escrow Account") into which the Borrower shall make an initial deposit at the Closing in an amount equal to thirty percent (30%) of aggregate 2008 real estate taxes for the Properties securing all loans. Funds maintained in the Tax Escrow Account may be used by Ridgestone to pay any delinquent real estate taxes and special assessments relating to the Property. The Borrower shall provide to Ridgestone a copy of all annual real estate tax bills for the Properties within thirty (30) days following the Borrower's receipt of the same. Following the fifth (5th) anniversary of the Closing Date and after each five (5)-year period thereafter, Ridgestone shall have the right to re-examine and adjust the amount the Borrower is required to maintain in the Tax Escrow Account so that at such times the amount maintained by the Borrower in the Tax Escrow Account is equal to thirty percent (30%) of all real estate taxes for the Property for the immediately preceding calendar year.

ARTICLE VI
REMEDIES

6.1 Acceleration. (a) Upon the occurrence of an Automatic Event of Default, then, without notice, demand or action of any kind by Ridgestone the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, shall be automatically and immediately due and payable.

(b) Upon the occurrence of a Notice Event of Default, Ridgestone may, upon written notice and demand to the Borrower declare the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, immediately due and payable.

6.2 Ridgestone's Right to Cure Default. In case of failure by the Borrower or any Subsidiary or the Guarantor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to any properties and assets pledged or secured under any Collateral Documents, Ridgestone shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by the Borrower to Ridgestone immediately upon demand together with interest at an annual rate equal to the Default Rate for Advances (to the extent permitted by applicable Law) from the date of disbursement by Ridgestone to the date of payment by the Borrower.

6.3 Remedies Not Exclusive. Upon the occurrence of any Event of Default Ridgestone may implement any remedies available to it under or in connection with the Loan Documents. No remedy conferred upon Ridgestone herein or in any other Loan Document is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Term Note or the Collateral Documents or now or hereafter existing at law or in equity. No failure or delay on the part of Ridgestone in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

6.4 Setoff. The Borrower agrees that Ridgestone and its affiliates shall have all rights of setoff and bankers' lien provided by applicable Law, and in addition thereto, the Borrower agrees that if at any time any payment or other amount owing by the Borrower under the Term Note or this Agreement is then due to Ridgestone, Ridgestone may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter with Ridgestone or any affiliates of Ridgestone. Ridgestone rights under this Section 6.4 shall be limited to the Borrower's accounts maintained at Ridgestone.

ARTICLE VII
DEFINITIONS

7.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Acknowledgement" shall mean the Acknowledgement by the Borrower of even date herewith to the Intercreditor Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, or is controlled by, or is under common control with, the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Loan Agreement, together with the Exhibits and Schedules attached hereto, as the same shall be amended or amended and restated from time to time in accordance with the terms hereof.

"Automatic Event of Default" shall mean any one or more of the following:

(a) The Borrower, the Guarantor or any of their domestic Subsidiaries shall become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) The Borrower, the Guarantor or any of their Subsidiaries shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or

(c) The Borrower, the Guarantor or any of their Subsidiaries shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or a similar law of any other country, or shall file a petition in bankruptcy, for reorganization or liquidation under any Federal, state or foreign Law; or

(d) The Borrower, the Guarantor or any of their Subsidiaries shall have a petition or application filed against it in bankruptcy or any similar proceeding, or shall have such a proceeding commenced against it, and such petition, application or proceeding shall remain unstayed or undismissed for a period of sixty (60) days or more, or the Borrower or any Subsidiary shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) The Borrower, the Guarantor or any of their Subsidiaries shall apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or shall have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged or dismissed within sixty (60) days after his appointment; or

(f) The Borrower, the Guarantor or any of their Subsidiaries shall adopt a plan of complete liquidation of its assets; or

(g) The USDA refuses or fails to issue the Loan Note Guarantee to Ridgestone, or the Loan Note Guarantee shall be rescinded, retracted or becomes otherwise unenforceable, in whole or in part, for any reason whatsoever;

(h) Provided, however, that nowithstanding any other language in this definition, a "Permitted Transaction" as defined below, shall not be an "Automatic Event of Default."

"Book Net Worth" shall mean, at any date of determination, the difference between: (a) the total assets appearing on the balance sheet at such date prepared in accordance with GAAP after deducting adequate reserves in each case where, in accordance with GAAP, a reserve is proper; and (b) the total liabilities appearing on such balance sheet.

"Borrower" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday or other day when commercial banks in Wisconsin are authorized or required by Law to close.

"Capital Expenditure Limit" shall have the meaning set forth in Section 4.11 hereof.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

"Capitalized Lease Obligation" shall mean any Indebtedness of the Guarantor or any of its Subsidiaries represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capital Securities" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Closing" shall mean the consummation of the transaction(s) contemplated in this Agreement.

"Closing Date" shall mean September 29, 2009.

"Closing Date Balance Sheet" shall mean the balance sheet of the Borrower and its Subsidiaries attached hereto as Schedule 3.2, which balance sheet is prepared in accordance with GAAP, not including subordinated debt or appraisal surplus, and certified by an accountant acceptable to Ridgestone, presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries as of Closing Date as if the transactions contemplated by this Agreement had occurred immediately prior to such date, and contains all pro forma adjustments necessary in order to fairly reflect such assumption, all based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

"Collateral" shall mean all of the real and personal property of the Borrower and its Subsidiaries subject to a Lien in favor of Ridgestone pursuant to the Collateral Documents, including, without limitation, the Property and the equipment and machinery set forth on Schedule 7.1(a) hereto.

"Collateral Documents" shall mean the Mortgages, the Security Agreements, the Guarantee Agreement and such other guarantees, security agreements, mortgages, deeds of trust and other credit enhancements as may be executed from time to time by the Borrower or third parties in favor of Ridgestone in connection with this Agreement.

"Current Ratio" shall mean the relationship, expressed as a numerical ratio, which, with reference to any period, that current assets bears to current liabilities, measured on a first-in, first-out basis and including the borrowing base on any lines of credit with other lenders as a current liability, notwithstanding the maturity date for such lines of credit.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (b) all cash actually expended by any the Guarantor and its Subsidiaries to make payments for all fees, commissions and charges set forth in the PNC Loan Agreement and with respect to any Advances, plus (c) all cash actually expended by the Guarantor and its Subsidiaries to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by the Guarantor and its Subsidiaries to make payments under any Plan to which the Guarantor or any of its Subsidiaries is a party, plus (e) all cash actually expended by the Guarantor and its Subsidiaries to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone), plus (f) all cash expended by the Guarantor and its Subsidiaries to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, the terms "Advances", "Revolving Advances", and "Maximum Revolving Advance Amount" shall have the meanings given to such terms under the PNC Loan Agreement.

"Default" shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Rate" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Default Rate for Advances" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Dispositions" shall have the meaning set forth in Section 4.4 of this Agreement.

Earnings Before Interest and Taxes" shall mean for any period the sum of (i) net income (or loss) of the Guarantor for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of the Guarantor for such period, plus (iii) all charges against income of the Guarantor for such period for federal, state and local taxes, determined on a consolidated basis.

"EBITDA" shall mean for any period the sum of (i) Earnings Before Interest and Taxes for such period, plus (ii) depreciation expenses for such period, plus (iii) amortization expenses for such period, plus (iv) non-cash stock compensation expenses and non-cash pension expenses for such period, plus (v) up to an aggregate of $5,000,000 for Fiscal Years 2009 and 2010 for severance costs actually incurred by the Guarantor or any its direct or indirect Subsidiaries for such period, in each case acceptable to Ridgestone and subject to documentation reasonably satisfactory to Ridgestone, minus (vi) non-cash income for such period, plus (vii) other non-cash items reducing consolidated net income (other than any such items which reflect on an accrual or reserve for a future cash charge or expense) for such period.

"Environmental Assessment" shall mean a review of environmental conditions at the Property undertaken by an independent environmental consultant satisfactory to Ridgestone for the purpose of determining whether the Borrower, the Guarantor and their Subsidiaries are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or will require clean-up, removal or other remedial action under Environmental Laws on the part of the Borrower, the Guarantor or their Subsidiaries and may include, but are not limited to, some or all of the following: (a) on-site inspection, including review of site geology, hydrogeology, demography, land use and population; (b) taking and analyzing soil borings, installing ground water monitoring wells and analyzing samples taken from such wells; (c) reviewing plant permits, compliance records and regulatory correspondence relating to environmental matters, and interviewing enforcement staff at regulatory agencies; (d) reviewing the operations, procedures and documentation of the Borrower, the Guarantor and their Subsidiaries relating to environmental matters; (e) interviewing Ms. Alisa Swire (or her successor, if applicable), and interviewing past and present facility or plant managers of each Facility who, through their employment, are or would have been familiar with such environmental condition and who would typically be interviewed by an independent environmental consulting conducting an environmental review; and (f) reviewing all records and information regarding the past activities of prior owners and prior or current tenants of the Facilities, to the extent such information is available and is not required to be procured by the Borrower, Guarantor or any of their Subsidiaries from a third party.

"Environmental Indemnity Agreement" shall mean the Environmental Indemnity Agreement of even date herewith between the Borrower, the Guarantor and Ridgestone, relating to the Property, as the same may be amended or otherwise modified from time to time.

"Environmental Laws" shall mean any Law, including any common law, which relates to or otherwise imposes liability or standards of conduct concerning discharges, emissions, releases or threatened releases of pollutants, contaminants or hazardous or toxic wastes, substances or materials, into air, water or groundwater, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous or toxic wastes, substances or materials, including, but not limited to CERCLA as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, the Oil Pollution Act of 1990, as amended, any so-called "Superlien" law, and any other similar Federal, state or local statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and as in effect from time to time.

"Event of Default" shall mean any Automatic Event of Default or any Notice Event of Default.

"Facilities" shall mean all real property and improvements now or hereafter owned, used or occupied by the Borrower, the Guarantor or any of their Subsidiaries including, without limitation, the Property.

"Financing Statements" shall mean Uniform Commercial Code financing statements related to the Collateral Documents.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends, cash taxes paid during such period to (b) all Debt Payments made during such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America, applied by the Borrower and its Subsidiaries on a basis consistent with the preparation of the Borrower's most recent financial statements furnished to Ridgestone pursuant to Section 5.4(c) hereof.

"Guarantee Agreement" shall mean an unlimited guarantee agreement made by the Guarantor in favor of Ridgestone, as the same is amended or otherwise modified from time to time.

"Guarantor" shall mean Johnson Outdoors Inc., a Wisconsin corporation, its successors and assigns.

"Indebtedness" shall mean all liabilities or obligations, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business, which are not the result of any borrowing or which are not more than ninety (90) days past due); (b) as lessee under leases that have been or should be capitalized according to GAAP; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guarantee or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; (e) secured by any Liens on assets, whether or not the obligations secured have been assumed; (f) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA; or (g) any interest rate swap obligations or similar obligations including all obligations under Swap Agreements.

"Intercompany Loans" shall mean temporary loans incurred from time to time by the Guarantor or any of its Subsidiaries from another Subsidiary or Affiliate of the Guarantor.

"Intercreditor Agreement" shall mean the Intercreditor Agreement of even date herewith by and between Ridgestone and PNC, as the same is amended or otherwise modified from time to time.

"Investment" shall mean: (a) any transfer or delivery of cash, Capital Securities or other property or value by such Person in exchange for Indebtedness, Capital Securities or any other security of another Person; (b) any loan, advance or capital contribution to or in any other Person; (c) any guarantee, creation or assumption of any liability or obligation of any other Person; and (d) any investment in any fixed property or fixed assets other than fixed properties and fixed assets acquired and used in the ordinary course of the business of that Person.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson, and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Law" shall mean any federal, state, local or other law, rule, regulation or governmental requirement of any kind, and the rules, regulations, written interpretations and orders promulgated thereunder.

"Lien" shall mean, with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loan Documents" shall mean this Agreement, the Term Note, the Intercreditor Agreement, the Collateral Documents and any other document, instrument, contract or agreement executed by the Borrower, the Guarantor or a Subsidiary in connection with this Agreement or the Term Loan.

"Loan Note Guarantee" shall mean a USDA Rural Development guarantee of repayment of eighty percent (80%) of the Term Loan.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, operations or financial condition of the Borrower, the Guarantor or any of their Subsidiaries taken as a whole; or (b) the ability of the Borrower or the Guarantor to perform their respective obligations under this Agreement, the Collateral Documents, the Term Note or the other Obligations; or (c) the validity or enforceability of this Agreement, the Term Note, any Collateral Documents, any other Loan Document or the other Obligations.

"Material Agreements" shall mean any and all written or oral material agreements or instruments to which any Borrower or their assets or properties is subject, and all documents or agreements to be executed in connection with the Senior Liens, including, but not limited to, intercreditor agreements, subordination agreements, third party financing agreements, leases, subleases, loan agreements, promissory notes and partnership agreements.

"Mortgage" shall mean the Mortgage, Assignment of Rents and Leases and Fixture Financing Statement of even date herewith made by the Guarantor in favor of Ridgestone granting to Ridgestone a first-lien mortgage on the Property, as the same are amended or otherwise modified from time to time.

"Notice Event of Default" shall mean any one or more of the following:

(a) the Borrower shall fail to pay, within five (5) Business Days after written notice from Ridgestone to the Borrower specifying such failure: (i) any installment of the principal of the Term Note or any interest on the Term Note; or (ii) any of the other Obligations; or (iii) any fee, expense or other amount due under the Loan Documents or any of the other Obligations; or

(b) there shall be a default in the performance or observance of any of the covenants and agreements contained in Article IV or Sections 5.2, 5.4, 5.6, 5.9, 5.10, 5.11 or 5.12 of this Agreement and, if such default is of a nature that can be cured, such default shall have continued for a period of five (5) Business Days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(c) there shall be a default in the performance or observance of any of the other covenants, agreements or conditions contained in any Loan Document and such default shall have continued for a period of thirty (30) calendar days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(d) any representation or warranty made by the Borrower, the Guarantor or any of their Subsidiaries in any Loan Document or financial statement delivered pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

(e) any non-appealable, final judgment or binding settlement agreement (or any final judgment whatsoever that could reasonably be expected to result in a loss to the Borrower, the Guarantor and/or their Subsidiaries, individually or together, in an amount greater than Fifteen Million Dollars ($15,000,000) higher than the limit of the insurance policy coverage amount(s) that are reasonably likely to be paid against such loss) shall be entered against the Borrower or any of its Subsidiaries which, when aggregated with other final judgments against the Borrower or any of its Subsidiaries would reasonably be expected to result in a Material Adverse Effect and shall remain outstanding and unsatisfied, unbonded or unstayed after sixty (60) days from the date of entry thereof; provided that no final judgment shall be included in the calculation under this subsection to the extent that the claim underlying such judgment is covered by insurance and defense of such claim has been tendered to and accepted by the insurer without reservation; or

(f) (i) any Reportable Event (as defined in ERISA) shall have occurred which constitutes grounds for the termination of any Plan by the PBGC or for the appointment of a trustee to administer any Plan, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate court to administer any Plan, or the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or the Borrower or any of its Subsidiaries or any trade or business which together with the Borrower or any of its Subsidiaries would be treated as a single employer under Section 4001 of ERISA shall withdraw in whole or in part from a multiemployer Plan, and (ii) the aggregate amount of the Borrower's and its Subsidiaries' liability for all such occurrences, whether to a Plan, the PBGC or otherwise, would reasonably be expected to result in a Material Adverse Effect and such liability is not covered for the benefit of the Borrower or its Subsidiaries by insurance; or

(g) the Borrower, the Guarantor or any of their Subsidiaries (i) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to PNC or to any other Secured Lender when required to be performed or observed, and (ii) such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, and (iii) in the case of PNC only, PNC has accelerated, with the giving of notice if required, the maturity of such Indebtedness; or

(h) the Borrower, the Guarantor or any of their Subsidiaries: (i) fail to pay any amount of principal or interest when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) under any Indebtedness to Ridgestone (other than the Term Note) and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Indebtedness; or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to Ridgestone when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit acceleration of, with the giving of notice if required, the maturity of such Indebtedness; or

(i) any Collateral Document shall cease to be in full force and effect as a result of the default, negligent act or inaction, or misconduct of the Borrower; or

(j) the Borrower shall fail to pay any amount owed by it under any Swap Agreement or shall fail to perform any terms or conditions or covenants contained in any Swap Agreement and any grace periods provided therefore shall have lapsed.

"OFAC" shall have the meaning set forth in Section 8.17 of this Agreement.

"Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Term Note, and any renewal, extension or refinancing thereof; (b) all debts, liabilities, obligations, covenants and agreements of the Borrower contained in this Agreement, the Term Note and the Collateral Documents, including, without limitation, any and all fees and expenses, including reasonably attorneys' fees incurred in connection with enforcing any obligations of Ridgestone under any of the Loan Documents or any other Obligations, both before and after judgment and all other fees and expenses set forth in the Obligations; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower to Ridgestone contained in any Swap Agreement; and (d) any and all other debts, liabilities and obligations of the Borrower to Ridgestone.

"Patriot Act" shall have the meaning set forth in Section 8.17 of this Agreement.

"PBGC" shall mean Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Indebtedness" shall mean: (a) Indebtedness of the Borrower and its Subsidiaries to Ridgestone; (b) Purchase Money Indebtedness secured by Purchase Money Liens, which Indebtedness shall not exceed One Million Dollars ($1,000,000) per year on a noncumulative consolidated basis; (c) other Indebtedness incurred in the ordinary course of business, which Indebtedness shall not exceed Five Million Dollars ($5,000,000.00) on a consolidated basis at any time during the term of the Loan; (d) unsecured accounts payable and other unsecured obligations incurred in the ordinary course of business and not as a result of any borrowing; (e) Indebtedness secured by the Permitted Liens listed on Exhibit D attached hereto, and the Indebtedness of Borrower, Guarantor and their Subsidiaries to PNC; (f) inter-company Indebtedness which is reflected on Borrower's and/or Guarantor's financial statements; (g) Indebtedness incurred in connection with any governmental loans, debt obligations, incentives, revenue bonds, and similar loan or debt programs which provide funds at rates and on terms that are generally more beneficial to Borrower, Guarantor and their Subsidiaries, as applicable, than those commercially available from traditional lenders such as Ridgestone and PNC, provided that such Indebtedness shall not exceed the aggregate sum of Five Million Dollars ($5,000,000); (h) other Indebtedness to PNC, other lenders, and/or the Johnson Family incurred on a temporary basis in the ordinary course of business, which Indebtedness shall not exceed Ten Million Dollars ($10,000,000) outstanding at any given time; and (i) with respect to each of the foregoing, all extensions, renewals and replacements of such Indebtedness with Indebtedness of a similar type.

"Permitted Liens" shall mean:

(a) Liens in favor of Ridgestone;

(b) Liens for taxes, assessments, or governmental charges, or levies that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established;

(c) zoning ordinances, easements, restrictions, minor title irregularities and similar matters which have no material adverse effect as a practical matter upon the ownership and use of the affected property;

(d) Liens or deposits in connection with workmen's compensation, unemployment insurance, social security, ERISA or similar legislation or to secure customs' duties, public or statutory obligations in lieu of surety, stay or appeal bonds, or to secure performance of contracts or bids (other than contracts for the payment of borrowed money) or deposits required by law as a condition to the transaction of business or other liens or deposits of a like nature made in the ordinary course of business;

(e) Purchase Money Liens securing purchase money Indebtedness which is permitted hereunder;

(f) Liens in favor of bailees, shippers, or warehousemen arising in the ordinary course of the Borrower's business;

(g) any Liens securing Permitted Indebtedness hereunder; and

(h) any Liens that are approved by Ridgestone and listed on Exhibit D attached hereto including, but not limited to, Liens in favor of PNC set forth on Exhibit D attached hereto.

"Permitted Transaction" shall mean and include (a) a merger of any of Guarantor's Subsidiaries into Guarantor or into any other of Guarantor's Subsidiaries; and/or (b) the liquidation or merger of any of Guarantor's foreign (non-domestic) Subsidiaries.

"Person" shall mean and include an individual, partnership, limited liability entity, corporation, trust, unincorporated association and any unit, department or agency of government.

"Plan" shall mean each pension, profit sharing, stock bonus, thrift, savings and employee stock ownership plan established or maintained, or to which contributions have been made, by the Borrower, the Guarantor or any of their Subsidiaries or any trade or business which together with the Borrower, the Guarantor or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA.

"PNC" shall mean PNC Bank, National Association, a national banking association, its successors and assigns.

"PNC Loan Agreement" shall mean that certain Revolving Credit and Security Agreement dated as of the Closing Date, among the Guarantor, the Borrower, Johnson Outdoors Watercraft Inc., Johnson Outdoors Gear LLC, Johnson Outdoors Diving LLC, Under Sea Industries, Inc., the financial institutions which are now or which hereafter become a party thereto, and PNC, as administrative agent and collateral agent for the lenders named therein.

"PNC Loan Documents" shall mean, collectively, (i) the PNC Loan Agreement and (ii) the Other Documents (as such term is defined in the PNC Loan Agreement).

"Prime Rate" shall mean the Prime Rate of interest published in *The Wall Street Journal* from time to time. Each change in any rate of interest computed by reference to the Prime Rate, if any, shall take effect on the first day of each calendar quarter (*i.e.*, January 1, April 1, July 1, and October 1).

"Property" shall mean the land, together with the buildings and improvements thereon, located at 625 Conklin Road, Conklin, New York, as more particularly described on Exhibit E attached hereto.

"Purchase Money Liens" shall mean Liens securing purchase money Indebtedness incurred in connection with the acquisition of capital assets by the Borrower, Guarantor or any of their Subsidiaries in the ordinary course of business, provided that such Liens do not extend to or cover assets or properties other than those purchased in connection with the purchase in which such Indebtedness was incurred and that the obligation secured by any such Lien so created shall not exceed one hundred percent (100%) of the cost of the property covered thereby.

"Renewal Fee" shall have the meaning set forth in Section 1.3(c) of this Agreement.

"Restricted Payments" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in Borrower, Guarantor or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase or repurchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests in the Borrower, Guarantor or any of their Subsidiaries.

"Ridgestone" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Ridgestone Loan Documents" shall mean, collectively (i) this Agreement, (ii) that certain Loan Agreement by and between Ridgestone, Johnson Outdoors Marine Electronics LLC, and Techsonic Industries, Inc., dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Watercraft Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"Secured Lender" shall mean (a) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and who holds a Lien or Liens on any Collateral to secure such Indebtedness and such Indebtedness is greater than One Million Dollars ($1,000,000), or (b) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and such Indebtedness is greater than Five Million Dollars ($5,000,000).

"Security Agreements" shall mean the Security Agreements of even date herewith between the Borrower and Ridgestone and the Guarantor and Ridgestone, as the same are amended or otherwise modified from time to time.

"Senior Liens" shall mean the Liens that are set forth on Exhibit F attached hereto.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which Capital Securities representing fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" shall mean any agreement governing any transaction now existing or hereafter entered into between the Borrower and Ridgestone or any of its Subsidiaries or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Tangible Net Worth" shall mean the Borrower's and its Subsidiaries' shareholders' or members' equity (including retained earnings), less the book value of all intangible assets as determined by Borrower on a consistent basis, less prepaid expenses, less amounts due from officers, employees and Affiliates and investments, less leasehold improvements, plus the amount of any LIFO reserve, plus the amount of any debt subordinated to Ridgestone, all as determined under GAAP applied on a basis consistent with the financial statements dated July 3, 2009, except as set forth herein.

"Term Loan" shall mean the non-revolving basis loan made to the Borrower by Ridgestone pursuant to Section 1.1 of this Agreement.

"Term Loan Termination Date" shall mean the earlier of October 1, 2029, and the date on which the Term Loan becomes due and payable pursuant to Section 6.1 of this Agreement.

"Term Note" shall mean the promissory note of even date herewith made by the Borrower to Ridgestone evidencing the Term Loan and all amendments thereto and all renewals, extensions or refinancings thereof.

"Total Debt" shall mean (i) all Indebtedness for borrowed money (including without limitation, Indebtedness evidenced by promissory notes, bonds, debentures and similar interest-bearing instruments), plus (ii) all purchase money Indebtedness, plus (iii) the principal portion of capital lease obligations, plus (iv) all reimbursement obligations and other obligations with respect to any letters of credit, all as determined for the Borrower and its Subsidiaries on a consolidated basis as of the date of determination, without duplication, and in accordance with GAAP applied on a consistent basis.

"Total Debt to Book Net Worth" shall mean the relationship, expressed as a numerical ratio, between Total Debt and Book Net Worth.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances (as such term is defined in the PNC Loan Agreement) or out of the Guarantor's own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"USDA" shall mean the United States Department of Agriculture.

"USDA Guarantee" shall mean a Rural Development Unconditional Guarantee (Form RD 4279-14) executed by the Guarantor.

7.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" as words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Expenses and Attorneys' Fees. The Borrower shall pay all reasonable fees and expenses incurred by Ridgestone and any loan participants, including the reasonable fees of counsel (written invoices for which shall be delivered to the Borrower upon written request for the same), in connection with the preparation, issuance, maintenance and amendment of the Loan Documents and the consummation of the transactions contemplated by this Agreement, and the administration, protection and enforcement of Ridgestone's rights under the Loan Documents, or with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving the Borrower, the Guarantor or any of their Subsidiaries, both before and after judgment. The Borrower further agrees to pay on demand all reasonable internal audit fees and accountants' fees incurred by Ridgestone in connection with the maintenance and enforcement of the Loan Documents or any other collateral security.

8.2 Assignability; Successors. The Borrower's rights and liabilities under this Agreement are not assignable or delegable, in whole or in part, without the prior written consent of Ridgestone. The provisions of this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

8.3 Survival. All agreements, representations and warranties made in this Agreement or in any document delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the issuance of the Term Note and the delivery of any such document.

8.4 Governing Law. To the extent permitted by the laws of the State of New York, this Agreement, the Term Note, the Collateral Documents and the other instruments, agreements and documents issued pursuant to this Agreement shall be governed by, and construed and interpreted in accordance with, the Laws of the State of Wisconsin applicable to agreements made and wholly performed within such state.

8.5 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed original, but such counterparts shall together constitute but one and the same agreement. The table of contents and article and section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement.

8.6 Entire Agreement; Schedules. This Agreement, the Term Note, the Collateral Documents and the other documents referred to herein and therein contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement. This Agreement supersedes all prior negotiations, agreements and undertakings between the parties with respect to such subject matter. Ridgestone agrees that for purposes of completing and delivering the Schedules to this Agreement any information disclosed by the Borrower in one Schedule shall be deemed to be a disclosure on other Schedule(s) provided that the Schedule in which the information is disclosed is specifically referenced in such other Schedule(s)..

8.7 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given: (a) upon delivery if hand delivered; or (b) upon deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid; or (c) upon transmission if by facsimile, provided that such transmission is promptly confirmed by hand delivery, mail or courier as provided above, and each such communication or notice shall be addressed as follows, unless and until any party notifies the other in accordance with this Section 8.7 of a change of address:

If to the Borrower:

Johnson Outdoors Global
555 Main St.
Racine, WI 53403
Attention: Alisa Swire
Fax No.: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 N. Water Street
Milwaukee, WI 53202
Attention: Kristine Cherek
Fax No.: (414) 273-5198

If to Ridgestone:

Ridgestone Bank
13925 West North Avenue
Brookfield, WI 53005
Attention: Jessie L. Hagen
Fax No.: (262) 432-0549

with a copy to:

Hopp Neumann Humke LLP
2124 Kohler Memorial Drive, Suite 110
Sheboygan, WI 53081
Attention: Kristopher L. Gotzmer
Fax No.: (920) 457-8411

8.8 Amendment. No amendment of this Agreement shall be effective unless in writing and signed by the Borrower and Ridgestone.

8.9 Taxes. If any transfer or documentary taxes, assessments or charges levied by any governmental authority shall be payable by reason of the execution, delivery or recording of this Agreement, the Term Note, the Collateral Documents or any other document or instrument issued or delivered pursuant to this Agreement, the Borrower shall pay all such taxes, assessments and charges, including interest and penalties, and hereby indemnifies Ridgestone against any liability therefor.

8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

8.11 Indemnification. Unless caused by the negligence or willful misconduct of Ridgestone or Ridgestone's failure to comply with any of its obligations hereunder, the Borrower hereby agrees to indemnify, defend and hold Ridgestone harmless from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys' fees, suffered or incurred by Ridgestone arising out of or related to: (i) any Borrower's or any Subsidiary's failure to comply with any Environmental Law, or any order of any regulatory or administrative authority with respect thereto; (ii) any release of petroleum products or hazardous materials or substances on, upon or into real property owned, operated or controlled by the Borrower or any Subsidiary; and (iii) any and all damage to natural resources or real property or harm or injury to Persons resulting or alleged to have resulted from any failure to comply or any release of petroleum products or hazardous materials or substances as described in clauses (i) and (ii) above. All indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and the Term Note and the making and repayment of the Term Loan.

The Borrower hereby agrees to indemnify Ridgestone against all losses, liabilities, claims, damages and expenses including, but not limited to, reasonable attorneys' fees and settlement costs resulting from or relating to: (a) any Borrower's or any Subsidiary's failure to comply with any of its obligations hereunder, its negligence or its intentional misconduct; (b) the Borrower's use of any proceeds of the Term Loan.

Upon and after an Event of Default, the Borrower hereby grants and licenses to Ridgestone full and complete access, for itself, its employees and representatives (including without limitation independent engineering consultants retained by Ridgestone), to the Property, and to the books and records of the Borrower relating to the Facilities, in order to conduct an Environmental Assessment from time to time as Ridgestone may deem necessary in its commercially reasonable discretion for the purpose of confirming Borrower's compliance with Environmental Laws. The license granted by this paragraph is irrevocable. The Borrower shall reimburse Ridgestone for all reasonable costs and expenses associated with any Environmental Assessment obtained by Ridgestone under this paragraph if the Borrower were obligated to obtain and provide to Ridgestone an Environmental Assessment pursuant to Section 5.10 of this Agreement and failed to do so or if any Event of Default shall have occurred. The Borrower and Ridgestone agree that there is no adequate remedy at law for the damage that Ridgestone might sustain for failure of the Borrower to permit Ridgestone to exercise and enjoy the license granted by this paragraph and, accordingly, Ridgestone shall be entitled at its option to the remedy of specific performance to enforce such license.

8.12 Participation. Ridgestone may at any time and from time to time, grant to any bank or banks a participation in any part of the Term Loan. All of the representations, warranties and covenants of the Borrower in this Agreement are also made to any participant with the same force and effect as if expressly so made.

8.13 Inconsistent Provisions. The provisions of the Collateral Documents, the Term Note and this Agreement are not intended to supersede the provisions of each other or this Agreement, but shall be construed as supplemental to this Agreement and to each other. In the event of any inconsistency between the provisions of the Collateral Documents and this Agreement, it is intended that the provisions of this Agreement shall control. In the event of any inconsistency between the provisions of the Term Note and this Agreement, it is intended that the provisions of this the Term Note shall control.

8.14 **WAIVER OF RIGHT TO JURY TRIAL**. RIDGESTONE AND THE BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE TERM NOTE AND THE COLLATERAL DOCUMENTS OR WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY AND THEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY AND THE BORROWER HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL.

8.15 **TIME OF ESSENCE**. TIME IS OF THE ESSENCE FOR THE PERFORMANCE BY THE BORROWER OF THE OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE NOTE, THE COLLATERAL DOCUMENTS AND THE OTHER LOAN DOCUMENTS.

8.16 **SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** AS A MATERIAL INDUCEMENT TO RIDGESTONE TO ENTER INTO THIS AGREEMENT:

(a) THE BORROWER AGREES THAT, TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF NEW YORK, ALL ACTIONS OR PROCEEDINGS IN ANY MANNER RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR THE OTHER COLLATERAL DOCUMENTS MAY BE BROUGHT ONLY IN COURTS OF THE STATE OF WISCONSIN LOCATED IN MILWAUKEE COUNTY OR THE FEDERAL COURT FOR THE EASTERN DISTRICT OF WISCONSIN AND THE BORROWER CONSENTS TO THE JURISDICTION OF SUCH COURTS. THE LAWS OF THE STATE OF NEW YORK WILL GOVERN THE FORECLOSURE AND DISPOSITON OF THE PROPERTY. THE BORROWER WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH COURT AND ANY RIGHT IT MAY HAVE NOW OR HEREAFTER HAVE TO CLAIM THAT ANY SUCH ACTION OR PROCEEDING IS IN AN INCONVENIENT COURT; and

(b) The Borrower consents to the service of process in any such action or proceeding by certified mail sent to the address specified in Section 8.7; and

(c) Nothing contained herein shall affect the right of Ridgestone to serve process in any other manner permitted by law or to commence an action or proceeding in any other jurisdiction.

8.17 USA Patriot Act. Ridgestone hereby notifies the Borrower and each of its Subsidiaries that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of the Borrower and each of its Subsidiaries and other information that will allow Ridgestone to identify the Borrower, each of its Subsidiaries in accordance with the Patriot Act and the Borrower agree to provide such information. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any affiliated entity is or shall be listed on the "Specially Designated Nationals and Blocked Person List" or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each affiliated entity to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

8.18 Joint and Several Obligations. In the event the Borrower consists of more than one Person, then all liabilities, obligations and undertakings of the Borrower pursuant to this Agreement and each other Loan Document to which any Borrower is a party shall be the joint and several obligations of the Borrower.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHNSON OUTDOORS GEAR LLC,
a Delaware limited liability company

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Treasurer and Secretary

RIDGESTONE BANK,
a Wisconsin banking corporation

By: /s/ Jessie L. Hagen
Name: Jessie L. Hagen
Title: Vice President

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Schedules

LOAN AGREEMENT

BY AND BETWEEN

RIDGESTONE BANK

AND

JOHNSON OUTDOORS WATERCRAFT INC.

DATED AS OF SEPTEMBER 29, 2009

[LOAN NUMBER 15628]

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made as of the 29th day of September, 2009, by and among RIDGESTONE BANK, a Wisconsin banking corporation ("Ridgestone"), and JOHNSON OUTDOORS WATERCRAFT INC., a Delaware corporation (the "Borrower").

IN CONSIDERATION of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I
THE LOAN

1.1 Term Loan. On the Closing Date and subject to the terms and conditions set forth in this Agreement, Ridgestone agrees to make the Term Loan to the Borrower in the original principal amount of One Million Six Hundred Sixty Thousand Dollars ($1,660,000). The Term Loan shall be evidenced by the Term Note and shall mature on the Term Loan Termination Date.

1.2 Interest. The unpaid principal of the Term Loan shall bear interest at the rate or rates set forth in the Term Note. All interest, fees and other amounts due under this Agreement and the Term Note shall be computed for the actual number of days elapsed on the basis of a 365-day year.

1.3 Fees.

(a) Closing Fee. The Borrower agrees to pay to Ridgestone a closing fee in the amount of Eight Thousand Three Hundred Dollars ($8,300), which shall be due and payable at the Closing.

(b) Loan Note Guarantee Fee. The Borrower agrees to pay to the USDA on the Closing Date a guarantee fee for the Loan Note Guarantee in the amount of Eleven Thousand Six Hundred Twenty Dollars ($11,620), which, at the election of the Borrower, may be financed into the Term Loan.

1.4 Payments.

(a) Principal and Interest. The Borrower shall make payments of principal and interest in accordance with the terms and conditions of the Term Note. Subject to adjustments for changes to the Prime Rate as provided for in this Agreement and in the Term Note, monthly payments of principal and interest are set forth on the amortization schedule attached as Exhibit A hereto and to the Term Note. The entire balance of principal and interest outstanding under this Note shall be due and payable in full on Term Loan Termination Date.

(b) Payment Delivery. All payments of principal and interest on account of the Term Note and all other payments made pursuant to this Agreement shall be delivered to Ridgestone in immediately available funds by 12:00 P.M., Milwaukee, Wisconsin time, on the date when due, and if received after such time on any day shall be deemed to have been made on the next Business Day. Payments of the Term Loan may be made by Ridgestone via electronic transfers from the Borrower's operating accounts or any other accounts maintained at Ridgestone.

(c) No Set-Offs. All payments owed by the Borrower to Ridgestone under this Agreement and the Term Note shall be made without any counterclaim and free and clear of any restrictions or conditions and free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed on the Borrower by any governmental authority. If the Borrower is compelled by Law to make any such deductions or withholdings it will pay such additional amounts as may be necessary in order that the net amount received by Ridgestone after such deductions or withholding shall equal the amount Ridgestone would have received had no such deductions or withholding been required to be made, and it will provide Ridgestone with evidence satisfactory to Ridgestone that it has paid such deductions or withholdings.

1.5 Use of Proceeds. The proceeds of the Term Loan shall be used for (a) the repayment of existing debt of the Guarantor to JPMorgan Chase Bank, N.A., pursuant to loans made under that certain Amended and Restated Credit Agreement (Revolving) dated as of January 2, 2009, and the promissory notes executed and delivered pursuant thereto, and (b) closing costs of approximately Twenty Three Thousand Eight Hundred Forty Dollars ($23,840) incurred by the Borrower in connection with the transaction contemplated in this Agreement.

1.6 Prepayment. The Borrower may, from time to time, prepay the principal outstanding on the Term Loan subject to and in accordance with the terms and conditions of the Term Note.

1.7 Recordkeeping. Ridgestone shall record in its records the date and amount of the Term Loan and each repayment of the Term Loan. The aggregate amounts so recorded shall be rebuttable presumptive evidence of the principal and interest owing and unpaid on the Term Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Borrower under this Agreement or under the Term Note to repay the principal amount of the Term Loan together with all interest accruing thereon.

1.8 Increased Costs. If Regulation D of the Board of Governors of the Federal Reserve System, or the adoption of any Law, or compliance by Ridgestone with any Law:

(a) shall subject Ridgestone to any tax, duty or other charge with respect to the Term Loan or the Term Note, or shall change the basis of taxation of payments to Ridgestone of the principal of or interest on the Term Loan or any other amounts due under this Agreement in respect of the Term Loan; or

(b) shall affect the amount of capital required or expected to be maintained by Ridgestone or any corporation controlling Ridgestone; or

(c) shall impose on Ridgestone any other condition affecting the Term Loan or the Term Note;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D referred to above, to impose a cost on) Ridgestone of making or maintaining the Term Loan, or to reduce the amount of any sum received or receivable by Ridgestone under this Agreement or under the Term Note with respect thereto, then within thirty (30) days after demand by Ridgestone (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to Ridgestone such additional amount or amounts as will compensate Ridgestone for such increased cost or such reduction. Determinations by Ridgestone for purposes of this Section of the effect of any change in Law on its costs of making or maintaining the Term Loan, or sums receivable by it in respect of the Term Loan, and of the additional amounts required to compensate Ridgestone in respect thereof, shall be conclusive, absent manifest error.

ARTICLE II
CONDITIONS

2.1 General Conditions. The obligation of Ridgestone to make the Term Loan is subject to the satisfaction, on the date hereof of the following conditions:

(a) the representations and warranties of the Borrower contained in this Agreement shall be true and accurate in all material respects on and as of such date;

(b) there shall not exist on such date any Default or Event of Default;

(c) the making of the Term Loan shall not be prohibited by any applicable Law and shall not subject Ridgestone to any penalty under or pursuant to any applicable Law; and

(d) all proceedings to be taken in connection with the Term Loan and all documents incident thereto shall be reasonably satisfactory in form and substance to Ridgestone and its counsel.

2.2 Deliveries at Closing. The obligation of Ridgestone to make the Term Loan is further subject to the satisfaction on or before the Closing Date of each of the following express conditions precedent:

(a) Ridgestone shall have received each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Ridgestone and Borrower (or Guarantor, as applicable):

(i) this Agreement;

(ii) the Term Note;

(iii) the Security Agreements;

(iv) the Guarantee Agreement;

(v) the USDA Guarantee;

(vi) the Intercreditor Agreement;

(vii) the Acknowledgement;

(viii) the Financing Statements;

(ix) a certificate of an officer of Borrower dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officers of Borrower who have signed or will sign this Agreement, the Term Note and any other Loan Document; (B) the adoption and continued effect of resolutions in a form reasonably satisfactory to Ridgestone authorizing the execution, delivery and performance of this Agreement, the Term Note and the other Loan Documents, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the of the Articles of Incorporation and Bylaws of the Borrower, as amended to date;

(x) a certificate of an officer for the Guarantor dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officer of the Guarantor who has signed or will sign the Guaranty Agreement, the USDA Guarantee and any other Loan Document; (B) the adoption and continued effect of resolutions of the directors of the Guarantor authorizing the execution, delivery and performance of the Guarantee Agreement, the USDA Guarantee and the other Loan Documents executed by the Guarantor, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of the Guarantor, as amended to date;

(xi) the Closing Date Balance Sheet showing the Borrower to have a tangible net worth of at least ten percent (10%) of the total, combined assets of the Borrower as of the Closing Date, and otherwise acceptable to Ridgestone in its discretion;

(b) Ridgestone shall have received a certificates of the Delaware Department of State, the Maine Secretary of State and the Washington Secretary of State as to the good standing and existence of the Borrower, dated as of a recent date;

(c) Ridgestone shall have received a certificate of the Wisconsin Department of Financial Institutions as to the good standing of the Guarantor, dated as of a recent date;

(d) Ridgestone shall have received searches of the appropriate public offices demonstrating that no Lien or other charge or encumbrance is of record affecting the Borrower, its Subsidiaries, or their respective properties, except those which are Permitted Liens;

(e) Ridgestone shall have received a certificate or certificates, as necessary, evidencing the insurance coverages required under this Agreement and the Collateral Documents;

(f) Ridgestone shall have received a favorable opinion of Borrower's counsel, in form and substance reasonably satisfactory to Ridgestone and its counsel;

(g) Ridgestone will have been satisfied, in its commercially reasonable discretion, with its due diligence investigations of the Borrower, the Guarantor and their Subsidiaries;

(h) Ridgestone shall have received the closing fee set forth in Section 1.3(a) and the USDA guarantee fee set forth in Section 1.3(b), and all reasonable fees and expenses of Ridgestone's legal counsel (which fees and expenses are estimated not to exceed Eleven Thousand Eight Hundred ($11,800) shall have been paid or will be paid at Closing;

(i) Ridgestone shall have received payoff letters and/or lien releases, in form and substance satisfactory to Ridgestone, from the holders of all Indebtedness which is not Permitted Indebtedness and all holders of Liens which are not Permitted Liens;

(j) Ridgestone shall have received copies of all Material Agreements;

(k) Ridgestone shall have received and approved all appraisals requested by Ridgestone;

(l) USDA Rural Development will have approved the Term Loan and all Loan Documents required to be approved by the USDA;

(m) Ridgestone shall have received an Automatic Transfer Authorization executed by the Borrower allowing Ridgestone to make payments toward the Term Loan via electronic transfers from the Borrower's operating or other deposit account maintained at Ridgestone or at other financial institutions; and

(n) Ridgestone shall have received such other agreements, instruments, documents, certificates and opinions as Ridgestone or its counsel may reasonably request.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Ridgestone as follows:

3.1 Organization and Qualification. The Borrower is a corporation duly and validly organized and existing under the laws of the state of Delaware, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Borrower is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. The Guarantor is a corporation duly organized and validly existing under the laws of the state of Wisconsin, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Guarantor is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect.

3.2 Financial Statements. All of the financial statements of Borrower, its Subsidiaries, and the Guarantor heretofore furnished to Ridgestone by such parties are accurate and complete in all material respects and fairly present the financial condition and the results of operations of the Borrower and its Subsidiaries for the periods covered thereby and as of the relevant dates thereof. All such financial statements for the Borrower, its Subsidiaries and the Guarantor were prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower, its Subsidiaries or the Guarantor since the date of the latest of such financial statements. As of the Closing Date, the Borrower has no knowledge of any material liabilities of any nature of the Borrower, its Subsidiaries or the Guarantor other than as disclosed in the financial statements heretofore furnished to Ridgestone, and as otherwise disclosed in writing to Ridgestone.

The Closing Date Balance Sheet attached hereto as Schedule 3.2 is complete and correct in all material respects and presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries, on a consolidated basis, as of the Closing Date, based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

3.3 Authorization; Enforceability. The making, execution, delivery and performance of this Agreement, the Term Note and the Collateral Documents, and compliance with their respective terms, have been duly authorized by all necessary corporate, limited liability company or partnership action of the Borrower, its Subsidiaries, or the Guarantor, as the case may be. This Agreement, the Term Note and the other Loan Documents are the valid and binding obligations of the Borrower and the Guarantor, as applicable, enforceable against the Borrower the Guarantor, as applicable, in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws generally affecting the rights of creditors and subject to general equity principles.

3.4 Organization and Ownership of Subsidiaries. (a) Schedule 3.4 contains complete and correct lists, as of the Closing Date, of: (i) the Borrower's and the Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its equity interests outstanding owned by the Borrower and each other Subsidiary or other Persons; and (ii) of the ownership of the Borrower and the Guarantor and the percentage of shares, units or interests of each class of its equity outstanding and the ownership interests of such shares, units or interests.

(b) All of the outstanding shares, units or interests of equity of each such domestic Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or another Subsidiary free and clear of any Lien.

(c) Each of the Borrower's domestic Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in current status in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such domestic Subsidiary has the corporate, company or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) None of the Borrowers' or Guarantor's domestic Subsidiaries is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the PNC Loan Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Borrower to which it is a Subsidiary or any of the Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

3.5 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance of the Borrower and the Guarantor, as applicable of this Agreement, the Term Note and the other Loan Documents will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower, the Guarantor or any of their Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or bylaws, or any other agreement or instrument to which the Borrower, the Guarantor or any of their Subsidiaries is bound; (b) conflict with or result in a breach of any of the terms, conditions or provisions of any material order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; (c) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; or (d) violate the articles of incorporation, articles of organization, certificate of limited partnership, bylaws, partnership agreement or operating agreement, or other documents of formation, of the Borrower, the Guarantor or any of their Subsidiaries.

3.6 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by the Borrower or the Guarantor of this Agreement, the Term Note or any other Loan Document except those consents, approvals, authorizations, registrations and filings which have already been made or obtained and filings necessary to perfect the Liens under the Collateral Documents.

3.7 Litigation; Observance of Agreements, Statutes and Orders. Except as set forth on Schedule 3.7:

(a) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is a party to, and so far as is known to the Borrower there is no credible threat of, any litigation or administrative proceeding which would, if adversely determined, cause any Material Adverse Effect; and

(b) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or governmental authority or is in violation of any applicable Law (including without limitation Environmental Laws) of any governmental authority, which in the event of any of the foregoing defaults or violations, individually or in the aggregate, would have a Material Adverse Effect.

3.8 Taxes. The Borrower, the Guarantor and their Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments, the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower, the Guarantor or any of their Subsidiaries, as the case may be, has established adequate reserves in accordance with GAAP or other accounting principles applicable to the Guarantor's Subsidiaries in foreign jurisdictions.

3.9 Title to Property; Leases. The Borrower has marketable title to the Owned Property subject to the Permitted Liens. To the Borrower's knowledge, there are no Liens on the Owned Property other than Permitted Liens. All leases to which the Borrower or their domestic Subsidiaries is a party are valid and subsisting and are in full force and effect. All leases relating to the Property are set forth on Schedule 3.9 hereto. A copy of each lease set forth on Schedule 3.9 hereto has been provided to Ridgestone and, to Borrower's knowledge, the Guarantor is not in default under any provision contained in any such lease which has not been cured.

3.10 Licenses, Permits, Etc. (a) To Borrower's knowledge without investigation, Borrower and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto necessary in the ownership of their properties and operation of their businesses, the absence of which would cause a Material Adverse Effect; (b) to Borrower's knowledge without investigation, no product of the Borrower or any of its Subsidiaries infringes any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which would cause a Material Adverse Effect; and (c) to the knowledge of Borrower without investigation, there is no violation by any Person of any right of the Borrower or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Borrower, the Guarantor or any of their Subsidiaries, which violation would cause a Material Adverse Effect.

3.11 Compliance with ERISA. (a) The Borrower has no knowledge that any Plan is in noncompliance in any material respect with the applicable provisions of ERISA or the Internal Revenue Code; (b) the Borrower has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against or relating to any Plan; (c) the Borrower has no knowledge of any reasonable basis for any material proceedings, claims or actions against or relating to any Plan; (d) the Borrower has no knowledge that it has incurred any "accumulated funding deficiency" within the meaning of Section 302(a)(2) of ERISA in connection with any Plan; and (e) the Borrower has no knowledge that there has been any Reportable Event or Prohibited Transaction (as such terms are defined in ERISA) with respect to any Plan, or that the Borrower, any of their Subsidiaries or the Guarantor, or all of them, has incurred any material liability to the PBGC under Section 4062 of ERISA in connection with any Plan.

3.12 Fiscal Year. Borrower's fiscal year for accounting and tax purposes is a period consisting of a 52/53 calendar week year ending on or about September 30 of each year. The current fiscal year, which is the 2009 fiscal year, ends on October 2, 2009.

3.13 Indebtedness; No Default. Other than inter-company Indebtedness among Borrower, Guarantor and their respective Subsidiaries, neither any Borrower nor any of its Subsidiaries has any outstanding Indebtedness except for Permitted Indebtedness. There exists no default nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default under any material provisions of (a) any instrument evidencing such Indebtedness or any agreement relating thereto or (b) any other agreement or instrument to which the Borrower, any of its Subsidiaries or the Guarantor is a party.

3.14 Compliance With Laws. Except as disclosed in Schedule 3.14, to Borrower's knowledge after reasonable investigation: (a) Borrower is in compliance with all applicable Environmental Laws and all other Laws applicable to Borrower's respective assets or operations, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect; and (b) the Borrower has not received any written notice from any governmental entity or authority that it is not in compliance with any Environmental Laws which non-compliance has not been cured.

3.15 Dump Sites. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.15, with respect to any period during which the Borrower, the Guarantor or any of their Subsidiaries has occupied the Property, neither Borrower, the Guarantor nor any of their Subsidiaries (nor any agent or invitee of any of the foregoing) has caused or permitted petroleum products or hazardous substances or other materials to be stored, deposited, treated, recycled or disposed of on, under or at the Property in violation of Environmental Laws, which materials, if known to be present, would require cleanup, removal or other remedial action under Environmental Laws.

3.16 Tanks. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.16, to Borrower's knowledge after reasonable investigation, there are not now nor have there ever been tanks, containers or other vessels on, under or at the Property that contained petroleum products or hazardous substances or other materials which, if known to be present in soils or ground water, would require cleanup, removal or other remedial action under Environmental Laws.

3.17 Other Environmental Conditions. To the knowledge of the Borrower after reasonable investigation and except as previously disclosed to Ridgestone in writing and as set forth on Schedule 3.17, there are no conditions existing currently that would subject the Borrower, the Guarantor or any of their Subsidiaries to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws that would reasonably be expected to cause a Material Adverse Effect or require cleanup, removal or other remedial action by the Borrower, the Guarantor or any of their Subsidiaries under Environmental Laws.

3.18 Environmental Judgments, Decrees and Orders. Except as disclosed on Schedule 3.18, no unsatisfied judgment, decree, order or citation relating to the Property or the current operations of the Property and related to or arising out of Environmental Laws is applicable to or binds the Borrower, the Guarantor, any of their Subsidiaries, or the Property.

3.19 Environmental Permits and Licenses. Except as disclosed on Schedule 3.19, to the knowledge of the Borrower after reasonable investigation, all permits, licenses and approvals required under Environmental Laws necessary for the Borrower to own or operate the Facilities and to conduct its business as now conducted or proposed to be conducted, have been obtained and are in full force and effect, the failure of which would cause a Material Adverse Effect.

3.20 Accuracy of Information. All documents, certificates or statements by the Borrower, its Subsidiaries, and the Guarantor given in, or pursuant to, this Agreement shall be accurate, true and complete in all material respects when given.

3.21 Offering of Term Note. Neither the Borrower nor any agent acting for the Borrower has offered the Term Note or any similar obligation of the Borrower for sale to, or solicited any offers to buy the Term Note or any similar obligation of the Borrower from, any Person other than Ridgestone, and neither the Borrower nor any agent acting for the Borrower will take any action that would subject the sale of the Term Note to the registration provisions of the Securities Act of 1933, as amended.

3.22 Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loan solely for the purposes set forth in Section 1.5 hereof. No part of the proceeds of the Term Loan will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

3.23 Subsidiaries. The Borrower does not have any Subsidiaries other than those set forth on Schedule 3.4.

3.24 Solvency. The Borrower and its Subsidiaries taken as a whole, and the Guarantor, are able to pay their debts as they become due in the ordinary course of business and have sufficient capital to carry on their businesses and all businesses in which they are about to engage in; and the amount that will be required to pay the Borrower's and each of its Subsidiary's, and to pay the Guarantor's, probable liabilities as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

ARTICLE IV
NEGATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations have been paid in full including any obligations under any Swap Agreements and Ridgestone shall have no obligations under any Swap Agreements:

4.1 Liens. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume or permit to be created or allow to exist any Lien upon or in any of its assets or properties, except Permitted Liens.

4.2 Indebtedness. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any Indebtedness, except Permitted Indebtedness.

4.3 Consolidation or Merger or Recapitalization. Excepting Permitted Transactions (defined in Article 7), the Guarantor or the Borrower shall not consolidate with or merge into any other Person, or permit another Person to merge into it, or acquire all or substantially all of the assets or equity of any other Person or allow another Person to acquire all or substantially of its assets or equity, whether in one or a series of transactions or liquidate, dissolve or effect a recapitalization or reorganization in any form (including, without limitation, any reorganization after which the Borrower becomes a Subsidiary of another Person). Notwithstanding the foregoing, the Guarantor shall be permitted to engage in any consolidation, merger, acquisition or similar transaction: (a) with respect to any such transaction wherein the aggregate purchase price does not exceed Five Million Dollars ($5,000,000), the Guarantor shall be permitted to engage in such transaction without consent or notice to Ridgestone; (b) with respect to any such transaction wherein the aggregate purchase price is more than Five Million Dollars ($5,000,000) but less than Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor shall be permitted to engage in such transaction, however, the Borrower shall provide to Ridgestone written notice of the Guarantor's completion of such transaction within a reasonable time thereafter; and (c) with respect to any such transaction wherein the aggregate purchase price exceeds Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor must obtain Ridgestone's written consent prior to entering into a definitive agreement for such transaction.

4.4 Disposition of Assets. The Borrower and its Subsidiaries shall not sell, lease, assign, transfer or otherwise dispose of (collectively, "Dispositions") any of their now owned or hereafter acquired assets or properties except, prior to the occurrence of an Event of Default: (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of used, obsolete, worn out or surplus equipment or property in the ordinary course of business; (c) Dispositions to the Borrower, Guarantor, or any of their Subsidiaries; (d) Dispositions of receivables in connection with the compromise, settlement or collection thereof; (e) 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; (f) the leasing of intellectual property rights to third parties; (g) Dispositions of non-strategic assets in the ordinary course of business; and (h) Dispositions of equipment or other property not permitted under any other subsection of this Section, provided that such equipment or other property is either replaced by equipment or property of a similar kind and equivalent value or sold or otherwise disposed of in the ordinary course of business, provided the value of such equipment or property sold or otherwise disposed of and not replaced during any fiscal year does not exceed One Hundred Thousand Dollars ($100,000).

4.5 Sale and Leaseback. Neither the Borrower nor the Guarantor shall enter into any agreement, directly or indirectly, to sell or transfer any real property used in its business and thereafter to lease back the same or similar property other than for property with a selling price of less than Five Hundred Thousand Dollars ($500,000) or less.

4.6 Restricted Payments. Neither the Borrower nor the Guarantor shall make or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except Borrower and the Guarantor may make Restricted Payments pursuant to and in accordance with the PNC Loan Agreement, stock option plans, grants of restricted stock, employee stock purchase plans, or other benefit plans for management or employees of Borrower, Guarantor, and their Subsidiaries pursuant to such plans as are currently in effect as set forth on Schedule 4.6 hereto, or as may be in effect from time to time hereafter.

4.7 Transactions with Affiliates. The Borrower shall not engage in any transaction with an Affiliate involving the payment or exchange of funds in any single instance in excess of One Hundred Thousand Dollars ($100,000) and on terms that are materially less favorable to the Borrower than would be available at the time from a Person who is not an Affiliate.

4.8 Loans and Advances. The Borrower shall not make any loan or advance to any Person, except: (a) extensions of credit in the ordinary course of business by the Borrower to its customers; (b) advances to officers and employees of the Borrower for travel and other expenses in the ordinary course of business; and (c) loans, advances or guarantees made among Borrower, Guarantor and any of their respective Subsidiaries which loans, advances or guarantees are reflected in the books and records of the respective entities. In addition, the Borrower may make any loans or advances to any of its Subsidiaries.

4.9 Guarantees. Neither the Borrower nor the Guarantor shall, without the prior written consent of Ridgestone, which consent shall not be unreasonably withheld, conditioned or delayed, guarantee the Indebtedness of any Person or co-signing or otherwise becoming liable for the Indebtedness of another Person, except for: (a) any guarantee or co-signing made for the benefit of Borrower, Guarantor or any of their respective Subsidiaries; (b) such guarantees or co-signings which are currently in effect and are set forth in Schedule 4.9 hereof; and (c) any guarantee or co-signing in which the Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrower, the Guarantor and Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in any fiscal year.

4.10 Subsidiaries. The Borrower shall not form any Subsidiary other than those set forth on Schedule 3.4 hereof.

4.11 Capital Expenditures. The Guarantor shall not make or enter into any binding agreement(s) to make Capital Expenditures in excess of the Capital Expenditure Limit, as defined in this Section. "Capital Expenditure Limit" shall mean: (a) for the Guarantor's 2009 fiscal year ending October 2, 2009, Ten Million Dollars ($10,000,000) in the aggregate; (b) for the Guarantor's 2010 fiscal year ending on or about September 30, 2010, Eleven Million Dollars ($11,000,000) in the aggregate; (c) for the Guarantor's 2011 fiscal year ending on or about September 30, 2011, Twelve Million Dollars ($12,000,000) in the aggregate; and (d) for the Guarantor's 2012 fiscal year ending on or about September 30, 2012 and for each fiscal year thereafter, one hundred five percent (105%) of the Capital Expenditure Limit for the immediately preceding fiscal.

4.12 Notes or Debt Securities Containing Equity Features. Neither the Borrower nor the Guarantor shall authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities containing equity features (including, without limitation, any notes or debt securities convertible into or exchangeable for capital stock or other equity securities, issued in connection with the issuance of capital stock or other equity securities or containing profit participation features), other than any agreement authorized, issued or entered into with any member of the Johnson Family which shall be permitted hereby.

4.13 Nature of Business. The Borrower shall not enter into the ownership, act of management, or operation of any business other than the manufacture, distribution or sale of outdoor equipment and any activities incidental thereto.

4.14 Other Agreements. Neither the Borrower nor the Guarantor shall enter into, become subject to, amend, modify or waive, or permit any of their Subsidiaries to enter into, become subject to, amend, modify or waive, any agreement or instrument (other than the Loan Documents and the Other Loan Documents (as such term is defined in the PNC Loan Agreement)) which by its terms would (under any circumstances) restrict (i) the right of any of their Subsidiaries or the Guarantor to make loans or advances or pay dividends to, transfer property to, or repay any Indebtedness owed to, the Borrower, the Guarantor or their Subsidiaries, or (ii) the Borrowers' right to perform the provisions of any of the Loan Documents.

4.15 Sales of Subsidiaries. Neither the Borrower nor the Guarantor shall sell or otherwise dispose of any stock (or other ownership interest), or securities convertible into stock (or other ownership interest), of any domestic Subsidiary (however, the liquidation or dissolution of non-operating entities shall not be prohibited hereby).

4.16 Modification of Organizational Documents. The Borrower shall not permit the articles of incorporation or organization, certificate of partnership, bylaws, operating agreement or other organizational documents of the Borrower, its Subsidiaries, or the Guarantor to be amended or modified in a manner adverse to the interests of Ridgestone, except for such amendments or modifications as may be required by Law.

4.17 Compensation. The current compensation of all officers of the Guarantor are as set forth on Schedule 4.18. Compensation of the Chairman and Chief Executive Officer, and the Vice President and Chief Financial Officer shall be limited to an amount that shall not cause a Material Adverse Effect and shall not be increased in any year unless: (a) such increase will not cause Borrower to breach any covenant of this Agreement; (b) the Borrower is current in all material respects on its Indebtedness; and (c) such increase has been approved by the Compensation Committee of the Board of Directors of Guarantor which committee is comprised solely of independent outside directors.

ARTICLE V
AFFIRMATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations to Ridgestone have been paid in full including, without limitation, any obligations to Ridgestone under any Swap Agreements:

5.1 Payment. The Borrower shall timely pay or cause to be paid the principal of and interest on the Term Loan and all other amounts due under this Agreement, the Term Note and the Collateral Documents.

5.2 Existence; Property. The Borrower shall, and shall cause its Subsidiaries to: (a) maintain its limited liability company, corporate existence or partnership status; (b) conduct its business substantially as now conducted or as described in any business plans delivered to Ridgestone prior to the Closing Date unless otherwise consented to by Ridgestone; (c) maintain the Property or cause other Persons to maintain the Property; and (d) maintain accurate records and books of account, consistently applied throughout all accounting periods.

5.3 Licenses. The Borrower shall, and the Borrower shall cause each of its Subsidiaries to, maintain in good standing and in full force and effect each license, permit and franchise granted or issued by any federal, state or local governmental agency or regulatory authority that is necessary to or used in the Borrower's or any of its Subsidiary's businesses, the failure of which would cause a Material Adverse Effect.

5.4 Reporting Requirements. The Borrower and the Guarantor shall furnish to Ridgestone such information respecting the business, assets and financial condition of the Borrower and the Guarantor and their Subsidiaries as Ridgestone may reasonably request and, without request:

(a) as soon as available, and in any event within sixty (60) days after the end of each fiscal quarter (i) a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such quarter and of the comparable quarter in the preceding fiscal year; and (ii) consolidated statements of income of each Guarantor and its Subsidiaries for each such quarter and for that part of the fiscal year ending with each quarter and for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity; and

(b) as soon as available, and in any event within sixty (60) days after the end of each fiscal year a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity (Borrower and/or the Guarantor shall be in compliance with Section 5.4(a) and this Section 5.4(b) by timely providing to Ridgestone a hyperlink to Guarantor's SEC Form 10-K and 10-Q Statements, as appropriate); and

(c) as soon as available, and in any event within one hundred ten (110) days after the close of each fiscal year, a copy of the detailed annual audit report for such year and accompanying consolidated financial statements of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries prepared in reasonable detail and in accordance with GAAP and prepared by the independent certified public accountants ratified by Guarantor's shareholders at its annual meeting, which audit report shall be accompanied by: (i) an unqualified opinion of such accountants, to the effect that the same fairly presents the financial condition and the results of operations of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries, respectively, for the periods and as of the relevant dates thereof, and (ii) a certificate of such accountants setting forth their computations as to Borrower's compliance with Section 5.12 of this Agreement; and

(d) together with each delivery required by Sections 5.4(a), 5.4(b) and 5.4(c) of this Agreement, an executed Officer's Certificate or Member's Certificate, as applicable, in the form of Exhibit B attached to this Agreement containing information as to the financial statements so delivered; and

(e) as soon as available, and in any event within forty-five (45) days of filing, a copy of the annual federal corporate tax returns for the Guarantor (including its domestic Subsidiaries); and

(f) as soon as received, but in any event not later than ten (10) days after receipt, copies of all management letters and other reports submitted to the Borrower or its domestic Subsidiaries, by independent certified public accountants in connection with any examination of the financial statements of the Borrower or its domestic Subsidiaries or the Guarantor, and notify Ridgestone promptly of any material change in any accounting method used by the Borrower or its Subsidiaries in the preparation of the financial statements to be delivered to Ridgestone pursuant to this Section; and

(g) as soon as available, and in any event within forty-five (45) days after the end of each fiscal year, business projections for the Borrower and the Guarantor for the upcoming fiscal year.

5.5 Taxes. The Borrower shall, and the Borrower shall cause each of its Subsidiaries and the Guarantor and its Subsidiaries, to pay all taxes and assessments prior to the date on which penalties attach thereto, except for any tax or assessment which is either not delinquent or which is being contested in good faith and by proper proceedings and against which adequate reserves have been provided in accordance with GAAP.

5.6 Inspection of Property and Records. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to, permit Ridgestone or its agents or representatives, at Ridgestone's expense, to visit any of their properties and examine and audit any of its books and records after delivery of reasonable advance written notice, and provided such activities occur during normal business hours and in a manner that does not cause unreasonable interruptions. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing hereunder, such visits, examinations and audits shall be limited to not more than one (1) visit to each Property per fiscal year. The Borrower, the Guarantor or their Subsidiaries shall reimburse Ridgestone, up to a maximum of Two Thousand Five Hundred Dollars ($2,500) in the aggregate, per fiscal year, for travel and lodging expenses incurred by Ridgestone in connection with visits made pursuant to this Section 5.6 and pursuant to the similar provisions of other loan agreements between the Guarantor or any of its Subsidiaries and Ridgestone. Notwithstanding anything contained herein to the contrary, the Borrower shall be responsible for all costs and expenses incurred by Ridgestone in connection with any visit to any Facility following the occurrence of an Event of Default, and for visits to any Facility made pursuant to any other section of this Agreement.

5.7 Compliance with Laws. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to: (a) comply in all material respects with all applicable Environmental Laws, and orders of regulatory and administrative authorities with respect thereto, and, without limiting the generality of the foregoing, promptly undertake and diligently pursue to completion appropriate and legally authorized containment, investigation and clean-up action in the event of any release of petroleum products or hazardous materials or substances on, upon or into any real property owned, operated or within the control of the Borrower, the Guarantor or any of their Subsidiaries; and (b) comply in all material respects with all other Laws applicable to the Borrower, the Guarantor, and any of their Subsidiaries, their assets or operations where failure to so comply could have a Material Adverse Effect.

5.8 Compliance with Agreements. The Borrower shall, and the Borrower shall cause the Guarantor and their Subsidiaries to, perform and comply in all respects with the provisions of any agreement (including without limitation any collective bargaining agreement), license, regulatory approval, permit and franchise binding upon the Borrower, the Guarantor, their Subsidiaries, or their properties, if the failure to so perform or comply would have a Material Adverse Effect.

5.9 Notices. The Borrower shall:

(a) as soon as possible and in any event within five (5) Business Days after the occurrence of any Default or Event of Default, notify Ridgestone in writing of such Default or Event of Default and set forth the details thereof and the action which is being taken or proposed to be taken by the Borrower with respect thereto;

(b) promptly notify Ridgestone of the commencement of any litigation or administrative proceeding that would cause the representation and warranty of the Borrower contained in Section 3.7 of this Agreement to be untrue;

(c) promptly notify Ridgestone: (i) of the occurrence of any Reportable Event or, to the extent a Prohibited Transaction would have a Material Adverse Effect, a Prohibited Transaction (as such terms are defined in ERISA) that has occurred with respect to any Plan; and (ii) of the institution by the PBGC or the Borrower of proceedings under Title IV of ERISA to terminate any Plan;

(d) unless prohibited by applicable Law, notify Ridgestone, and provide copies, immediately upon receipt but in any event not later than ten (10) days after receipt, of any written notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that is reasonably expected to require a clean-up, removal, remedial action or other response by or on the part of the Borrower, the Guarantor or any Subsidiary under Environmental Laws or which seeks damages or civil, criminal or punitive penalties from or against the Borrower, the Guarantor or any Subsidiary, for an alleged violation of Environmental Laws, in each of the foregoing which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect or would reasonably be expected to cause or require the Borrower, the Guarantor or any of their Subsidiaries to expend, in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) in costs and expenses; and provide Ridgestone with written notice of any condition or event which would make the representations and warranties contained in Sections 3.14 through 3.19 of this Agreement inaccurate, as soon as ten (10) Business Days after the Borrower becomes aware of such condition or event;

(e) notify Ridgestone at least thirty (30) days prior to any change of either of the Borrower's, the Guarantor's or their Subsidiary's name or its use of any trade name;

(f) promptly notify Ridgestone of any damage to, or loss of, any of the assets or properties of the Borrower, the Guarantor or of their Subsidiaries if the net book value of the damaged or lost asset or property at the time of such damage or loss exceeds Two Hundred Fifty Thousand Dollars ($250,000); and

(g) promptly notify Ridgestone of the commencement of any investigation, litigation, or administrative or regulatory proceeding by, or the receipt of any notice, citation, pleading, order, decree or similar document issued by, any federal, state or local governmental agency or regulatory authority that results in the termination or suspension of any license, permit or franchise necessary to the Borrower's, the Guarantor's or any of their Subsidiary's business, or that imposes a material fine or penalty on the Borrower, the Guarantor or any of their Subsidiaries.

5.10 Environmental Assessment. Within ten (10) Business Days after the Borrower or Guarantor learns of the occurrence of any event or condition described in Section 5.9(d) of this Agreement, the Borrower shall undertake and, within a reasonable time thereafter, obtain an Environmental Assessment (the scope of which shall be limited to the event or condition giving rise to the disclosure requirement under Section 5.9(d) hereof), at the Borrower's expense, and provide promptly to Ridgestone a written report of the results of such Environmental Assessment, which report shall recite that Ridgestone is entitled to rely thereon. Except as otherwise required by applicable Law or as may be reasonably necessary, in the opinion of Ridgestone, for evaluation and analysis by Ridgestone, any participating financial institution, or their attorneys, agents and consultants, any Environmental Assessment provided to Ridgestone pursuant to this Section shall be treated as confidential and shall not be disclosed without the prior written consent of the Borrower.

5.11 Insurance.

(a) The Borrower shall, and Borrower shall cause its Subsidiaries and the Guarantor to, obtain and maintain at their own expense the following insurance, which shall be with insurers satisfactory to Ridgestone (Ridgestone hereby acknowledging and agreeing that the insurers providing the insurance coverages in effect as of the Closing Date are satisfactory to Ridgestone):

(i) insurance against physical loss or damage to the Collateral as provided under a standard "All Risk" property policy including but not limited to flood (if required by Ridgestone), fire, windstorm, lightning, hail, explosion, riot, civil commotion, smoke, sewer back-up, business interruption and such other risks of loss generally and customarily maintained by companies of similar size in the same industry and line of business as Borrower, the Guarantor and their Subsidiaries, in amounts not less than the actual replacement cost of the Collateral or the balance of the Term Loan, whichever is greater. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than Three Hundred Thousand Dollars ($300,000) per occurrence. Notwithstanding the foregoing, with respect to earthquake insurance covering Collateral located in the state of California, the deductible may be increased to the greater of five percent (5%) of the total insured value or Five Hundred Thousand Dollars ($500,000), and with respect to windstorm insurance covering Collateral located in the state of Florida, the deductible may be increased to the greater of five percent (5%) of the total insured value or Two Hundred Fifty Thousand Dollars ($250,000);

(ii) commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, including personal injury, and property damage with umbrella coverage in an amount at least equal to the balance of the Term Loan;

(iii) product liability insurance in such amounts as is customarily maintained by companies engaged in the same or similar businesses as the Borrower;

(iv) worker's compensation insurance in amounts meeting all statutory state and local requirements;

(v) comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit; and

(vi) during construction of any improvements at the Facilities and during any period in which substantial alterations or repairs at the Facilities are being undertaken, (i) builder's risk insurance (on a completed value, non-reporting basis) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed Three Hundred Thousand Dollars ($300,000), in non-reporting form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with "soft cost" and such other endorsements as Ridgestone may reasonably require, and (ii) general liability, worker's compensation and automobile liability insurance with respect to the improvements being constructed, altered or repaired; and

(vii) Such other insurance as Ridgestone may reasonably require, that at the time is commonly obtained in connection with similar businesses and is generally available at commercially reasonable rates.

(b) Each insurance policy described in Section 5.11(a)(i), (ii) or (vi) with respect to any Collateral shall name Ridgestone as a lender's loss payee, and shall require the insurer to provide at least thirty (30) days' prior written notice to Ridgestone of any material change or cancellation of such policy.

5.12 Financial Covenants.

(a) Current Ratio. The Guarantor will not permit as of the end of any fiscal year end of the Guarantor, commencing with the 2009 fiscal year ending October 2, 2009, its Current Ratio to be less than 1.75 to 1.

(b) Tangible Net Worth. The Borrower and its Subsidiaries shall have a tangible net worth of at least ten percent (10%) of the total assets of the Borrower as of the Closing Date as verified by the Closing Date Balance Sheet.

(c) Total Debt to Book Net Worth. The Guarantor shall not permit the ratio of Total Debt to Book Net Worth for the Guarantor to exceed 2.00 to 1 beginning as of the last day of the Guarantor's 2009 fiscal year ending October 2, 2009, and at the end of each fiscal quarter thereafter.

(d) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, the Guarantor shall maintain as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(e) Minimum Book Net Worth. The Guarantor shall not permit its consolidated Book Net Worth, as of the last day of each calendar year, to be less than the Book Net Worth Requirement. As used herein, the term "Book Net Worth Requirement" shall mean: (i) Ninety Five Million Dollars ($95,000,000) as the last day of the Guarantor's 2009 fiscal year ending October 2, 2009; (ii) One Hundred Million Dollars ($100,000,000) by the last day of the Guarantor's 2010 fiscal year ending on or about September 30, 2010; and (iii) One Hundred Five Million Dollars ($105,000,000) by the last day of the Guarantor's 2011 fiscal year ending on or about September 30, 2011, and at all times thereafter.

5.13 Borrower's Certification. At the request of Ridgestone, Borrower shall deliver to Ridgestone a fully executed Borrower's Certification in the form attached hereto as Exhibit C.

ARTICLE VI
REMEDIES

6.1 Acceleration. (a) Upon the occurrence of an Automatic Event of Default, then, without notice, demand or action of any kind by Ridgestone the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, shall be automatically and immediately due and payable.

(b) Upon the occurrence of a Notice Event of Default, Ridgestone may, upon written notice and demand to the Borrower declare the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, immediately due and payable.

6.2 Ridgestone's Right to Cure Default. In case of failure by the Borrower or any Subsidiary or the Guarantor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to any properties and assets pledged or secured under any Collateral Documents, Ridgestone shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by the Borrower to Ridgestone immediately upon demand together with interest at an annual rate equal to the Default Rate for Advances (to the extent permitted by applicable Law) from the date of disbursement by Ridgestone to the date of payment by the Borrower.

6.3 Remedies Not Exclusive. Upon the occurrence of any Event of Default Ridgestone may implement any remedies available to it under or in connection with the Loan Documents. No remedy conferred upon Ridgestone herein or in any other Loan Document is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Term Note or the Collateral Documents or now or hereafter existing at law or in equity. No failure or delay on the part of Ridgestone in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

6.4 Setoff. The Borrower agrees that Ridgestone and its affiliates shall have all rights of setoff and bankers' lien provided by applicable Law, and in addition thereto, the Borrower agrees that if at any time any payment or other amount owing by the Borrower under the Term Note or this Agreement is then due to Ridgestone, Ridgestone may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter with Ridgestone or any affiliates of Ridgestone. Ridgestone rights under this Section 6.4 shall be limited to the Borrower's accounts maintained at Ridgestone.

ARTICLE VII
DEFINITIONS

7.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Acknowledgement" shall mean the Acknowledgement by the Borrower of even date herewith to the Intercreditor Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, or is controlled by, or is under common control with, the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Loan Agreement, together with the Exhibits and Schedules attached hereto, as the same shall be amended or amended and restated from time to time in accordance with the terms hereof.

"Automatic Event of Default" shall mean any one or more of the following:

(a) The Borrower, the Guarantor or any of their domestic Subsidiaries shall become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) The Borrower, the Guarantor or any of their Subsidiaries shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or

(c) The Borrower, the Guarantor or any of their Subsidiaries shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or a similar law of any other country, or shall file a petition in bankruptcy, for reorganization or liquidation under any Federal, state or foreign Law; or

(d) The Borrower, the Guarantor or any of their Subsidiaries shall have a petition or application filed against it in bankruptcy or any similar proceeding, or shall have such a proceeding commenced against it, and such petition, application or proceeding shall remain unstayed or undismissed for a period of sixty (60) days or more, or the Borrower or any Subsidiary shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) The Borrower, the Guarantor or any of their Subsidiaries shall apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or shall have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged or dismissed within sixty (60) days after his appointment;

(f) The Borrower, the Guarantor or any of their Subsidiaries shall adopt a plan of complete liquidation of its assets; or

(g) The USDA refuses or fails to issue the Loan Note Guarantee to Ridgestone, or the Loan Note Guarantee shall be rescinded, retracted or becomes otherwise unenforceable, in whole or in part, for any reason whatsoever;

(h) Provided, however, that nowithstanding any other language in this definition, a "Permitted Transaction" as defined below, shall not be an "Automatic Event of Default."

"Book Net Worth" shall mean, at any date of determination, the difference between: (a) the total assets appearing on the balance sheet at such date prepared in accordance with GAAP after deducting adequate reserves in each case where, in accordance with GAAP, a reserve is proper; and (b) the total liabilities appearing on such balance sheet.

"Borrower" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday or other day when commercial banks in Wisconsin are authorized or required by Law to close.

"Capital Expenditure Limit" shall have the meaning set forth in Section 4.11 hereof.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

"Capitalized Lease Obligation" shall mean any Indebtedness of the Guarantor or any of its Subsidiaries represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capital Securities" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Closing" shall mean the consummation of the transaction(s) contemplated in this Agreement.

"Closing Date" shall mean September 29, 2009.

"Closing Date Balance Sheet" shall mean the balance sheet of the Borrower and its Subsidiaries attached hereto as Schedule 3.2, which balance sheet is prepared in accordance with GAAP, not including subordinated debt or appraisal surplus, and certified by an accountant acceptable to Ridgestone, presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries as of Closing Date as if the transactions contemplated by this Agreement had occurred immediately prior to such date, and contains all pro forma adjustments necessary in order to fairly reflect such assumption, all based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

"Collateral" shall mean all of the real and personal property of the Borrower and its Subsidiaries subject to a Lien in favor of Ridgestone pursuant to the Collateral Documents, including, without limitation, the Owned Property and the equipment and machinery set forth on Schedule 7.1(a) hereto.

"Collateral Documents" shall mean the Security Agreements, the Guarantee Agreement and such other guarantees, security agreements, mortgages, deeds of trust and other credit enhancements as may be executed from time to time by the Borrower or third parties in favor of Ridgestone in connection with this Agreement.

"Current Ratio" shall mean the relationship, expressed as a numerical ratio, which, with reference to any period, that current assets bears to current liabilities, measured on a first-in, first-out basis and including the borrowing base on any lines of credit with other lenders as a current liability, notwithstanding the maturity date for such lines of credit.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (b) all cash actually expended by any the Guarantor and its Subsidiaries to make payments for all fees, commissions and charges set forth in the PNC Loan Agreement and with respect to any Advances, plus (c) all cash actually expended by the Guarantor and its Subsidiaries to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by the Guarantor and its Subsidiaries to make payments under any Plan to which the Guarantor or any of its Subsidiaries is a party, plus (e) all cash actually expended by the Guarantor and its Subsidiaries to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone), plus (f) all cash expended by the Guarantor and its Subsidiaries to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, the terms "Advances", "Revolving Advances", and "Maximum Revolving Advance Amount" shall have the meanings given to such terms under the PNC Loan Agreement.

"Default" shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Rate" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Default Rate for Advances" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Dispositions" shall have the meaning set forth in Section 4.4 of this Agreement.

"Distributions" shall have the meaning set forth in Section 4.6 of this Agreement.

"EBITDA" shall mean, with respect to any period, the Borrower's and its Subsidiaries' net income after taxes for such period (excluding any after-tax gains or losses on the sale of assets and excluding other after-tax extraordinary gains or losses) plus interest expense, income tax expense, depreciation, amortization and the items set forth in Schedule 7.1(b) hereto for such period, less gains and losses attributable to any fixed asset sales made during such period, plus or minus any other non-cash charges or gains which have been subtracted or added in calculating net income after taxes for such period, on a consolidated basis as determined in accordance with GAAP and applied on a consistent basis to the Borrower and its Subsidiaries, for the applicable period preceding the date of determination.

"Environmental Assessment" shall mean a review of environmental conditions at the Property undertaken by an independent environmental consultant satisfactory to Ridgestone for the purpose of determining whether the Borrower, the Guarantor and their Subsidiaries are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or will require clean-up, removal or other remedial action under Environmental Laws on the part of the Borrower, the Guarantor or their Subsidiaries and may include, but are not limited to, some or all of the following: (a) on-site inspection, including review of site geology, hydrogeology, demography, land use and population; (b) taking and analyzing soil borings, installing ground water monitoring wells and analyzing samples taken from such wells; (c) reviewing plant permits, compliance records and regulatory correspondence relating to environmental matters, and interviewing enforcement staff at regulatory agencies; (d) reviewing the operations, procedures and documentation of the Borrower, the Guarantor and their Subsidiaries relating to environmental matters; (e) interviewing Ms. Alisa Swire (or her successor, if applicable), and interviewing past and present facility or plant managers of each Facility who, through their employment, are or would have been familiar with such environmental condition and who would typically be interviewed by an independent environmental consulting conducting an environmental review; and (f) reviewing all records and information regarding the past activities of prior owners and prior or current tenants of the Facilities, to the extent such information is available and is not required to be procured by the Borrower, Guarantor or any of their Subsidiaries from a third party.

"Environmental Laws" shall mean any Law, including any common law, which relates to or otherwise imposes liability or standards of conduct concerning discharges, emissions, releases or threatened releases of pollutants, contaminants or hazardous or toxic wastes, substances or materials, into air, water or groundwater, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous or toxic wastes, substances or materials, including, but not limited to CERCLA as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, the Oil Pollution Act of 1990, as amended, any so-called "Superlien" law, and any other similar Federal, state or local statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and as in effect from time to time.

"Event of Default" shall mean any Automatic Event of Default or any Notice Event of Default.

"Facilities" shall mean all real property and improvements now or hereafter owned, used or occupied by the Borrower, the Guarantor or any of their Subsidiaries including, without limitation, the Property.

"Financing Statements" shall mean Uniform Commercial Code financing statements related to the Collateral Documents.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends, cash taxes paid during such period to (b) all Debt Payments made during such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America, applied by the Borrower and its Subsidiaries on a basis consistent with the preparation of the Borrower's most recent financial statements furnished to Ridgestone pursuant to Section 5.4(c) hereof.

"Guarantee Agreement" shall mean an unlimited guarantee agreement made by the Guarantor in favor of Ridgestone, as the same is amended or otherwise modified from time to time.

"Guarantor" shall mean Johnson Outdoors Inc., a Wisconsin corporation, its successors and assigns.

"Indebtedness" shall mean all liabilities or obligations, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business, which are not the result of any borrowing or which are not more than ninety (90) days past due); (b) as lessee under leases that have been or should be capitalized according to GAAP; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guarantee or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; (e) secured by any Liens on assets, whether or not the obligations secured have been assumed; (f) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA; or (g) any interest rate swap obligations or similar obligations including all obligations under Swap Agreements.

"Intercompany Loans" shall mean temporary loans incurred from time to time by the Guarantor or any of its Subsidiaries from another Subsidiary or Affiliate of the Guarantor.

"Intercreditor Agreement" shall mean the Intercreditor Agreement of even date herewith by and between Ridgestone and PNC, as the same is amended or otherwise modified from time to time.

"Investment" shall mean: (a) any transfer or delivery of cash, Capital Securities or other property or value by such Person in exchange for Indebtedness, Capital Securities or any other security of another Person; (b) any loan, advance or capital contribution to or in any other Person; (c) any guarantee, creation or assumption of any liability or obligation of any other Person; and (d) any investment in any fixed property or fixed assets other than fixed properties and fixed assets acquired and used in the ordinary course of the business of that Person.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson, and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Law" shall mean any federal, state, local or other law, rule, regulation or governmental requirement of any kind, and the rules, regulations, written interpretations and orders promulgated thereunder.

"Lien" shall mean, with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loan Documents" shall mean this Agreement, the Term Note, the Intercreditor Agreement, the Collateral Documents and any other document, instrument, contract or agreement executed by the Borrower, the Guarantor or a Subsidiary in connection with this Agreement or the Term Loan.

"Loan Note Guarantee" shall mean a USDA Rural Development guarantee of repayment of seventy percent (70%) of the Term Loan.

"Maine Property" shall mean the land, together with the buildings and improvements thereon, located at 190 North Main Street (a/k/a 211 Main Street), 82 North Brunswick Street (a/k/a 123 Brunswick Street), 35 Middle Street, Old Town, Maine, as more particularly described on Exhibit E-1 attached hereto.

"Maine Leased Property" shall mean the land, together with the buildings and improvements thereon, located at 125 Gilman Falls Avenue, Old Town, Maine, as more particularly described on Exhibit E-2 attached hereto.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, operations or financial condition of the Borrower, the Guarantor or any of their Subsidiaries taken as a whole; or (b) the ability of the Borrower or the Guarantor to perform their respective obligations under this Agreement, the Collateral Documents, the Term Note or the other Obligations; or (c) the validity or enforceability of this Agreement, the Term Note, any Collateral Documents, any other Loan Document or the other Obligations.

"Material Agreements" shall mean any and all written or oral material agreements or instruments to which any Borrower or their assets or properties is subject, and all documents or agreements to be executed in connection with the Senior Liens, including, but not limited to, intercreditor agreements, subordination agreements, third party financing agreements, leases, subleases, loan agreements, promissory notes and partnership agreements.

"Notice Event of Default" shall mean any one or more of the following:

(a) the Borrower shall fail to pay, within five (5) Business Days after written notice from Ridgestone to the Borrower specifying such failure: (i) any installment of the principal of the Term Note or any interest on the Term Note; or (ii) any of the other Obligations; or (iii) any fee, expense or other amount due under the Loan Documents or any of the other Obligations; or

(b) there shall be a default in the performance or observance of any of the covenants and agreements contained in Article IV or Sections 5.2, 5.4, 5.6, 5.9, 5.10, 5.11 or 5.12 of this Agreement and, if such default is of a nature that can be cured, such default shall have continued for a period of five (5) Business Days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(c) there shall be a default in the performance or observance of any of the other covenants, agreements or conditions contained in any Loan Document and such default shall have continued for a period of thirty (30) calendar days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(d) any representation or warranty made by the Borrower, the Guarantor or any of their Subsidiaries in any Loan Document or financial statement delivered pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

(e) any non-appealable, final judgment or binding settlement agreement (or any final judgment whatsoever that could reasonably be expected to result in a loss to the Borrower, the Guarantor and/or their Subsidiaries, individually or together, in an amount greater than Fifteen Million Dollars ($15,000,000) higher than the limit of the insurance policy coverage amount(s) that are reasonably likely to be paid against such loss) shall be entered against the Borrower or any of its Subsidiaries which, when aggregated with other final judgments against the Borrower or any of its Subsidiaries would reasonably be expected to result in a Material Adverse Effect and shall remain outstanding and unsatisfied, unbonded or unstayed after sixty (60) days from the date of entry thereof; provided that no final judgment shall be included in the calculation under this subsection to the extent that the claim underlying such judgment is covered by insurance and defense of such claim has been tendered to and accepted by the insurer without reservation; or

(f) (i) any Reportable Event (as defined in ERISA) shall have occurred which constitutes grounds for the termination of any Plan by the PBGC or for the appointment of a trustee to administer any Plan, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate court to administer any Plan, or the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or the Borrower or any of its Subsidiaries or any trade or business which together with the Borrower or any of its Subsidiaries would be treated as a single employer under Section 4001 of ERISA shall withdraw in whole or in part from a multiemployer Plan, and (ii) the aggregate amount of the Borrower's and its Subsidiaries' liability for all such occurrences, whether to a Plan, the PBGC or otherwise, would reasonably be expected to result in a Material Adverse Effect and such liability is not covered for the benefit of the Borrower or its Subsidiaries by insurance; or

(g) the Borrower, the Guarantor or any of their Subsidiaries (i) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to PNC or to any other Secured Lender when required to be performed or observed, and (ii) such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, and (iii) in the case of PNC only, PNC has accelerated, with the giving of notice if required, the maturity of such Indebtedness; or

(h) the Borrower, the Guarantor or any of their Subsidiaries: (i) fail to pay any amount of principal or interest when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) under any Indebtedness to Ridgestone (other than the Term Note) and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Indebtedness; or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to Ridgestone when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit acceleration of, with the giving of notice if required, the maturity of such Indebtedness; or

(i) any Collateral Document shall cease to be in full force and effect as a result of the default, negligent act or inaction, or misconduct of the Borrower; or

(j) the Borrower shall fail to pay any amount owed by it under any Swap Agreement or shall fail to perform any terms or conditions or covenants contained in any Swap Agreement and any grace periods provided therefore shall have lapsed.

"OFAC" shall have the meaning set forth in Section 8.17 of this Agreement.

"Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Term Note, and any renewal, extension or refinancing thereof; (b) all debts, liabilities, obligations, covenants and agreements of the Borrower contained in this Agreement, the Term Note and the Collateral Documents, including, without limitation, any and all fees and expenses, including reasonably attorneys' fees incurred in connection with enforcing any obligations of Ridgestone under any of the Loan Documents or any other Obligations, both before and after judgment and all other fees and expenses set forth in the Obligations; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower to Ridgestone contained in any Swap Agreement; and (d) any and all other debts, liabilities and obligations of the Borrower to Ridgestone.

"Owned Property" shall mean the Maine Property and the Washington Property.

"Patriot Act" shall have the meaning set forth in Section 8.17 of this Agreement.

"PBGC" shall mean Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Indebtedness" shall mean: (a) Indebtedness of the Borrower and its Subsidiaries to Ridgestone; (b) Purchase Money Indebtedness secured by Purchase Money Liens, which Indebtedness shall not exceed One Million Dollars ($1,000,000) per year on a noncumulative consolidated basis; (c) other Indebtedness incurred in the ordinary course of business, which Indebtedness shall not exceed Five Million Dollars ($5,000,000.00) on a consolidated basis at any time during the term of the Loan; (d) unsecured accounts payable and other unsecured obligations incurred in the ordinary course of business and not as a result of any borrowing; (e) Indebtedness secured by the Permitted Liens listed on Exhibit D attached hereto, and the Indebtedness of Borrower, Guarantor and their Subsidiaries to PNC; (f) inter-company Indebtedness which is reflected on Borrower's and/or Guarantor's financial statements; (g) Indebtedness incurred in connection with any governmental loans, debt obligations, incentives, revenue bonds, and similar loan or debt programs which provide funds at rates and on terms that are generally more beneficial to Borrower, Guarantor and their Subsidiaries, as applicable, than those commercially available from traditional lenders such as Ridgestone and PNC, provided that such Indebtedness shall not exceed the aggregate sum of Five Million Dollars ($5,000,000); (h) other Indebtedness to PNC, other lenders, and/or the Johnson Family incurred on a temporary basis in the ordinary course of business, which Indebtedness shall not exceed Ten Million Dollars ($10,000,000) outstanding at any given time; and (i) with respect to each of the foregoing, all extensions, renewals and replacements of such Indebtedness with Indebtedness of a similar type.

"Permitted Liens" shall mean:

(a) Liens in favor of Ridgestone;

(b) Liens for taxes, assessments, or governmental charges, or levies that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established;

(c) zoning ordinances, easements, restrictions, minor title irregularities and similar matters which have no material adverse effect as a practical matter upon the ownership and use of the affected property;

(d) Liens or deposits in connection with workmen's compensation, unemployment insurance, social security, ERISA or similar legislation or to secure customs' duties, public or statutory obligations in lieu of surety, stay or appeal bonds, or to secure performance of contracts or bids (other than contracts for the payment of borrowed money) or deposits required by law as a condition to the transaction of business or other liens or deposits of a like nature made in the ordinary course of business;

(e) Purchase Money Liens securing purchase money Indebtedness which is permitted hereunder;

(f) Liens in favor of bailees, shippers, or warehousemen arising in the ordinary course of the Borrower's business;

(g) any Liens securing Permitted Indebtedness hereunder; and

(h) any Liens that are approved by Ridgestone and listed on Exhibit D attached hereto including, but not limited to, Liens in favor of PNC set forth on Exhibit D attached hereto.

"Permitted Transaction" shall mean and include (a) a merger of any of Guarantor's Subsidiaries into Guarantor or into any other of Guarantor's Subsidiaries; and/or (b) the liquidation or merger of any of Guarantor's foreign (non-domestic) Subsidiaries.

"Person" shall mean and include an individual, partnership, limited liability entity, corporation, trust, unincorporated association and any unit, department or agency of government.

"Plan" shall mean each pension, profit sharing, stock bonus, thrift, savings and employee stock ownership plan established or maintained, or to which contributions have been made, by the Borrower, the Guarantor or any of their Subsidiaries or any trade or business which together with the Borrower, the Guarantor or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA.

"PNC" shall mean PNC Bank, National Association, a national banking association, its successors and assigns.

"PNC Loan Agreement" shall mean that certain Revolving Credit and Security Agreement dated as of the Closing Date, among the Guarantor, the Borrower, Johnson Outdoors Watercraft Inc., Johnson Outdoors Gear LLC, Johnson Outdoors Diving LLC, Under Sea Industries, Inc., the financial institutions which are now or which hereafter become a party thereto, and PNC, as administrative agent and collateral agent for the lenders named therein.

"PNC Loan Documents" shall mean, collectively, (i) the PNC Loan Agreement and (ii) the Other Documents (as such term is defined in the PNC Loan Agreement).

"Prime Rate" shall mean the Prime Rate of interest published in *The Wall Street Journal* from time to time. Each change in any rate of interest computed by reference to the Prime Rate, if any, shall take effect on the first day of each calendar quarter (*i.e.*, January 1, April 1, July 1, and October 1).

"Property" shall mean the Owned Property and the Maine Leased Property.

"Purchase Money Liens" shall mean Liens securing purchase money Indebtedness incurred in connection with the acquisition of capital assets by the Borrower, Guarantor or any of their Subsidiaries in the ordinary course of business, provided that such Liens do not extend to or cover assets or properties other than those purchased in connection with the purchase in which such Indebtedness was incurred and that the obligation secured by any such Lien so created shall not exceed one hundred percent (100%) of the cost of the property covered thereby.

"Renewal Fee" shall have the meaning set forth in Section 1.3(c) of this Agreement.

"Restricted Payments" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in Borrower, Guarantor or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase or repurchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests in the Borrower, Guarantor or any of their Subsidiaries.

"Ridgestone" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Ridgestone Loan Documents" shall mean, collectively (i) this Agreement, (ii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Gear LLC dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone, Johnson Outdoors Marine Electronics LLC, and Techsonic Industries, Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"Secured Lender" shall mean (a) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and who holds a Lien or Liens on any Collateral to secure such Indebtedness and such Indebtedness is greater than One Million Dollars ($1,000,000), or (b) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and such Indebtedness is greater than Five Million Dollars ($5,000,000).

"Security Agreements" shall mean the Security Agreements of even date herewith between the Borrower and Ridgestone and the Guarantor and Ridgestone, as the same are amended or otherwise modified from time to time.

"Senior Liens" shall mean the Liens that are set forth on Exhibit F attached hereto.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which Capital Securities representing fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" shall mean any agreement governing any transaction now existing or hereafter entered into between the Borrower and Ridgestone or any of its Subsidiaries or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Tangible Net Worth" shall mean the Borrower's and its Subsidiaries' shareholders' or members' equity (including retained earnings), less the book value of all intangible assets as determined by Borrower on a consistent basis, less prepaid expenses, less amounts due from officers, employees and Affiliates and investments, less leasehold improvements, plus the amount of any LIFO reserve, plus the amount of any debt subordinated to Ridgestone, all as determined under GAAP applied on a basis consistent with the financial statements dated July 3, 2009, except as set forth herein.

"Term Loan" shall mean the non-revolving basis loan made to the Borrower by Ridgestone pursuant to Section 1.1 of this Agreement.

"Term Loan Termination Date" shall mean the earlier of October 1, 2024, and the date on which the Term Loan becomes due and payable pursuant to Section 6.1 of this Agreement.

"Term Note" shall mean the promissory note of even date herewith made by the Borrower to Ridgestone evidencing the Term Loan and all amendments thereto and all renewals, extensions or refinancings thereof.

"Total Debt" shall mean (i) all Indebtedness for borrowed money (including without limitation, Indebtedness evidenced by promissory notes, bonds, debentures and similar interest-bearing instruments), plus (ii) all purchase money Indebtedness, plus (iii) the principal portion of capital lease obligations, plus (iv) all reimbursement obligations and other obligations with respect to any letters of credit, all as determined for the Borrower and its Subsidiaries on a consolidated basis as of the date of determination, without duplication, and in accordance with GAAP applied on a consistent basis.

"Total Debt to Book Net Worth" shall mean the relationship, expressed as a numerical ratio, between Total Debt and Book Net Worth.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances (as such term is defined in the PNC Loan Agreement) or out of the Guarantor's own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"USDA" shall mean the United States Department of Agriculture.

"USDA Guarantee" shall mean a Rural Development Unconditional Guarantee (Form RD 4279-14) executed by the Guarantor.

"Washington Property" shall mean the land, together the buildings and improvements thereon, located at 2450 Salashan Loop, Ferndale, Washington, as more particularly described on Exhibit E-3 attached hereto.

7.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" as words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Expenses and Attorneys' Fees. The Borrower shall pay all reasonable fees and expenses incurred by Ridgestone and any loan participants, including the reasonable fees of counsel (written invoices for which shall be delivered to the Borrower upon written request for the same), in connection with the preparation, issuance, maintenance and amendment of the Loan Documents and the consummation of the transactions contemplated by this Agreement, and the administration, protection and enforcement of Ridgestone's rights under the Loan Documents, or with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving the Borrower, the Guarantor or any of their Subsidiaries, both before and after judgment. The Borrower further agrees to pay on demand all reasonable internal audit fees and accountants' fees incurred by Ridgestone in connection with the maintenance and enforcement of the Loan Documents or any other collateral security.

8.2 Assignability; Successors. The Borrower's rights and liabilities under this Agreement are not assignable or delegable, in whole or in part, without the prior written consent of Ridgestone. The provisions of this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

8.3 Survival. All agreements, representations and warranties made in this Agreement or in any document delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the issuance of the Term Note and the delivery of any such document.

8.4 Governing Law. To the extent permitted by the laws of the States of Washington and Maine, this Agreement, the Term Note, the Collateral Documents and the other instruments, agreements and documents issued pursuant to this Agreement shall be governed by, and construed and interpreted in accordance with, the Laws of the State of Wisconsin applicable to agreements made and wholly performed within such state.

8.5 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed original, but such counterparts shall together constitute but one and the same agreement. The table of contents and article and section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement.

8.6 Entire Agreement; Schedules. This Agreement, the Term Note, the Collateral Documents and the other documents referred to herein and therein contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement. This Agreement supersedes all prior negotiations, agreements and undertakings between the parties with respect to such subject matter. Ridgestone agrees that for purposes of completing and delivering the Schedules to this Agreement any information disclosed by the Borrower in one Schedule shall be deemed to be a disclosure on other Schedule(s) provided that the Schedule in which the information is disclosed is specifically referenced in such other Schedule(s).

8.7 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given: (a) upon delivery if hand delivered; or (b) upon deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid; or (c) upon transmission if by facsimile, provided that such transmission is promptly confirmed by hand delivery, mail or courier as provided above, and each such communication or notice shall be addressed as follows, unless and until any party notifies the other in accordance with this Section 8.7 of a change of address:

If to the Borrower:

Johnson Outdoors Global
555 Main St.
Racine, WI 53403
Attention: Alisa Swire
Fax No.: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 N. Water Street
Milwaukee, WI 53202
Attention: Kristine Cherek
Fax No.: (414) 273-5198

If to Ridgestone:

Ridgestone Bank
13925 West North Avenue
Brookfield, WI 53005
Attention: Jessie L. Hagen
Fax No.: (262) 432-0549

with a copy to:

Hopp Neumann Humke LLP
2124 Kohler Memorial Drive, Suite 110
Sheboygan, WI 53081
Attention: Kristopher L. Gotzmer
Fax No.: (920) 457-8411

8.8 Amendment. No amendment of this Agreement shall be effective unless in writing and signed by the Borrower and Ridgestone.

8.9 Taxes. If any transfer or documentary taxes, assessments or charges levied by any governmental authority shall be payable by reason of the execution, delivery or recording of this Agreement, the Term Note, the Collateral Documents or any other document or instrument issued or delivered pursuant to this Agreement, the Borrower shall pay all such taxes, assessments and charges, including interest and penalties, and hereby indemnifies Ridgestone against any liability therefor.

8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

8.11 Indemnification. Unless caused by the negligence or willful misconduct of Ridgestone or Ridgestone's failure to comply with any of its obligations hereunder, the Borrower hereby agrees to indemnify, defend and hold Ridgestone harmless from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys' fees, suffered or incurred by Ridgestone arising out of or related to: (i) any Borrower's or any Subsidiary's failure to comply with any Environmental Law, or any order of any regulatory or administrative authority with respect thereto; (ii) any release of petroleum products or hazardous materials or substances on, upon or into real property owned, operated or controlled by the Borrower or any Subsidiary; and (iii) any and all damage to natural resources or real property or harm or injury to Persons resulting or alleged to have resulted from any failure to comply or any release of petroleum products or hazardous materials or substances as described in clauses (i) and (ii) above. All indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and the Term Note and the making and repayment of the Term Loan.

The Borrower hereby agrees to indemnify Ridgestone against all losses, liabilities, claims, damages and expenses including, but not limited to, reasonable attorneys' fees and settlement costs resulting from or relating to: (a) any Borrower's or any Subsidiary's failure to comply with any of its obligations hereunder, its negligence or its intentional misconduct; (b) the Borrower's use of any proceeds of the Term Loan.

Upon and after an Event of Default, the Borrower hereby grants and licenses to Ridgestone full and complete access, for itself, its employees and representatives (including without limitation independent engineering consultants retained by Ridgestone), to the Property, and to the books and records of the Borrower relating to the Facilities, in order to conduct an Environmental Assessment from time to time as Ridgestone may deem necessary in its commercially reasonable discretion for the purpose of confirming Borrower's compliance with Environmental Laws. The license granted by this paragraph is irrevocable. The Borrower shall reimburse Ridgestone for all reasonable costs and expenses associated with any Environmental Assessment obtained by Ridgestone under this paragraph if the Borrower were obligated to obtain and provide to Ridgestone an Environmental Assessment pursuant to Section 5.10 of this Agreement and failed to do so or if any Event of Default shall have occurred. The Borrower and Ridgestone agree that there is no adequate remedy at law for the damage that Ridgestone might sustain for failure of the Borrower to permit Ridgestone to exercise and enjoy the license granted by this paragraph and, accordingly, Ridgestone shall be entitled at its option to the remedy of specific performance to enforce such license.

8.12 Participation. Ridgestone may at any time and from time to time, grant to any bank or banks a participation in any part of the Term Loan. All of the representations, warranties and covenants of the Borrower in this Agreement are also made to any participant with the same force and effect as if expressly so made.

8.13 Inconsistent Provisions. The provisions of the Collateral Documents, the Term Note and this Agreement are not intended to supersede the provisions of each other or this Agreement, but shall be construed as supplemental to this Agreement and to each other. In the event of any inconsistency between the provisions of the Collateral Documents and this Agreement, it is intended that the provisions of this Agreement shall control. In the event of any inconsistency between the provisions of the Term Note and this Agreement, it is intended that the provisions of this the Term Note shall control.

8.14 **WAIVER OF RIGHT TO JURY TRIAL**. RIDGESTONE AND THE BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE TERM NOTE AND THE COLLATERAL DOCUMENTS OR WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY AND THEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY AND THE BORROWER HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL.

8.15 **TIME OF ESSENCE**. TIME IS OF THE ESSENCE FOR THE PERFORMANCE BY THE BORROWER OF THE OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE NOTE, THE COLLATERAL DOCUMENTS AND THE OTHER LOAN DOCUMENTS.

8.16 **SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** AS A MATERIAL INDUCEMENT TO RIDGESTONE TO ENTER INTO THIS AGREEMENT:

(a) THE BORROWER AGREES THAT, TO THE EXTENT PERMITTED BY THE LAWS OF THE STATES OF WASHINGTON AND MAINE, ALL ACTIONS OR PROCEEDINGS IN ANY MANNER RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR THE OTHER COLLATERAL DOCUMENTS MAY BE BROUGHT ONLY IN COURTS OF THE STATE OF WISCONSIN LOCATED IN MILWAUKEE COUNTY OR THE FEDERAL COURT FOR THE EASTERN DISTRICT OF WISCONSIN AND THE BORROWER CONSENTS TO THE JURISDICTION OF SUCH COURTS. THE BORROWER WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH COURT AND ANY RIGHT IT MAY HAVE NOW OR HEREAFTER HAVE TO CLAIM THAT ANY SUCH ACTION OR PROCEEDING IS IN AN INCONVENIENT COURT; and

(b) The Borrower consents to the service of process in any such action or proceeding by certified mail sent to the address specified in Section 8.7; and

(c) Nothing contained herein shall affect the right of Ridgestone to serve process in any other manner permitted by law or to commence an action or proceeding in any other jurisdiction.

8.17 USA Patriot Act. Ridgestone hereby notifies the Borrower and each of its Subsidiaries that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of the Borrower and each of its Subsidiaries and other information that will allow Ridgestone to identify the Borrower, each of its Subsidiaries in accordance with the Patriot Act and the Borrower agree to provide such information. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any affiliated entity is or shall be listed on the "Specially Designated Nationals and Blocked Person List" or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each affiliated entity to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

8.18 Joint and Several Obligations. In the event the Borrower consists of more than one Person, then all liabilities, obligations and undertakings of the Borrower pursuant to this Agreement and each other Loan Document to which any Borrower is a party shall be the joint and several obligations of the Borrower.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHNSON OUTDOORS WATERCRAFT INC.,
a Delaware corporation

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Treasurer

RIDGESTONE BANK,
a Wisconsin banking corporation

By: /s/ Jessie L. Hagen
Name: Jessie L. Hagen
Title: Vice President

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Schedules

Exhibit 99.6

LOAN AGREEMENT

BY AND BETWEEN

RIDGESTONE BANK

AND

JOHNSON OUTDOORS WATERCRAFT INC.

DATED AS OF SEPTEMBER 29, 2009

[LOAN NUMBER 15614]

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made as of the 29th day of September, 2009, by and among RIDGESTONE BANK, a Wisconsin banking corporation ("Ridgestone"), and JOHNSON OUTDOORS WATERCRAFT INC., a Delaware corporation (the "Borrower").

IN CONSIDERATION of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I
THE LOAN

1.1 Term Loan. On the Closing Date and subject to the terms and conditions set forth in this Agreement, Ridgestone agrees to make the Term Loan to the Borrower in the original principal amount of Four Million Two Hundred Forty Thousand Dollars ($4,240,000). The Term Loan shall be evidenced by the Term Note and shall mature on the Term Loan Termination Date.

1.2 Interest. The unpaid principal of the Term Loan shall bear interest at the rate or rates set forth in the Term Note. All interest, fees and other amounts due under this Agreement and the Term Note shall be computed for the actual number of days elapsed on the basis of a 365-day year.

1.3 Fees.

(a) Closing Fee. The Borrower agrees to pay to Ridgestone a closing fee in the amount of Twenty One Thousand Two Hundred Dollars ($21,200), which shall be due and payable at the Closing.

(b) Loan Note Guarantee Fee. The Borrower agrees to pay to the USDA on the Closing Date a guarantee fee for the Loan Note Guarantee in the amount of Twenty Nine Thousand Six Hundred Eighty Dollars ($29,680), which, at the election of the Borrower, may be financed into the Term Loan.

1.4 Payments.

(a) Principal and Interest. The Borrower shall make payments of principal and interest in accordance with the terms and conditions of the Term Note. Subject to adjustments for changes to the Prime Rate as provided for in this Agreement and in the Term Note, monthly payments of principal and interest are set forth on the amortization schedule attached as Exhibit A hereto and to the Term Note. The entire balance of principal and interest outstanding under this Note shall be due and payable in full on Term Loan Termination Date.

(b) Payment Delivery. All payments of principal and interest on account of the Term Note and all other payments made pursuant to this Agreement shall be delivered to Ridgestone in immediately available funds by 12:00 P.M., Milwaukee, Wisconsin time, on the date when due, and if received after such time on any day shall be deemed to have been made on the next Business Day. Payments of the Term Loan may be made by Ridgestone via electronic transfers from the Borrower's operating accounts or any other accounts maintained at Ridgestone.

(c) No Set-Offs. All payments owed by the Borrower to Ridgestone under this Agreement and the Term Note shall be made without any counterclaim and free and clear of any restrictions or conditions and free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed on the Borrower by any governmental authority. If the Borrower is compelled by Law to make any such deductions or withholdings it will pay such additional amounts as may be necessary in order that the net amount received by Ridgestone after such deductions or withholding shall equal the amount Ridgestone would have received had no such deductions or withholding been required to be made, and it will provide Ridgestone with evidence satisfactory to Ridgestone that it has paid such deductions or withholdings.

1.5 Use of Proceeds. The proceeds of the Term Loan shall be used for (a) the repayment of existing debt of the Guarantor to JPMorgan Chase Bank, N.A., pursuant to loans made under that certain Amended and Restated Credit Agreement (Revolving) dated as of January 2, 2009, and the promissory notes executed and delivered pursuant thereto, and (b) closing costs of approximately Sixty Nine Thousand Four Hundred Two Dollars ($69,402) incurred by the Borrower in connection with the transaction contemplated in this Agreement.

1.6 Prepayment. The Borrower may, from time to time, prepay the principal outstanding on the Term Loan subject to and in accordance with the terms and conditions of the Term Note.

1.7 Recordkeeping. Ridgestone shall record in its records the date and amount of the Term Loan and each repayment of the Term Loan. The aggregate amounts so recorded shall be rebuttable presumptive evidence of the principal and interest owing and unpaid on the Term Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Borrower under this Agreement or under the Term Note to repay the principal amount of the Term Loan together with all interest accruing thereon.

1.8 Increased Costs. If Regulation D of the Board of Governors of the Federal Reserve System, or the adoption of any Law, or compliance by Ridgestone with any Law:

(a) shall subject Ridgestone to any tax, duty or other charge with respect to the Term Loan or the Term Note, or shall change the basis of taxation of payments to Ridgestone of the principal of or interest on the Term Loan or any other amounts due under this Agreement in respect of the Term Loan; or

(b) shall affect the amount of capital required or expected to be maintained by Ridgestone or any corporation controlling Ridgestone; or

(c) shall impose on Ridgestone any other condition affecting the Term Loan or the Term Note;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D referred to above, to impose a cost on) Ridgestone of making or maintaining the Term Loan, or to reduce the amount of any sum received or receivable by Ridgestone under this Agreement or under the Term Note with respect thereto, then within thirty (30) days after demand by Ridgestone (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to Ridgestone such additional amount or amounts as will compensate Ridgestone for such increased cost or such reduction. Determinations by Ridgestone for purposes of this Section of the effect of any change in Law on its costs of making or maintaining the Term Loan, or sums receivable by it in respect of the Term Loan, and of the additional amounts required to compensate Ridgestone in respect thereof, shall be conclusive, absent manifest error.

ARTICLE II
CONDITIONS

2.1 General Conditions. The obligation of Ridgestone to make the Term Loan is subject to the satisfaction, on the date hereof of the following conditions:

(a) the representations and warranties of the Borrower contained in this Agreement shall be true and accurate in all material respects on and as of such date;

(b) there shall not exist on such date any Default or Event of Default;

(c) the making of the Term Loan shall not be prohibited by any applicable Law and shall not subject Ridgestone to any penalty under or pursuant to any applicable Law; and

(d) all proceedings to be taken in connection with the Term Loan and all documents incident thereto shall be reasonably satisfactory in form and substance to Ridgestone and its counsel.

2.2 Deliveries at Closing. The obligation of Ridgestone to make the Term Loan is further subject to the satisfaction on or before the Closing Date of each of the following express conditions precedent:

(a) Ridgestone shall have received each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Ridgestone and Borrower (or Guarantor, as applicable):

(i) this Agreement;

(ii) the Term Note;

(iii) the Mortgage;

(iv) the Security Agreement;

(v) the Environmental Indemnity Agreement;

(vi) the Guarantee Agreement;

(vii) the USDA Guarantee;

(viii) the Intercreditor Agreement;

(ix) the Acknowledgement;

(x) the Financing Statements;

(xi) a certificate of an officer of Borrower dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officers of Borrower who have signed or will sign this Agreement, the Term Note and any other Loan Document; (B) the adoption and continued effect of resolutions in a form reasonably satisfactory to Ridgestone authorizing the execution, delivery and performance of this Agreement, the Term Note and the other Loan Documents, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the of the Articles of Incorporation and Bylaws of the Borrower, as amended to date;

(xii) a certificate of an officer for the Guarantor dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officer of the Guarantor who has signed or will sign the Guaranty Agreement, the USDA Guarantee and any other Loan Document; (B) the adoption and continued effect of resolutions of the directors of the Guarantor authorizing the execution, delivery and performance of the Guarantee Agreement, the USDA Guarantee and the other Loan Documents executed by the Guarantor, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of the Guarantor, as amended to date;

(xiii) the Closing Date Balance Sheet showing the Borrower to have a tangible net worth of at least ten percent (10%) of the total, combined assets of the Borrower as of the Closing Date, and otherwise acceptable to Ridgestone in its discretion;

(b) Ridgestone shall have received a commitment of title insurance covering Ridgestone's interest in the Washington Property, together with such endorsements thereto as Ridgestone may reasonably require and as are generally available in the State in which the Washington Property is located at a commercially reasonable cost, written by a title insurance company reasonably acceptable to Ridgestone, on a current ALTA form in the total face amount of the Term Loan, insuring to Ridgestone that: (i) the Borrower owns marketable, fee simple title to the Washington Property, subject only to the Permitted Liens; and (ii) Ridgestone holds a valid, first-lien mortgage on the Washington Property pursuant to the Mortgage. The Borrower shall pay for the title insurance commitment and the policy subsequently issued and all such endorsements thereto.

(c) Ridgestone shall have received an ALTA improvement survey or surveys for the Washington Property, prepared within the past twelve (12) months by a surveyor licensed by the State in which the Washington Property is located, which survey shall be prepared in form satisfactory to the title company for the issuance of a lender's policy of title for the Washington Property, as Ridgestone may require, with no exceptions for matters of survey, and shall meet the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys;

(d) Ridgestone shall have received a certificates of the Delaware Department of State, the Maine Secretary of State and the Washington Secretary of State as to the good standing and existence of the Borrower, dated as of a recent date;

(e) Ridgestone shall have received a certificate of the Wisconsin Department of Financial Institutions as to the good standing of the Guarantor, dated as of a recent date;

(f) Ridgestone shall have received searches of the appropriate public offices demonstrating that no Lien or other charge or encumbrance is of record affecting the Borrower, its Subsidiaries, or their respective properties, except those which are Permitted Liens;

(g) Ridgestone shall have received a certificate or certificates, as necessary, evidencing the insurance coverages required under this Agreement and the Collateral Documents;

(h) Ridgestone shall have received a favorable opinion of Borrower's counsel, in form and substance reasonably satisfactory to Ridgestone and its counsel;

(i) Ridgestone will have been satisfied, in its commercially reasonable discretion, with its due diligence investigations of the Borrower, the Guarantor and their Subsidiaries;

(j) Ridgestone shall have received the closing fee set forth in Section 1.3(a) and the USDA guarantee fee set forth in Section 1.3(b), and all reasonable fees and expenses of Ridgestone's legal counsel (which fees and expenses are estimated not to exceed Thirty Thousand Dollars ($30,000) shall have been paid or will be paid at Closing;

(k) Ridgestone shall have received payoff letters and/or lien releases, in form and substance satisfactory to Ridgestone, from the holders of all Indebtedness which is not Permitted Indebtedness and all holders of Liens which are not Permitted Liens;

(l) Ridgestone shall have received copies of all Material Agreements;

(m) Ridgestone shall have received and approved all appraisals requested by Ridgestone;

(n) USDA Rural Development will have approved the Term Loan and all Loan Documents required to be approved by the USDA;

(o) Ridgestone shall have received a completed FEMA Form 81-93, "Standard Flood Hazard Determination," for the Washington Property;

(p) the Borrower shall have established the Tax Escrow Account;

(q) Ridgestone shall have received an Automatic Transfer Authorization executed by the Borrower allowing Ridgestone to make payments toward the Term Loan via electronic transfers from the Borrower's operating or other deposit account maintained at Ridgestone or at other financial institutions; and

(r) Ridgestone shall have received such other agreements, instruments, documents, certificates and opinions as Ridgestone or its counsel may reasonably request.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Ridgestone as follows:

3.1 Organization and Qualification. The Borrower is a corporation duly and validly organized and existing under the laws of the state of Delaware, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Borrower is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. The Guarantor is a corporation duly organized and validly existing under the laws of the state of Wisconsin, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Guarantor is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect.

3.2 Financial Statements. All of the financial statements of Borrower, its Subsidiaries, and the Guarantor heretofore furnished to Ridgestone by such parties are accurate and complete in all material respects and fairly present the financial condition and the results of operations of the Borrower and its Subsidiaries for the periods covered thereby and as of the relevant dates thereof. All such financial statements for the Borrower, its Subsidiaries and the Guarantor were prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower, its Subsidiaries or the Guarantor since the date of the latest of such financial statements. As of the Closing Date, the Borrower has no knowledge of any material liabilities of any nature of the Borrower, its Subsidiaries or the Guarantor other than as disclosed in the financial statements heretofore furnished to Ridgestone, and as otherwise disclosed in writing to Ridgestone.

The Closing Date Balance Sheet attached hereto as Schedule 3.2 is complete and correct in all material respects and presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries, on a consolidated basis, as of the Closing Date, based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

3.3 Authorization; Enforceability. The making, execution, delivery and performance of this Agreement, the Term Note and the Collateral Documents, and compliance with their respective terms, have been duly authorized by all necessary corporate, limited liability company or partnership action of the Borrower, its Subsidiaries, or the Guarantor, as the case may be. This Agreement, the Term Note and the other Loan Documents are the valid and binding obligations of the Borrower and the Guarantor, as applicable, enforceable against the Borrower the Guarantor, as applicable, in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws generally affecting the rights of creditors and subject to general equity principles.

3.4 Organization and Ownership of Subsidiaries. (a) Schedule 3.4 contains complete and correct lists, as of the Closing Date, of: (i) the Borrower's and the Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its equity interests outstanding owned by the Borrower and each other Subsidiary or other Persons; and (ii) of the ownership of the Borrower and the Guarantor and the percentage of shares, units or interests of each class of its equity outstanding and the ownership interests of such shares, units or interests.

(b) All of the outstanding shares, units or interests of equity of each such domestic Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or another Subsidiary free and clear of any Lien.

(c) Each of the Borrower's domestic Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in current status in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such domestic Subsidiary has the corporate, company or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) None of the Borrowers' or Guarantor's domestic Subsidiaries is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the PNC Loan Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Borrower to which it is a Subsidiary or any of the Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

3.5 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance of the Borrower and the Guarantor, as applicable of this Agreement, the Term Note and the other Loan Documents will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower, the Guarantor or any of their Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or bylaws, or any other agreement or instrument to which the Borrower, the Guarantor or any of their Subsidiaries is bound; (b) conflict with or result in a breach of any of the terms, conditions or provisions of any material order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; (c) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; or (d) violate the articles of incorporation, articles of organization, certificate of limited partnership, bylaws, partnership agreement or operating agreement, or other documents of formation, of the Borrower, the Guarantor or any of their Subsidiaries.

3.6 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by the Borrower or the Guarantor of this Agreement, the Term Note or any other Loan Document except those consents, approvals, authorizations, registrations and filings which have already been made or obtained and filings necessary to perfect the Liens under the Collateral Documents.

3.7 Litigation; Observance of Agreements, Statutes and Orders. Except as set forth on Schedule 3.7:

(a) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is a party to, and so far as is known to the Borrower there is no credible threat of, any litigation or administrative proceeding which would, if adversely determined, cause any Material Adverse Effect; and

(b) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or governmental authority or is in violation of any applicable Law (including without limitation Environmental Laws) of any governmental authority, which in the event of any of the foregoing defaults or violations, individually or in the aggregate, would have a Material Adverse Effect.

3.8 Taxes. The Borrower, the Guarantor and their Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments, the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower, the Guarantor or any of their Subsidiaries, as the case may be, has established adequate reserves in accordance with GAAP or other accounting principles applicable to the Guarantor's Subsidiaries in foreign jurisdictions.

3.9 Title to Property; Leases. The Borrower has marketable title to the Owned Property subject to the Permitted Liens. To the Borrower's knowledge, there are no Liens on the Owned Property other than Permitted Liens. All leases to which the Borrower or their domestic Subsidiaries is a party are valid and subsisting and are in full force and effect. All leases relating to the Property are set forth on Schedule 3.9 hereto. A copy of each lease set forth on Schedule 3.9 hereto has been provided to Ridgestone and, to Borrower's knowledge, the Guarantor is not in default under any provision contained in any such lease which has not been cured.

3.10 Licenses, Permits, Etc. (a) To Borrower's knowledge without investigation, Borrower and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto necessary in the ownership of their properties and operation of their businesses, the absence of which would cause a Material Adverse Effect; (b) to Borrower's knowledge without investigation, no product of the Borrower or any of its Subsidiaries infringes any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which would cause a Material Adverse Effect; and (c) to the knowledge of Borrower without investigation, there is no violation by any Person of any right of the Borrower or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Borrower, the Guarantor or any of their Subsidiaries, which violation would cause a Material Adverse Effect.

3.11 Compliance with ERISA. (a) The Borrower has no knowledge that any Plan is in noncompliance in any material respect with the applicable provisions of ERISA or the Internal Revenue Code; (b) the Borrower has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against or relating to any Plan; (c) the Borrower has no knowledge of any reasonable basis for any material proceedings, claims or actions against or relating to any Plan; (d) the Borrower has no knowledge that it has incurred any "accumulated funding deficiency" within the meaning of Section 302(a)(2) of ERISA in connection with any Plan; and (e) the Borrower has no knowledge that there has been any Reportable Event or Prohibited Transaction (as such terms are defined in ERISA) with respect to any Plan, or that the Borrower, any of their Subsidiaries or the Guarantor, or all of them, has incurred any material liability to the PBGC under Section 4062 of ERISA in connection with any Plan.

3.12 Fiscal Year. Borrower's fiscal year for accounting and tax purposes is a period consisting of a 52/53 calendar week year ending on or about September 30 of each year. The current fiscal year, which is the 2009 fiscal year, ends on October 2, 2009.

3.13 Indebtedness; No Default. Other than inter-company Indebtedness among Borrower, Guarantor and their respective Subsidiaries, neither any Borrower nor any of its Subsidiaries has any outstanding Indebtedness except for Permitted Indebtedness. There exists no default nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default under any material provisions of (a) any instrument evidencing such Indebtedness or any agreement relating thereto or (b) any other agreement or instrument to which the Borrower, any of its Subsidiaries or the Guarantor is a party.

3.14 Compliance With Laws. Except as disclosed in Schedule 3.14, to Borrower's knowledge after reasonable investigation: (a) Borrower is in compliance with all applicable Environmental Laws and all other Laws applicable to Borrower's respective assets or operations, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect; and (b) the Borrower has not received any written notice from any governmental entity or authority that it is not in compliance with any Environmental Laws which non-compliance has not been cured.

3.15 Dump Sites. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.15, with respect to any period during which the Borrower, the Guarantor or any of their Subsidiaries has occupied the Property, neither Borrower, the Guarantor nor any of their Subsidiaries (nor any agent or invitee of any of the foregoing) has caused or permitted petroleum products or hazardous substances or other materials to be stored, deposited, treated, recycled or disposed of on, under or at the Property in violation of Environmental Laws, which materials, if known to be present, would require cleanup, removal or other remedial action under Environmental Laws.

3.16 Tanks. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.16, to Borrower's knowledge after reasonable investigation, there are not now nor have there ever been tanks, containers or other vessels on, under or at the Property that contained petroleum products or hazardous substances or other materials which, if known to be present in soils or ground water, would require cleanup, removal or other remedial action under Environmental Laws.

3.17 Other Environmental Conditions. To the knowledge of the Borrower after reasonable investigation and except as previously disclosed to Ridgestone in writing and as set forth on Schedule 3.17, there are no conditions existing currently that would subject the Borrower, the Guarantor or any of their Subsidiaries to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws that would reasonably be expected to cause a Material Adverse Effect or require cleanup, removal or other remedial action by the Borrower, the Guarantor or any of their Subsidiaries under Environmental Laws.

3.18 Environmental Judgments, Decrees and Orders. Except as disclosed on Schedule 3.18, no unsatisfied judgment, decree, order or citation relating to the Property or the current operations of the Property and related to or arising out of Environmental Laws is applicable to or binds the Borrower, the Guarantor, any of their Subsidiaries, or the Property.

3.19 Environmental Permits and Licenses. Except as disclosed on Schedule 3.19, to the knowledge of the Borrower after reasonable investigation, all permits, licenses and approvals required under Environmental Laws necessary for the Borrower to own or operate the Facilities and to conduct its business as now conducted or proposed to be conducted, have been obtained and are in full force and effect, the failure of which would cause a Material Adverse Effect.

3.20 Accuracy of Information. All documents, certificates or statements by the Borrower, its Subsidiaries, and the Guarantor given in, or pursuant to, this Agreement shall be accurate, true and complete in all material respects when given.

3.21 Offering of Term Note. Neither the Borrower nor any agent acting for the Borrower has offered the Term Note or any similar obligation of the Borrower for sale to, or solicited any offers to buy the Term Note or any similar obligation of the Borrower from, any Person other than Ridgestone, and neither the Borrower nor any agent acting for the Borrower will take any action that would subject the sale of the Term Note to the registration provisions of the Securities Act of 1933, as amended.

3.22 Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loan solely for the purposes set forth in Section 1.5 hereof. No part of the proceeds of the Term Loan will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

3.23 Subsidiaries. The Borrower does not have any Subsidiaries other than those set forth on Schedule 3.4.

3.24 Solvency. The Borrower and its Subsidiaries taken as a whole, and the Guarantor, are able to pay their debts as they become due in the ordinary course of business and have sufficient capital to carry on their businesses and all businesses in which they are about to engage in; and the amount that will be required to pay the Borrower's and each of its Subsidiary's, and to pay the Guarantor's, probable liabilities as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

ARTICLE IV
NEGATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations have been paid in full including any obligations under any Swap Agreements and Ridgestone shall have no obligations under any Swap Agreements:

4.1 Liens. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume or permit to be created or allow to exist any Lien upon or in any of its assets or properties, except Permitted Liens.

4.2 Indebtedness. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any Indebtedness, except Permitted Indebtedness.

4.3 Consolidation or Merger or Recapitalization. Excepting Permitted Transactions (defined in Article 7), the Guarantor or the Borrower shall not consolidate with or merge into any other Person, or permit another Person to merge into it, or acquire all or substantially all of the assets or equity of any other Person or allow another Person to acquire all or substantially of its assets or equity, whether in one or a series of transactions or liquidate, dissolve or effect a recapitalization or reorganization in any form (including, without limitation, any reorganization after which the Borrower becomes a Subsidiary of another Person). Notwithstanding the foregoing, the Guarantor shall be permitted to engage in any consolidation, merger, acquisition or similar transaction: (a) with respect to any such transaction wherein the aggregate purchase price does not exceed Five Million Dollars ($5,000,000), the Guarantor shall be permitted to engage in such transaction without consent or notice to Ridgestone; (b) with respect to any such transaction wherein the aggregate purchase price is more than Five Million Dollars ($5,000,000) but less than Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor shall be permitted to engage in such transaction, however, the Borrower shall provide to Ridgestone written notice of the Guarantor's completion of such transaction within a reasonable time thereafter; and (c) with respect to any such transaction wherein the aggregate purchase price exceeds Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor must obtain Ridgestone's written consent prior to entering into a definitive agreement for such transaction.

4.4 Disposition of Assets. The Borrower and its Subsidiaries shall not sell, lease, assign, transfer or otherwise dispose of (collectively, "Dispositions") any of their now owned or hereafter acquired assets or properties except, prior to the occurrence of an Event of Default: (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of used, obsolete, worn out or surplus equipment or property in the ordinary course of business; (c) Dispositions to the Borrower, Guarantor, or any of their Subsidiaries; (d) Dispositions of receivables in connection with the compromise, settlement or collection thereof; (e) 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; (f) the leasing of intellectual property rights to third parties; (g) Dispositions of non-strategic assets in the ordinary course of business; and (h) Dispositions of equipment or other property not permitted under any other subsection of this Section, provided that such equipment or other property is either replaced by equipment or property of a similar kind and equivalent value or sold or otherwise disposed of in the ordinary course of business, provided the value of such equipment or property sold or otherwise disposed of and not replaced during any fiscal year does not exceed One Hundred Thousand Dollars ($100,000). Notwithstanding the foregoing, upon or following a Disposition made in accordance with this Agreement the Borrower may assign or transfer the Term Loan and its rights and obligations under this Agreement, the Term Note and the other Loan Documents provided that such assignment or transfer (y) has been approved by the USDA and met all applicable USDA requirements, including those set forth in USDA RD Instruction 4287-B, and (z) Ridgestone has approved such assignment or transfer, which approval may be granted or withheld in Ridgestone's reasonable discretion.

4.5 Sale and Leaseback. Neither the Borrower nor the Guarantor shall enter into any agreement, directly or indirectly, to sell or transfer any real property used in its business and thereafter to lease back the same or similar property other than for property with a selling price of less than Five Hundred Thousand Dollars ($500,000) or less.

4.6 Restricted Payments. Neither the Borrower nor the Guarantor shall make or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except Borrower and the Guarantor may make Restricted Payments pursuant to and in accordance with the PNC Loan Agreement, stock option plans, grants of restricted stock, employee stock purchase plans, or other benefit plans for management or employees of Borrower, Guarantor, and their Subsidiaries pursuant to such plans as are currently in effect as set forth on Schedule 4.6 hereto, or as may be in effect from time to time hereafter.

4.7 Transactions with Affiliates. The Borrower shall not engage in any transaction with an Affiliate involving the payment or exchange of funds in any single instance in excess of One Hundred Thousand Dollars ($100,000) and on terms that are materially less favorable to the Borrower than would be available at the time from a Person who is not an Affiliate.

4.8 Loans and Advances. The Borrower shall not make any loan or advance to any Person, except: (a) extensions of credit in the ordinary course of business by the Borrower to its customers; (b) advances to officers and employees of the Borrower for travel and other expenses in the ordinary course of business; and (c) loans, advances or guarantees made among Borrower, Guarantor and any of their respective Subsidiaries which loans, advances or guarantees are reflected in the books and records of the respective entities. In addition, the Borrower may make any loans or advances to any of its Subsidiaries.

4.9 Guarantees. Neither the Borrower nor the Guarantor shall, without the prior written consent of Ridgestone, which consent shall not be unreasonably withheld, conditioned or delayed, guarantee the Indebtedness of any Person or co-signing or otherwise becoming liable for the Indebtedness of another Person, except for: (a) any guarantee or co-signing made for the benefit of Borrower, Guarantor or any of their respective Subsidiaries; (b) such guarantees or co-signings which are currently in effect and are set forth in Schedule 4.9 hereof; and (c) any guarantee or co-signing in which the Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrower, the Guarantor and Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in any fiscal year.

4.10 Subsidiaries. The Borrower shall not form any Subsidiary other than those set forth on Schedule 3.4 hereof.

4.11 Capital Expenditures. The Guarantor shall not make or enter into any binding agreement(s) to make Capital Expenditures in excess of the Capital Expenditure Limit, as defined in this Section. "Capital Expenditure Limit" shall mean: (a) for the Guarantor's 2009 fiscal year ending October 2, 2009, Ten Million Dollars ($10,000,000) in the aggregate; (b) for the Guarantor's 2010 fiscal year ending on or about September 30, 2010, Eleven Million Dollars ($11,000,000) in the aggregate; (c) for the Guarantor's 2011 fiscal year ending on or about September 30, 2011, Twelve Million Dollars ($12,000,000) in the aggregate; and (d) for the Guarantor's 2012 fiscal year ending on or about September 30, 2012 and for each fiscal year thereafter, one hundred five percent (105%) of the Capital Expenditure Limit for the immediately preceding fiscal.

4.12 Notes or Debt Securities Containing Equity Features. Neither the Borrower nor the Guarantor shall authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities containing equity features (including, without limitation, any notes or debt securities convertible into or exchangeable for capital stock or other equity securities, issued in connection with the issuance of capital stock or other equity securities or containing profit participation features), other than any agreement authorized, issued or entered into with any member of the Johnson Family which shall be permitted hereby.

4.13 Nature of Business. The Borrower shall not enter into the ownership, act of management, or operation of any business other than the manufacture, distribution or sale of outdoor equipment and any activities incidental thereto.

4.14 Other Agreements. Neither the Borrower nor the Guarantor shall enter into, become subject to, amend, modify or waive, or permit any of their Subsidiaries to enter into, become subject to, amend, modify or waive, any agreement or instrument (other than the Loan Documents and the Other Loan Documents (as such term is defined in the PNC Loan Agreement)) which by its terms would (under any circumstances) restrict (i) the right of any of their Subsidiaries or the Guarantor to make loans or advances or pay dividends to, transfer property to, or repay any Indebtedness owed to, the Borrower, the Guarantor or their Subsidiaries, or (ii) the Borrowers' right to perform the provisions of any of the Loan Documents.

4.15 Sales of Subsidiaries. Neither the Borrower nor the Guarantor shall sell or otherwise dispose of any stock (or other ownership interest), or securities convertible into stock (or other ownership interest), of any domestic Subsidiary (however, the liquidation or dissolution of non-operating entities shall not be prohibited hereby).

4.16 Modification of Organizational Documents. The Borrower shall not permit the articles of incorporation or organization, certificate of partnership, bylaws, operating agreement or other organizational documents of the Borrower, its Subsidiaries, or the Guarantor to be amended or modified in a manner adverse to the interests of Ridgestone, except for such amendments or modifications as may be required by Law.

4.17 Compensation. The current compensation of all officers of the Guarantor are as set forth on Schedule 4.18. Compensation of the Chairman and Chief Executive Officer, and the Vice President and Chief Financial Officer shall be limited to an amount that shall not cause a Material Adverse Effect and shall not be increased in any year unless: (a) such increase will not cause Borrower to breach any covenant of this Agreement; (b) the Borrower is current in all material respects on its Indebtedness; and (c) such increase has been approved by the Compensation Committee of the Board of Directors of Guarantor which committee is comprised solely of independent outside directors.

ARTICLE V
AFFIRMATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations to Ridgestone have been paid in full including, without limitation, any obligations to Ridgestone under any Swap Agreements:

5.1 Payment. The Borrower shall timely pay or cause to be paid the principal of and interest on the Term Loan and all other amounts due under this Agreement, the Term Note and the Collateral Documents.

5.2 Existence; Property. The Borrower shall, and shall cause its Subsidiaries to: (a) maintain its limited liability company, corporate existence or partnership status; (b) conduct its business substantially as now conducted or as described in any business plans delivered to Ridgestone prior to the Closing Date unless otherwise consented to by Ridgestone; (c) maintain the Property or cause other Persons to maintain the Property; and (d) maintain accurate records and books of account, consistently applied throughout all accounting periods.

5.3 Licenses. The Borrower shall, and the Borrower shall cause each of its Subsidiaries to, maintain in good standing and in full force and effect each license, permit and franchise granted or issued by any federal, state or local governmental agency or regulatory authority that is necessary to or used in the Borrower's or any of its Subsidiary's businesses, the failure of which would cause a Material Adverse Effect.

5.4 Reporting Requirements. The Borrower and the Guarantor shall furnish to Ridgestone such information respecting the business, assets and financial condition of the Borrower and the Guarantor and their Subsidiaries as Ridgestone may reasonably request and, without request:

(a) as soon as available, and in any event within sixty (60) days after the end of each fiscal quarter (i) a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such quarter and of the comparable quarter in the preceding fiscal year; and (ii) consolidated statements of income of each Guarantor and its Subsidiaries for each such quarter and for that part of the fiscal year ending with each quarter and for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity; and

(b) as soon as available, and in any event within sixty (60) days after the end of each fiscal year a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity (Borrower and/or the Guarantor shall be in compliance with Section 5.4(a) and this Section 5.4(b) by timely providing to Ridgestone a hyperlink to Guarantor's SEC Form 10-K and 10-Q Statements, as appropriate); and

(c) as soon as available, and in any event within one hundred ten (110) days after the close of each fiscal year, a copy of the detailed annual audit report for such year and accompanying consolidated financial statements of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries prepared in reasonable detail and in accordance with GAAP and prepared by the independent certified public accountants ratified by Guarantor's shareholders at its annual meeting, which audit report shall be accompanied by: (i) an unqualified opinion of such accountants, to the effect that the same fairly presents the financial condition and the results of operations of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries, respectively, for the periods and as of the relevant dates thereof, and (ii) a certificate of such accountants setting forth their computations as to Borrower's compliance with Section 5.12 of this Agreement; and

(d) together with each delivery required by Sections 5.4(a), 5.4(b) and 5.4(c) of this Agreement, an executed Officer's Certificate or Member's Certificate, as applicable, in the form of Exhibit B attached to this Agreement containing information as to the financial statements so delivered; and

(e) as soon as available, and in any event within forty-five (45) days of filing, a copy of the annual federal corporate tax returns for the Guarantor (including its domestic Subsidiaries); and

(f) as soon as received, but in any event not later than ten (10) days after receipt, copies of all management letters and other reports submitted to the Borrower or its domestic Subsidiaries, by independent certified public accountants in connection with any examination of the financial statements of the Borrower or its domestic Subsidiaries or the Guarantor, and notify Ridgestone promptly of any material change in any accounting method used by the Borrower or its Subsidiaries in the preparation of the financial statements to be delivered to Ridgestone pursuant to this Section; and

(g) as soon as available, and in any event within forty-five (45) days after the end of each fiscal year, business projections for the Borrower and the Guarantor for the upcoming fiscal year.

5.5 Taxes. The Borrower shall, and the Borrower shall cause each of its Subsidiaries and the Guarantor and its Subsidiaries, to pay all taxes and assessments prior to the date on which penalties attach thereto, except for any tax or assessment which is either not delinquent or which is being contested in good faith and by proper proceedings and against which adequate reserves have been provided in accordance with GAAP.

5.6 Inspection of Property and Records. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to, permit Ridgestone or its agents or representatives, at Ridgestone's expense, to visit any of their properties and examine and audit any of its books and records after delivery of reasonable advance written notice, and provided such activities occur during normal business hours and in a manner that does not cause unreasonable interruptions. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing hereunder, such visits, examinations and audits shall be limited to not more than one (1) visit to each Property per fiscal year. The Borrower, the Guarantor or their Subsidiaries shall reimburse Ridgestone, up to a maximum of Two Thousand Five Hundred Dollars ($2,500) in the aggregate, per fiscal year, for travel and lodging expenses incurred by Ridgestone in connection with visits made pursuant to this Section 5.6 and pursuant to the similar provisions of other loan agreements between the Guarantor or any of its Subsidiaries and Ridgestone. Notwithstanding anything contained herein to the contrary, the Borrower shall be responsible for all costs and expenses incurred by Ridgestone in connection with any visit to any Facility following the occurrence of an Event of Default, and for visits to any Facility made pursuant to any other section of this Agreement.

5.7 Compliance with Laws. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to: (a) comply in all material respects with all applicable Environmental Laws, and orders of regulatory and administrative authorities with respect thereto, and, without limiting the generality of the foregoing, promptly undertake and diligently pursue to completion appropriate and legally authorized containment, investigation and clean-up action in the event of any release of petroleum products or hazardous materials or substances on, upon or into any real property owned, operated or within the control of the Borrower, the Guarantor or any of their Subsidiaries; and (b) comply in all material respects with all other Laws applicable to the Borrower, the Guarantor, and any of their Subsidiaries, their assets or operations where failure to so comply could have a Material Adverse Effect.

5.8 Compliance with Agreements. The Borrower shall, and the Borrower shall cause the Guarantor and their Subsidiaries to, perform and comply in all respects with the provisions of any agreement (including without limitation any collective bargaining agreement), license, regulatory approval, permit and franchise binding upon the Borrower, the Guarantor, their Subsidiaries, or their properties, if the failure to so perform or comply would have a Material Adverse Effect.

5.9 Notices. The Borrower shall:

(a) as soon as possible and in any event within five (5) Business Days after the occurrence of any Default or Event of Default, notify Ridgestone in writing of such Default or Event of Default and set forth the details thereof and the action which is being taken or proposed to be taken by the Borrower with respect thereto;

(b) promptly notify Ridgestone of the commencement of any litigation or administrative proceeding that would cause the representation and warranty of the Borrower contained in Section 3.7 of this Agreement to be untrue;

(c) promptly notify Ridgestone: (i) of the occurrence of any Reportable Event or, to the extent a Prohibited Transaction would have a Material Adverse Effect, a Prohibited Transaction (as such terms are defined in ERISA) that has occurred with respect to any Plan; and (ii) of the institution by the PBGC or the Borrower of proceedings under Title IV of ERISA to terminate any Plan;

(d) unless prohibited by applicable Law, notify Ridgestone, and provide copies, immediately upon receipt but in any event not later than ten (10) days after receipt, of any written notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that is reasonably expected to require a clean-up, removal, remedial action or other response by or on the part of the Borrower, the Guarantor or any Subsidiary under Environmental Laws or which seeks damages or civil, criminal or punitive penalties from or against the Borrower, the Guarantor or any Subsidiary, for an alleged violation of Environmental Laws, in each of the foregoing which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect or would reasonably be expected to cause or require the Borrower, the Guarantor or any of their Subsidiaries to expend, in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) in costs and expenses; and provide Ridgestone with written notice of any condition or event which would make the representations and warranties contained in Sections 3.14 through 3.19 of this Agreement inaccurate, as soon as ten (10) Business Days after the Borrower becomes aware of such condition or event;

(e) notify Ridgestone at least thirty (30) days prior to any change of either of the Borrower’s, the Guarantor’s or their Subsidiary’s name or its use of any trade name;

(f) promptly notify Ridgestone of any damage to, or loss of, any of the assets or properties of the Borrower, the Guarantor or of their Subsidiaries if the net book value of the damaged or lost asset or property at the time of such damage or loss exceeds Two Hundred Fifty Thousand Dollars ($250,000); and

(g) promptly notify Ridgestone of the commencement of any investigation, litigation, or administrative or regulatory proceeding by, or the receipt of any notice, citation, pleading, order, decree or similar document issued by, any federal, state or local governmental agency or regulatory authority that results in the termination or suspension of any license, permit or franchise necessary to the Borrower's, the Guarantor's or any of their Subsidiary's business, or that imposes a material fine or penalty on the Borrower, the Guarantor or any of their Subsidiaries.

5.10 Environmental Assessment. Within ten (10) Business Days after the Borrower or Guarantor learns of the occurrence of any event or condition described in Section 5.9(d) of this Agreement, the Borrower shall undertake and, within a reasonable time thereafter, obtain an Environmental Assessment (the scope of which shall be limited to the event or condition giving rise to the disclosure requirement under Section 5.9(d) hereof), at the Borrower's expense, and provide promptly to Ridgestone a written report of the results of such Environmental Assessment, which report shall recite that Ridgestone is entitled to rely thereon. Except as otherwise required by applicable Law or as may be reasonably necessary, in the opinion of Ridgestone, for evaluation and analysis by Ridgestone, any participating financial institution, or their attorneys, agents and consultants, any Environmental Assessment provided to Ridgestone pursuant to this Section shall be treated as confidential and shall not be disclosed without the prior written consent of the Borrower.

5.11 Insurance.

(a) The Borrower shall, and Borrower shall cause its Subsidiaries and the Guarantor to, obtain and maintain at their own expense the following insurance, which shall be with insurers satisfactory to Ridgestone (Ridgestone hereby acknowledging and agreeing that the insurers providing the insurance coverages in effect as of the Closing Date are satisfactory to Ridgestone):

(i) insurance against physical loss or damage to the Collateral as provided under a standard "All Risk" property policy including but not limited to flood (if required by Ridgestone), fire, windstorm, lightning, hail, explosion, riot, civil commotion, smoke, sewer back-up, business interruption and such other risks of loss generally and customarily maintained by companies of similar size in the same industry and line of business as Borrower, the Guarantor and their Subsidiaries, in amounts not less than the actual replacement cost of the Collateral or the balance of the Term Loan, whichever is greater. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than Three Hundred Thousand Dollars ($300,000) per occurrence. Notwithstanding the foregoing, with respect to earthquake insurance covering Collateral located in the state of California, the deductible may be increased to the greater of five percent (5%) of the total insured value or Five Hundred Thousand Dollars ($500,000), and with respect to windstorm insurance covering Collateral located in the state of Florida, the deductible may be increased to the greater of five percent (5%) of the total insured value or Two Hundred Fifty Thousand Dollars ($250,000);

(ii) commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, including personal injury, and property damage with umbrella coverage in an amount at least equal to the balance of the Term Loan;

(iii) product liability insurance in such amounts as is customarily maintained by companies engaged in the same or similar businesses as the Borrower;

(iv) worker's compensation insurance in amounts meeting all statutory state and local requirements;

(v) comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit; and

(vi) during construction of any improvements at the Facilities and during any period in which substantial alterations or repairs at the Facilities are being undertaken, (i) builder's risk insurance (on a completed value, non-reporting basis) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed Three Hundred Thousand Dollars ($300,000), in non-reporting form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with "soft cost" and such other endorsements as Ridgestone may reasonably require, and (ii) general liability, worker's compensation and automobile liability insurance with respect to the improvements being constructed, altered or repaired; and

(vii) Such other insurance as Ridgestone may reasonably require, that at the time is commonly obtained in connection with similar businesses and is generally available at commercially reasonable rates.

(b) Each insurance policy described in Section 5.11(a)(i), (ii) or (vi) with respect to any Collateral shall name Ridgestone as a lender's loss payee, and shall require the insurer to provide at least thirty (30) days' prior written notice to Ridgestone of any material change or cancellation of such policy.

5.12 Financial Covenants.

(a) Current Ratio. The Guarantor will not permit as of the end of any fiscal year end of the Guarantor, commencing with the 2009 fiscal year ending October 2, 2009, its Current Ratio to be less than 1.75 to 1.

(b) Tangible Net Worth. The Borrower and its Subsidiaries shall have a tangible net worth of at least ten percent (10%) of the total assets of the Borrower as of the Closing Date as verified by the Closing Date Balance Sheet.

(c) Total Debt to Book Net Worth. The Guarantor shall not permit the ratio of Total Debt to Book Net Worth for the Guarantor to exceed 2.00 to 1 beginning as of the last day of the Guarantor's 2009 fiscal year ending October 2, 2009, and at the end of each fiscal quarter thereafter.

(d) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, the Guarantor shall maintain as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(e) Minimum Book Net Worth. The Guarantor shall not permit its consolidated Book Net Worth, as of the last day of each calendar year, to be less than the Book Net Worth Requirement. As used herein, the term "Book Net Worth Requirement" shall mean: (i) Ninety Five Million Dollars ($95,000,000) as the last day of the Guarantor's 2009 fiscal year ending October 2, 2009; (ii) One Hundred Million Dollars ($100,000,000) by the last day of the Guarantor's 2010 fiscal year ending on or about September 30, 2010; and (iii) One Hundred Five Million Dollars ($105,000,000) by the last day of the Guarantor's 2011 fiscal year ending on or about September 30, 2011, and at all times thereafter.

5.13 Borrower's Certification. At the request of Ridgestone, Borrower shall deliver to Ridgestone a fully executed Borrower's Certification in the form attached hereto as Exhibit C.

5.14 Maintenance of Accounts; Tax Escrow Account. The Borrower shall maintain an escrow account for real estate taxes at Ridgestone (the "Tax Escrow Account") into which the Borrower shall make an initial deposit at the Closing in an amount equal to thirty percent (30%) of aggregate 2008 real estate taxes for the Properties securing all loans. Funds maintained in the Tax Escrow Account may be used by Ridgestone to pay any delinquent real estate taxes and special assessments relating to the Property. The Borrower shall provide to Ridgestone a copy of all annual real estate tax bills for the Properties within thirty (30) days following the Borrower's receipt of the same. Following the fifth (5th) anniversary of the Closing Date and after each five (5)-year period thereafter, Ridgestone shall have the right to re-examine and adjust the amount the Borrower is required to maintain in the Tax Escrow Account so that at such times the amount maintained by the Borrower in the Tax Escrow Account is equal to thirty percent (30%) of all real estate taxes for the Property for the immediately preceding calendar year.

ARTICLE VI
REMEDIES

6.1 Acceleration. (a) Upon the occurrence of an Automatic Event of Default, then, without notice, demand or action of any kind by Ridgestone the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, shall be automatically and immediately due and payable.

(b) Upon the occurrence of a Notice Event of Default, Ridgestone may, upon written notice and demand to the Borrower declare the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, immediately due and payable.

6.2 Ridgestone's Right to Cure Default. In case of failure by the Borrower or any Subsidiary or the Guarantor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to any properties and assets pledged or secured under any Collateral Documents, Ridgestone shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by the Borrower to Ridgestone immediately upon demand together with interest at an annual rate equal to the Default Rate for Advances (to the extent permitted by applicable Law) from the date of disbursement by Ridgestone to the date of payment by the Borrower.

6.3 Remedies Not Exclusive. Upon the occurrence of any Event of Default Ridgestone may implement any remedies available to it under or in connection with the Loan Documents. No remedy conferred upon Ridgestone herein or in any other Loan Document is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Term Note or the Collateral Documents or now or hereafter existing at law or in equity. No failure or delay on the part of Ridgestone in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

6.4 Setoff. The Borrower agrees that Ridgestone and its affiliates shall have all rights of setoff and bankers' lien provided by applicable Law, and in addition thereto, the Borrower agrees that if at any time any payment or other amount owing by the Borrower under the Term Note or this Agreement is then due to Ridgestone, Ridgestone may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter with Ridgestone or any affiliates of Ridgestone. Ridgestone rights under this Section 6.4 shall be limited to the Borrower's accounts maintained at Ridgestone.

ARTICLE VII
DEFINITIONS

7.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Acknowledgement" shall mean the Acknowledgement by the Borrower of even date herewith to the Intercreditor Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, or is controlled by, or is under common control with, the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Loan Agreement, together with the Exhibits and Schedules attached hereto, as the same shall be amended or amended and restated from time to time in accordance with the terms hereof.

"Automatic Event of Default" shall mean any one or more of the following:

(a) The Borrower, the Guarantor or any of their domestic Subsidiaries shall become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) The Borrower, the Guarantor or any of their Subsidiaries shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or

(c) The Borrower, the Guarantor or any of their Subsidiaries shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or a similar law of any other country, or shall file a petition in bankruptcy, for reorganization or liquidation under any Federal, state or foreign Law; or

(d) The Borrower, the Guarantor or any of their Subsidiaries shall have a petition or application filed against it in bankruptcy or any similar proceeding, or shall have such a proceeding commenced against it, and such petition, application or proceeding shall remain unstayed or undismissed for a period of sixty (60) days or more, or the Borrower or any Subsidiary shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) The Borrower, the Guarantor or any of their Subsidiaries shall apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or shall have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged or dismissed within sixty (60) days after his appointment;

(f) The Borrower, the Guarantor or any of their Subsidiaries shall adopt a plan of complete liquidation of its assets; or

(g) The USDA refuses or fails to issue the Loan Note Guarantee to Ridgestone, or the Loan Note Guarantee shall be rescinded, retracted or becomes otherwise unenforceable, in whole or in part, for any reason whatsoever;

(h) Provided, however, that nowithstanding any other language in this definition, a "Permitted Transaction" as defined below, shall not be an "Automatic Event of Default."

"Book Net Worth" shall mean, at any date of determination, the difference between: (a) the total assets appearing on the balance sheet at such date prepared in accordance with GAAP after deducting adequate reserves in each case where, in accordance with GAAP, a reserve is proper; and (b) the total liabilities appearing on such balance sheet.

"Borrower" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday or other day when commercial banks in Wisconsin are authorized or required by Law to close.

"Capital Expenditure Limit" shall have the meaning set forth in Section 4.11 hereof.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

"Capitalized Lease Obligation" shall mean any Indebtedness of the Guarantor or any of its Subsidiaries represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capital Securities" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Closing" shall mean the consummation of the transaction(s) contemplated in this Agreement.

"Closing Date" shall mean September 29, 2009.

"Closing Date Balance Sheet" shall mean the balance sheet of the Borrower and its Subsidiaries attached hereto as Schedule 3.2, which balance sheet is prepared in accordance with GAAP, not including subordinated debt or appraisal surplus, and certified by an accountant acceptable to Ridgestone, presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries as of Closing Date as if the transactions contemplated by this Agreement had occurred immediately prior to such date, and contains all pro forma adjustments necessary in order to fairly reflect such assumption, all based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

"Collateral" shall mean all of the real and personal property of the Borrower and its Subsidiaries subject to a Lien in favor of Ridgestone pursuant to the Collateral Documents, including, without limitation, the Owned Property and the equipment and machinery set forth on Schedule 7.1(a) hereto.

"Collateral Documents" shall mean the Mortgages, the Security Agreement, the Guarantee Agreement and such other guarantees, security agreements, mortgages, deeds of trust and other credit enhancements as may be executed from time to time by the Borrower or third parties in favor of Ridgestone in connection with this Agreement.

"Current Ratio" shall mean the relationship, expressed as a numerical ratio, which, with reference to any period, that current assets bears to current liabilities, measured on a first-in, first-out basis and including the borrowing base on any lines of credit with other lenders as a current liability, notwithstanding the maturity date for such lines of credit.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (b) all cash actually expended by any the Guarantor and its Subsidiaries to make payments for all fees, commissions and charges set forth in the PNC Loan Agreement and with respect to any Advances, plus (c) all cash actually expended by the Guarantor and its Subsidiaries to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by the Guarantor and its Subsidiaries to make payments under any Plan to which the Guarantor or any of its Subsidiaries is a party, plus (e) all cash actually expended by the Guarantor and its Subsidiaries to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone), plus (f) all cash expended by the Guarantor and its Subsidiaries to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, the terms "Advances", "Revolving Advances", and "Maximum Revolving Advance Amount" shall have the meanings given to such terms under the PNC Loan Agreement.

"Default" shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Rate" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Default Rate for Advances" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Dispositions" shall have the meaning set forth in Section 4.4 of this Agreement.

"Distributions" shall have the meaning set forth in Section 4.6 of this Agreement.

"EBITDA" shall mean, with respect to any period, the Borrower's and its Subsidiaries' net income after taxes for such period (excluding any after-tax gains or losses on the sale of assets and excluding other after-tax extraordinary gains or losses) plus interest expense, income tax expense, depreciation, amortization and the items set forth in Schedule 7.1(b) hereto for such period, less gains and losses attributable to any fixed asset sales made during such period, plus or minus any other non-cash charges or gains which have been subtracted or added in calculating net income after taxes for such period, on a consolidated basis as determined in accordance with GAAP and applied on a consistent basis to the Borrower and its Subsidiaries, for the applicable period preceding the date of determination.

"Environmental Assessment" shall mean a review of environmental conditions at the Property undertaken by an independent environmental consultant satisfactory to Ridgestone for the purpose of determining whether the Borrower, the Guarantor and their Subsidiaries are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or will require clean-up, removal or other remedial action under Environmental Laws on the part of the Borrower, the Guarantor or their Subsidiaries and may include, but are not limited to, some or all of the following: (a) on-site inspection, including review of site geology, hydrogeology, demography, land use and population; (b) taking and analyzing soil borings, installing ground water monitoring wells and analyzing samples taken from such wells; (c) reviewing plant permits, compliance records and regulatory correspondence relating to environmental matters, and interviewing enforcement staff at regulatory agencies; (d) reviewing the operations, procedures and documentation of the Borrower, the Guarantor and their Subsidiaries relating to environmental matters; (e) interviewing Ms. Alisa Swire (or her successor, if applicable), and interviewing past and present facility or plant managers of each Facility who, through their employment, are or would have been familiar with such environmental condition and who would typically be interviewed by an independent environmental consulting conducting an environmental review; and (f) reviewing all records and information regarding the past activities of prior owners and prior or current tenants of the Facilities, to the extent such information is available and is not required to be procured by the Borrower, Guarantor or any of their Subsidiaries from a third party.

"Environmental Indemnity Agreement" shall mean the Environmental Indemnity Agreement of even date herewith between the Borrower, the Guarantor and Ridgestone, relating to the Property, as the same may be amended or otherwise modified from time to time.

"Environmental Laws" shall mean any Law, including any common law, which relates to or otherwise imposes liability or standards of conduct concerning discharges, emissions, releases or threatened releases of pollutants, contaminants or hazardous or toxic wastes, substances or materials, into air, water or groundwater, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous or toxic wastes, substances or materials, including, but not limited to CERCLA as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, the Oil Pollution Act of 1990, as amended, any so-called "Superlien" law, and any other similar Federal, state or local statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and as in effect from time to time.

"Event of Default" shall mean any Automatic Event of Default or any Notice Event of Default.

"Facilities" shall mean all real property and improvements now or hereafter owned, used or occupied by the Borrower, the Guarantor or any of their Subsidiaries including, without limitation, the Property.

"Financing Statements" shall mean Uniform Commercial Code financing statements related to the Collateral Documents.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends, cash taxes paid during such period to (b) all Debt Payments made during such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America, applied by the Borrower and its Subsidiaries on a basis consistent with the preparation of the Borrower's most recent financial statements furnished to Ridgestone pursuant to Section 5.4(c) hereof.

"Guarantee Agreement" shall mean an unlimited guarantee agreement made by the Guarantor in favor of Ridgestone, as the same is amended or otherwise modified from time to time.

"Guarantor" shall mean Johnson Outdoors Inc., a Wisconsin corporation, its successors and assigns.

"Indebtedness" shall mean all liabilities or obligations, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business, which are not the result of any borrowing or which are not more than ninety (90) days past due); (b) as lessee under leases that have been or should be capitalized according to GAAP; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guarantee or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; (e) secured by any Liens on assets, whether or not the obligations secured have been assumed; (f) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA; or (g) any interest rate swap obligations or similar obligations including all obligations under Swap Agreements.

"Intercompany Loans" shall mean temporary loans incurred from time to time by the Guarantor or any of its Subsidiaries from another Subsidiary or Affiliate of the Guarantor.

"Intercreditor Agreement" shall mean the Intercreditor Agreement of even date herewith by and between Ridgestone and PNC, as the same is amended or otherwise modified from time to time.

"Investment" shall mean: (a) any transfer or delivery of cash, Capital Securities or other property or value by such Person in exchange for Indebtedness, Capital Securities or any other security of another Person; (b) any loan, advance or capital contribution to or in any other Person; (c) any guarantee, creation or assumption of any liability or obligation of any other Person; and (d) any investment in any fixed property or fixed assets other than fixed properties and fixed assets acquired and used in the ordinary course of the business of that Person.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson, and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Law" shall mean any federal, state, local or other law, rule, regulation or governmental requirement of any kind, and the rules, regulations, written interpretations and orders promulgated thereunder.

"Lien" shall mean, with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loan Documents" shall mean this Agreement, the Term Note, the Intercreditor Agreement, the Collateral Documents and any other document, instrument, contract or agreement executed by the Borrower, the Guarantor or a Subsidiary in connection with this Agreement or the Term Loan.

"Loan Note Guarantee" shall mean a USDA Rural Development guarantee of repayment of seventy percent (70%) of the Term Loan.

"Maine Property" shall mean the land, together with the buildings and improvements thereon, located at 190 North Main Street (a/k/a 211 Main Street), 82 North Brunswick Street (a/k/a 123 Brunswick Street), and 35 Middle Street, Old Town, Maine, as more particularly described on Exhibit E-1 attached hereto.

"Maine Leased Property" shall mean the land, together with the buildings and improvements thereon, located at 125 Gilman Falls Avenue, Old Town, Maine, as more particularly described on Exhibit E-2 attached hereto.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, operations or financial condition of the Borrower, the Guarantor or any of their Subsidiaries taken as a whole; or (b) the ability of the Borrower or the Guarantor to perform their respective obligations under this Agreement, the Collateral Documents, the Term Note or the other Obligations; or (c) the validity or enforceability of this Agreement, the Term Note, any Collateral Documents, any other Loan Document or the other Obligations.

"Material Agreements" shall mean any and all written or oral material agreements or instruments to which any Borrower or their assets or properties is subject, and all documents or agreements to be executed in connection with the Senior Liens, including, but not limited to, intercreditor agreements, subordination agreements, third party financing agreements, leases, subleases, loan agreements, promissory notes and partnership agreements.

"Mortgage" shall mean the Mortgage, Assignment of Rents and Leases and Fixture Financing Statement of even date herewith made by the Borrower in favor of Ridgestone granting to Ridgestone a first-lien mortgage on the Washington Property, as the same are amended or otherwise modified from time to time.

"Notice Event of Default" shall mean any one or more of the following:

(a) the Borrower shall fail to pay, within five (5) Business Days after written notice from Ridgestone to the Borrower specifying such failure: (i) any installment of the principal of the Term Note or any interest on the Term Note; or (ii) any of the other Obligations; or (iii) any fee, expense or other amount due under the Loan Documents or any of the other Obligations; or

(b) there shall be a default in the performance or observance of any of the covenants and agreements contained in Article IV or Sections 5.2, 5.4, 5.6, 5.9, 5.10, 5.11 or 5.12 of this Agreement and, if such default is of a nature that can be cured, such default shall have continued for a period of five (5) Business Days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(c) there shall be a default in the performance or observance of any of the other covenants, agreements or conditions contained in any Loan Document and such default shall have continued for a period of thirty (30) calendar days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(d) any representation or warranty made by the Borrower, the Guarantor or any of their Subsidiaries in any Loan Document or financial statement delivered pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

(e) any non-appealable, final judgment or binding settlement agreement (or any final judgment whatsoever that could reasonably be expected to result in a loss to the Borrower, the Guarantor and/or their Subsidiaries, individually or together, in an amount greater than Fifteen Million Dollars ($15,000,000) higher than the limit of the insurance policy coverage amount(s) that are reasonably likely to be paid against such loss) shall be entered against the Borrower or any of its Subsidiaries which, when aggregated with other final judgments against the Borrower or any of its Subsidiaries would reasonably be expected to result in a Material Adverse Effect and shall remain outstanding and unsatisfied, unbonded or unstayed after sixty (60) days from the date of entry thereof; provided that no final judgment shall be included in the calculation under this subsection to the extent that the claim underlying such judgment is covered by insurance and defense of such claim has been tendered to and accepted by the insurer without reservation; or

(f) (i) any Reportable Event (as defined in ERISA) shall have occurred which constitutes grounds for the termination of any Plan by the PBGC or for the appointment of a trustee to administer any Plan, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate court to administer any Plan, or the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or the Borrower or any of its Subsidiaries or any trade or business which together with the Borrower or any of its Subsidiaries would be treated as a single employer under Section 4001 of ERISA shall withdraw in whole or in part from a multiemployer Plan, and (ii) the aggregate amount of the Borrower's and its Subsidiaries' liability for all such occurrences, whether to a Plan, the PBGC or otherwise, would reasonably be expected to result in a Material Adverse Effect and such liability is not covered for the benefit of the Borrower or its Subsidiaries by insurance; or

(g) the Borrower, the Guarantor or any of their Subsidiaries (i) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to PNC or to any other Secured Lender when required to be performed or observed, and (ii) such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, and (iii) in the case of PNC only, PNC has accelerated, with the giving of notice if required, the maturity of such Indebtedness; or

(h) the Borrower, the Guarantor or any of their Subsidiaries: (i) fail to pay any amount of principal or interest when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) under any Indebtedness to Ridgestone (other than the Term Note) and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Indebtedness; or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to Ridgestone when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit acceleration of, with the giving of notice if required, the maturity of such Indebtedness; or

(i) any Collateral Document shall cease to be in full force and effect as a result of the default, negligent act or inaction, or misconduct of the Borrower; or

(j) the Borrower shall fail to pay any amount owed by it under any Swap Agreement or shall fail to perform any terms or conditions or covenants contained in any Swap Agreement and any grace periods provided therefore shall have lapsed.

"OFAC" shall have the meaning set forth in Section 8.17 of this Agreement.

"Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Term Note, and any renewal, extension or refinancing thereof; (b) all debts, liabilities, obligations, covenants and agreements of the Borrower contained in this Agreement, the Term Note and the Collateral Documents, including, without limitation, any and all fees and expenses, including reasonably attorneys' fees incurred in connection with enforcing any obligations of Ridgestone under any of the Loan Documents or any other Obligations, both before and after judgment and all other fees and expenses set forth in the Obligations; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower to Ridgestone contained in any Swap Agreement; and (d) any and all other debts, liabilities and obligations of the Borrower to Ridgestone.

"Owned Property" shall mean the Maine Property and the Washington Property.

"Patriot Act" shall have the meaning set forth in Section 8.17 of this Agreement.

"PBGC" shall mean Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Indebtedness" shall mean: (a) Indebtedness of the Borrower and its Subsidiaries to Ridgestone; (b) Purchase Money Indebtedness secured by Purchase Money Liens, which Indebtedness shall not exceed One Million Dollars ($1,000,000) per year on a noncumulative consolidated basis; (c) other Indebtedness incurred in the ordinary course of business, which Indebtedness shall not exceed Five Million Dollars ($5,000,000.00) on a consolidated basis at any time during the term of the Loan; (d) unsecured accounts payable and other unsecured obligations incurred in the ordinary course of business and not as a result of any borrowing; (e) Indebtedness secured by the Permitted Liens listed on Exhibit D attached hereto, and the Indebtedness of Borrower, Guarantor and their Subsidiaries to PNC; (f) inter-company Indebtedness which is reflected on Borrower's and/or Guarantor's financial statements; (g) Indebtedness incurred in connection with any governmental loans, debt obligations, incentives, revenue bonds, and similar loan or debt programs which provide funds at rates and on terms that are generally more beneficial to Borrower, Guarantor and their Subsidiaries, as applicable, than those commercially available from traditional lenders such as Ridgestone and PNC, provided that such Indebtedness shall not exceed the aggregate sum of Five Million Dollars ($5,000,000); (h) other Indebtedness to PNC, other lenders, and/or the Johnson Family incurred on a temporary basis in the ordinary course of business, which Indebtedness shall not exceed Ten Million Dollars ($10,000,000) outstanding at any given time; and (i) with respect to each of the foregoing, all extensions, renewals and replacements of such Indebtedness with Indebtedness of a similar type.

"Permitted Liens" shall mean:

(a) Liens in favor of Ridgestone;

(b) Liens for taxes, assessments, or governmental charges, or levies that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established;

(c) zoning ordinances, easements, restrictions, minor title irregularities and similar matters which have no material adverse effect as a practical matter upon the ownership and use of the affected property;

(d) Liens or deposits in connection with workmen's compensation, unemployment insurance, social security, ERISA or similar legislation or to secure customs' duties, public or statutory obligations in lieu of surety, stay or appeal bonds, or to secure performance of contracts or bids (other than contracts for the payment of borrowed money) or deposits required by law as a condition to the transaction of business or other liens or deposits of a like nature made in the ordinary course of business;

(e) Purchase Money Liens securing purchase money Indebtedness which is permitted hereunder;

(f) Liens in favor of bailees, shippers, or warehousemen arising in the ordinary course of the Borrower's business;

(g) any Liens securing Permitted Indebtedness hereunder; and

(h) any Liens that are approved by Ridgestone and listed on Exhibit D attached hereto including, but not limited to, Liens in favor of PNC set forth on Exhibit D attached hereto.

"Permitted Transaction" shall mean and include (a) a merger of any of Guarantor's Subsidiaries into Guarantor or into any other of Guarantor's Subsidiaries; and/or (b) the liquidation or merger of any of Guarantor's foreign (non-domestic) Subsidiaries.

"Person" shall mean and include an individual, partnership, limited liability entity, corporation, trust, unincorporated association and any unit, department or agency of government.

"Plan" shall mean each pension, profit sharing, stock bonus, thrift, savings and employee stock ownership plan established or maintained, or to which contributions have been made, by the Borrower, the Guarantor or any of their Subsidiaries or any trade or business which together with the Borrower, the Guarantor or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA.

"PNC" shall mean PNC Bank, National Association, a national banking association, its successors and assigns.

"PNC Loan Agreement" shall mean that certain Revolving Credit and Security Agreement dated as of the Closing Date, among the Guarantor, the Borrower, Johnson Outdoors Watercraft Inc., Johnson Outdoors Gear LLC, Johnson Outdoors Diving LLC, Under Sea Industries, Inc., the financial institutions which are now or which hereafter become a party thereto, and PNC, as administrative agent and collateral agent for the lenders named therein.

"PNC Loan Documents" shall mean, collectively, (i) the PNC Loan Agreement and (ii) the Other Documents (as such term is defined in the PNC Loan Agreement).

"Prime Rate" shall mean the Prime Rate of interest published in *The Wall Street Journal* from time to time. Each change in any rate of interest computed by reference to the Prime Rate, if any, shall take effect on the first day of each calendar quarter (*i.e.*, January 1, April 1, July 1, and October 1).

"Property" shall mean the Owned Property and the Maine Leased Property.

"Purchase Money Liens" shall mean Liens securing purchase money Indebtedness incurred in connection with the acquisition of capital assets by the Borrower, Guarantor or any of their Subsidiaries in the ordinary course of business, provided that such Liens do not extend to or cover assets or properties other than those purchased in connection with the purchase in which such Indebtedness was incurred and that the obligation secured by any such Lien so created shall not exceed one hundred percent (100%) of the cost of the property covered thereby.

"Renewal Fee" shall have the meaning set forth in Section 1.3(c) of this Agreement.

"Restricted Payments" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in Borrower, Guarantor or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase or repurchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests in the Borrower, Guarantor or any of their Subsidiaries.

"Ridgestone" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Ridgestone Loan Documents" shall mean, collectively (i) this Agreement, (ii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Gear LLC dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone, Johnson Outdoors Marine Electronics LLC, and Techsonic Industries, Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"Secured Lender" shall mean (a) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and who holds a Lien or Liens on any Collateral to secure such Indebtedness and such Indebtedness is greater than One Million Dollars ($1,000,000), or (b) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and such Indebtedness is greater than Five Million Dollars ($5,000,000).

"Security Agreement" shall mean the Security Agreement of even date herewith between the Guarantor and Ridgestone, as the same are amended or otherwise modified from time to time.

"Senior Liens" shall mean the Liens that are set forth on Exhibit F attached hereto.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which Capital Securities representing fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" shall mean any agreement governing any transaction now existing or hereafter entered into between the Borrower and Ridgestone or any of its Subsidiaries or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Tangible Net Worth" shall mean the Borrower's and its Subsidiaries' shareholders' or members' equity (including retained earnings), less the book value of all intangible assets as determined by Borrower on a consistent basis, less prepaid expenses, less amounts due from officers, employees and Affiliates and investments, less leasehold improvements, plus the amount of any LIFO reserve, plus the amount of any debt subordinated to Ridgestone, all as determined under GAAP applied on a basis consistent with the financial statements dated July 3, 2009, except as set forth herein.

"Term Loan" shall mean the non-revolving basis loan made to the Borrower by Ridgestone pursuant to Section 1.1 of this Agreement.

"Term Loan Termination Date" shall mean the earlier of October 1, 2034, and the date on which the Term Loan becomes due and payable pursuant to Section 6.1 of this Agreement.

"Term Note" shall mean the promissory note of even date herewith made by the Borrower to Ridgestone evidencing the Term Loan and all amendments thereto and all renewals, extensions or refinancings thereof.

"Total Debt" shall mean (i) all Indebtedness for borrowed money (including without limitation, Indebtedness evidenced by promissory notes, bonds, debentures and similar interest-bearing instruments), plus (ii) all purchase money Indebtedness, plus (iii) the principal portion of capital lease obligations, plus (iv) all reimbursement obligations and other obligations with respect to any letters of credit, all as determined for the Borrower and its Subsidiaries on a consolidated basis as of the date of determination, without duplication, and in accordance with GAAP applied on a consistent basis.

"Total Debt to Book Net Worth" shall mean the relationship, expressed as a numerical ratio, between Total Debt and Book Net Worth.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances (as such term is defined in the PNC Loan Agreement) or out of the Guarantor's own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"USDA" shall mean the United States Department of Agriculture.

"USDA Guarantee" shall mean a Rural Development Unconditional Guarantee (Form RD 4279-14) executed by the Guarantor.

"Washington Property" shall mean the land, together the buildings and improvements thereon, located at 2450 Salashan Loop, Ferndale, Washington, as more particularly described on Exhibit E-3 attached hereto.

7.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" as words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Expenses and Attorneys' Fees. The Borrower shall pay all reasonable fees and expenses incurred by Ridgestone and any loan participants, including the reasonable fees of counsel (written invoices for which shall be delivered to the Borrower upon written request for the same), in connection with the preparation, issuance, maintenance and amendment of the Loan Documents and the consummation of the transactions contemplated by this Agreement, and the administration, protection and enforcement of Ridgestone's rights under the Loan Documents, or with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving the Borrower, the Guarantor or any of their Subsidiaries, both before and after judgment. The Borrower further agrees to pay on demand all reasonable internal audit fees and accountants' fees incurred by Ridgestone in connection with the maintenance and enforcement of the Loan Documents or any other collateral security.

8.2 Assignability; Successors. The Borrower's rights and liabilities under this Agreement are not assignable or delegable, in whole or in part, without the prior written consent of Ridgestone. The provisions of this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

8.3 Survival. All agreements, representations and warranties made in this Agreement or in any document delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the issuance of the Term Note and the delivery of any such document.

8.4 Governing Law. To the extent permitted by the laws of the State of Washington, this Agreement, the Term Note, the Collateral Documents and the other instruments, agreements and documents issued pursuant to this Agreement shall be governed by, and construed and interpreted in accordance with, the Laws of the State of Wisconsin applicable to agreements made and wholly performed within such state.

8.5 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed original, but such counterparts shall together constitute but one and the same agreement. The table of contents and article and section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement.

8.6 Entire Agreement; Schedules. This Agreement, the Term Note, the Collateral Documents and the other documents referred to herein and therein contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement. This Agreement supersedes all prior negotiations, agreements and undertakings between the parties with respect to such subject matter. Ridgestone agrees that for purposes of completing and delivering the Schedules to this Agreement any information disclosed by the Borrower in one Schedule shall be deemed to be a disclosure on other Schedule(s) provided that the Schedule in which the information is disclosed is specifically referenced in such other Schedule(s).

8.7 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given: (a) upon delivery if hand delivered; or (b) upon deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid; or (c) upon transmission if by facsimile, provided that such transmission is promptly confirmed by hand delivery, mail or courier as provided above, and each such communication or notice shall be addressed as follows, unless and until any party notifies the other in accordance with this Section 8.7 of a change of address:

If to the Borrower:

Johnson Outdoors Global
555 Main St.
Racine, WI 53403
Attention: Alisa Swire
Fax No.: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 N. Water Street
Milwaukee, WI 53202
Attention: Kristine Cherek
Fax No.: (414) 273-5198

If to Ridgestone:

Ridgestone Bank
13925 West North Avenue
Brookfield, WI 53005
Attention: Jessie L. Hagen
Fax No.: (262) 432-0549

with a copy to:

Hopp Neumann Humke LLP
2124 Kohler Memorial Drive, Suite 110
Sheboygan, WI 53081
Attention: Kristopher L. Gotzmer
Fax No.: (920) 457-8411

8.8 Amendment. No amendment of this Agreement shall be effective unless in writing and signed by the Borrower and Ridgestone.

8.9 Taxes. If any transfer or documentary taxes, assessments or charges levied by any governmental authority shall be payable by reason of the execution, delivery or recording of this Agreement, the Term Note, the Collateral Documents or any other document or instrument issued or delivered pursuant to this Agreement, the Borrower shall pay all such taxes, assessments and charges, including interest and penalties, and hereby indemnifies Ridgestone against any liability therefor.

8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

8.11 Indemnification. Unless caused by the negligence or willful misconduct of Ridgestone or Ridgestone's failure to comply with any of its obligations hereunder, the Borrower hereby agrees to indemnify, defend and hold Ridgestone harmless from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys' fees, suffered or incurred by Ridgestone arising out of or related to: (i) any Borrower's or any Subsidiary's failure to comply with any Environmental Law, or any order of any regulatory or administrative authority with respect thereto; (ii) any release of petroleum products or hazardous materials or substances on, upon or into real property owned, operated or controlled by the Borrower or any Subsidiary; and (iii) any and all damage to natural resources or real property or harm or injury to Persons resulting or alleged to have resulted from any failure to comply or any release of petroleum products or hazardous materials or substances as described in clauses (i) and (ii) above. All indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and the Term Note and the making and repayment of the Term Loan.

The Borrower hereby agrees to indemnify Ridgestone against all losses, liabilities, claims, damages and expenses including, but not limited to, reasonable attorneys' fees and settlement costs resulting from or relating to: (a) any Borrower's or any Subsidiary's failure to comply with any of its obligations hereunder, its negligence or its intentional misconduct; (b) the Borrower's use of any proceeds of the Term Loan.

Upon and after an Event of Default, the Borrower hereby grants and licenses to Ridgestone full and complete access, for itself, its employees and representatives (including without limitation independent engineering consultants retained by Ridgestone), to the Property, and to the books and records of the Borrower relating to the Facilities, in order to conduct an Environmental Assessment from time to time as Ridgestone may deem necessary in its commercially reasonable discretion for the purpose of confirming Borrower's compliance with Environmental Laws. The license granted by this paragraph is irrevocable. The Borrower shall reimburse Ridgestone for all reasonable costs and expenses associated with any Environmental Assessment obtained by Ridgestone under this paragraph if the Borrower were obligated to obtain and provide to Ridgestone an Environmental Assessment pursuant to Section 5.10 of this Agreement and failed to do so or if any Event of Default shall have occurred. The Borrower and Ridgestone agree that there is no adequate remedy at law for the damage that Ridgestone might sustain for failure of the Borrower to permit Ridgestone to exercise and enjoy the license granted by this paragraph and, accordingly, Ridgestone shall be entitled at its option to the remedy of specific performance to enforce such license.

8.12 Participation. Ridgestone may at any time and from time to time, grant to any bank or banks a participation in any part of the Term Loan. All of the representations, warranties and covenants of the Borrower in this Agreement are also made to any participant with the same force and effect as if expressly so made.

8.13 Inconsistent Provisions. The provisions of the Collateral Documents, the Term Note and this Agreement are not intended to supersede the provisions of each other or this Agreement, but shall be construed as supplemental to this Agreement and to each other. In the event of any inconsistency between the provisions of the Collateral Documents and this Agreement, it is intended that the provisions of this Agreement shall control. In the event of any inconsistency between the provisions of the Term Note and this Agreement, it is intended that the provisions of this the Term Note shall control.

8.14 **WAIVER OF RIGHT TO JURY TRIAL**. RIDGESTONE AND THE BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE TERM NOTE AND THE COLLATERAL DOCUMENTS OR WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY AND THEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY AND THE BORROWER HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL.

8.15 **TIME OF ESSENCE**. TIME IS OF THE ESSENCE FOR THE PERFORMANCE BY THE BORROWER OF THE OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE NOTE, THE COLLATERAL DOCUMENTS AND THE OTHER LOAN DOCUMENTS.

8.16 **SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** AS A MATERIAL INDUCEMENT TO RIDGESTONE TO ENTER INTO THIS AGREEMENT:

(a) THE BORROWER AGREES THAT, TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF WASHINGTON, ALL ACTIONS OR PROCEEDINGS IN ANY MANNER RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR THE OTHER COLLATERAL DOCUMENTS MAY BE BROUGHT ONLY IN COURTS OF THE STATE OF WISCONSIN LOCATED IN MILWAUKEE COUNTY OR THE FEDERAL COURT FOR THE EASTERN DISTRICT OF WISCONSIN AND THE BORROWER CONSENTS TO THE JURISDICTION OF SUCH COURTS. THE LAWS OF THE STATE OF WASHINGTON WILL GOVERN THE FORECLOSURE AND DISPOSITON OF THE PROPERTY. THE BORROWER WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH COURT AND ANY RIGHT IT MAY HAVE NOW OR HEREAFTER HAVE TO CLAIM THAT ANY SUCH ACTION OR PROCEEDING IS IN AN INCONVENIENT COURT; and

(b) The Borrower consents to the service of process in any such action or proceeding by certified mail sent to the address specified in Section 8.7; and

(c) Nothing contained herein shall affect the right of Ridgestone to serve process in any other manner permitted by law or to commence an action or proceeding in any other jurisdiction.

8.17 USA Patriot Act. Ridgestone hereby notifies the Borrower and each of its Subsidiaries that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of the Borrower and each of its Subsidiaries and other information that will allow Ridgestone to identify the Borrower, each of its Subsidiaries in accordance with the Patriot Act and the Borrower agree to provide such information. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any affiliated entity is or shall be listed on the "Specially Designated Nationals and Blocked Person List" or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each affiliated entity to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

8.18 Joint and Several Obligations. In the event the Borrower consists of more than one Person, then all liabilities, obligations and undertakings of the Borrower pursuant to this Agreement and each other Loan Document to which any Borrower is a party shall be the joint and several obligations of the Borrower.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHNSON OUTDOORS WATERCRAFT INC.,
a Delaware corporation

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Treasurer

RIDGESTONE BANK,
a Wisconsin banking corporation

By: /s/ Jessie L. Hagen
Name: Jessie L. Hagen
Title: Vice President

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Schedules

LOAN AGREEMENT

BY AND BETWEEN

RIDGESTONE BANK

AND

JOHNSON OUTDOORS WATERCRAFT INC.

DATED AS OF SEPTEMBER 29, 2009

[LOAN NUMBER 15627]

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made as of the 29th day of September, 2009, by and among RIDGESTONE BANK, a Wisconsin banking corporation ("Ridgestone"), and JOHNSON OUTDOORS WATERCRAFT INC., a Delaware corporation (the "Borrower").

IN CONSIDERATION of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

ARTICLE I
THE LOAN

1.1 Term Loan. On the Closing Date and subject to the terms and conditions set forth in this Agreement, Ridgestone agrees to make the Term Loan to the Borrower in the original principal amount of Seven Hundred Twelve Thousand Dollars ($712,000). The Term Loan shall be evidenced by the Term Note and shall mature on the Term Loan Termination Date.

1.2 Interest. The unpaid principal of the Term Loan shall bear interest at the rate or rates set forth in the Term Note. All interest, fees and other amounts due under this Agreement and the Term Note shall be computed for the actual number of days elapsed on the basis of a 365-day year.

1.3 Fees.

(a) Closing Fee. The Borrower agrees to pay to Ridgestone a closing fee in the amount of Three Thousand Five Hundred Sixty Dollars ($3,560), which shall be due and payable at the Closing.

(b) Loan Note Guarantee Fee. The Borrower agrees to pay to the USDA on the Closing Date a guarantee fee for the Loan Note Guarantee in the amount of Four Thousand Nine Hundred Eighty Four Dollars ($4,984), which, at the election of the Borrower, may be financed into the Term Loan.

1.4 Payments.

(a) Principal and Interest. The Borrower shall make payments of principal and interest in accordance with the terms and conditions of the Term Note. Subject to adjustments for changes to the Prime Rate as provided for in this Agreement and in the Term Note, monthly payments of principal and interest are set forth on the amortization schedule attached as Exhibit A hereto and to the Term Note. The entire balance of principal and interest outstanding under this Note shall be due and payable in full on Term Loan Termination Date.

(b) Payment Delivery. All payments of principal and interest on account of the Term Note and all other payments made pursuant to this Agreement shall be delivered to Ridgestone in immediately available funds by 12:00 P.M., Milwaukee, Wisconsin time, on the date when due, and if received after such time on any day shall be deemed to have been made on the next Business Day. Payments of the Term Loan may be made by Ridgestone via electronic transfers from the Borrower's operating accounts or any other accounts maintained at Ridgestone.

(c) No Set-Offs. All payments owed by the Borrower to Ridgestone under this Agreement and the Term Note shall be made without any counterclaim and free and clear of any restrictions or conditions and free and clear of, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed on the Borrower by any governmental authority. If the Borrower is compelled by Law to make any such deductions or withholdings it will pay such additional amounts as may be necessary in order that the net amount received by Ridgestone after such deductions or withholding shall equal the amount Ridgestone would have received had no such deductions or withholding been required to be made, and it will provide Ridgestone with evidence satisfactory to Ridgestone that it has paid such deductions or withholdings.

1.5 Use of Proceeds. The proceeds of the Term Loan shall be used for (a) the repayment of existing debt of the Guarantor to JPMorgan Chase Bank, N.A., pursuant to loans made under that certain Amended and Restated Credit Agreement (Revolving) dated as of January 2, 2009, and the promissory notes executed and delivered pursuant thereto, and (b) closing costs of approximately Five Thousand Two Hundred Dollars ($5,200) incurred by the Borrower in connection with the transaction contemplated in this Agreement.

1.6 Prepayment. The Borrower may, from time to time, prepay the principal outstanding on the Term Loan subject to and in accordance with the terms and conditions of the Term Note.

1.7 Recordkeeping. Ridgestone shall record in its records the date and amount of the Term Loan and each repayment of the Term Loan. The aggregate amounts so recorded shall be rebuttable presumptive evidence of the principal and interest owing and unpaid on the Term Note. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the obligations of the Borrower under this Agreement or under the Term Note to repay the principal amount of the Term Loan together with all interest accruing thereon.

1.8 Increased Costs. If Regulation D of the Board of Governors of the Federal Reserve System, or the adoption of any Law, or compliance by Ridgestone with any Law:

(a) shall subject Ridgestone to any tax, duty or other charge with respect to the Term Loan or the Term Note, or shall change the basis of taxation of payments to Ridgestone of the principal of or interest on the Term Loan or any other amounts due under this Agreement in respect of the Term Loan; or

(b) shall affect the amount of capital required or expected to be maintained by Ridgestone or any corporation controlling Ridgestone; or

(c) shall impose on Ridgestone any other condition affecting the Term Loan or the Term Note;

and the result of any of the foregoing is to increase the cost to (or in the case of Regulation D referred to above, to impose a cost on) Ridgestone of making or maintaining the Term Loan, or to reduce the amount of any sum received or receivable by Ridgestone under this Agreement or under the Term Note with respect thereto, then within thirty (30) days after demand by Ridgestone (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to Ridgestone such additional amount or amounts as will compensate Ridgestone for such increased cost or such reduction. Determinations by Ridgestone for purposes of this Section of the effect of any change in Law on its costs of making or maintaining the Term Loan, or sums receivable by it in respect of the Term Loan, and of the additional amounts required to compensate Ridgestone in respect thereof, shall be conclusive, absent manifest error.

ARTICLE II
CONDITIONS

2.1 General Conditions. The obligation of Ridgestone to make the Term Loan is subject to the satisfaction, on the date hereof of the following conditions:

(a) the representations and warranties of the Borrower contained in this Agreement shall be true and accurate in all material respects on and as of such date;

(b) there shall not exist on such date any Default or Event of Default;

(c) the making of the Term Loan shall not be prohibited by any applicable Law and shall not subject Ridgestone to any penalty under or pursuant to any applicable Law; and

(d) all proceedings to be taken in connection with the Term Loan and all documents incident thereto shall be reasonably satisfactory in form and substance to Ridgestone and its counsel.

2.2 Deliveries at Closing. The obligation of Ridgestone to make the Term Loan is further subject to the satisfaction on or before the Closing Date of each of the following express conditions precedent:

(a) Ridgestone shall have received each of the following (each to be properly executed, dated and completed), in form and substance satisfactory to Ridgestone and Borrower (or Guarantor, as applicable):

(i) this Agreement;

(ii) the Term Note;

(iii) the Mortgage;

(iv) the Leasehold Mortgage;

(v) the Landlord Waiver;

(vi) the Security Agreement;

(vii) the Environmental Indemnity Agreement;

(viii) the Guarantee Agreement;

(ix) the USDA Guarantee;

(x) the Intercreditor Agreement;

(xi) the Acknowledgement;

(xii) the Financing Statements;

(xiii) a certificate of an officer of Borrower dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officers of Borrower who have signed or will sign this Agreement, the Term Note and any other Loan Document; (B) the adoption and continued effect of resolutions in a form reasonably satisfactory to Ridgestone authorizing the execution, delivery and performance of this Agreement, the Term Note and the other Loan Documents, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the of the Articles of Incorporation and Bylaws of the Borrower, as amended to date;

(xiv) a certificate of an officer for the Guarantor dated as of the Closing Date, in a form satisfactory to Ridgestone, as to: (A) the incumbency and signature of the officer of the Guarantor who has signed or will sign the Guaranty Agreement, the USDA Guarantee and any other Loan Document; (B) the adoption and continued effect of resolutions of the directors of the Guarantor authorizing the execution, delivery and performance of the Guarantee Agreement, the USDA Guarantee and the other Loan Documents executed by the Guarantor, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the Articles of Incorporation and Bylaws of the Guarantor, as amended to date;

(xv) the Closing Date Balance Sheet showing the Borrower to have a tangible net worth of at least ten percent (10%) of the total, combined assets of the Borrower as of the Closing Date, and otherwise acceptable to Ridgestone in its discretion;

(b) Ridgestone shall have received a commitment of title insurance covering Ridgestone's interest in the Maine Property, together with such endorsements thereto as Ridgestone may reasonably require and as are generally available in the State in which the Maine Property is located at a commercially reasonable cost, written by a title insurance company reasonably acceptable to Ridgestone, on a current ALTA form in the total face amount of the Term Loan, insuring to Ridgestone that: (i) the Guarantor owns marketable, fee simple title to the Maine Property, subject only to the Permitted Liens; and (ii) Ridgestone holds a valid, first-lien mortgage on the Maine Property pursuant to the Mortgage. The Borrower shall pay for the title insurance commitment and the policy subsequently issued and all such endorsements thereto.

(c) Ridgestone shall have received an ALTA improvement survey or surveys for the Maine Property, prepared within the past twelve (12) months by a surveyor licensed by the State in which the Maine Property is located, which survey shall be prepared in form satisfactory to the title company for the issuance of a lender's policy of title for the Maine Property, as Ridgestone may require, with no exceptions for matters of survey, and shall meet the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys;

(d) Ridgestone shall have received a certificates of the Delaware Department of State, the Maine Secretary of State and the Washington Secretary of State as to the good standing and existence of the Borrower, dated as of a recent date;

(e) Ridgestone shall have received a certificate of the Wisconsin Department of Financial Institutions as to the good standing of the Guarantor, dated as of a recent date;

(f) Ridgestone shall have received searches of the appropriate public offices demonstrating that no Lien or other charge or encumbrance is of record affecting the Borrower, its Subsidiaries, or their respective properties, except those which are Permitted Liens;

(g) Ridgestone shall have received a certificate or certificates, as necessary, evidencing the insurance coverages required under this Agreement and the Collateral Documents;

(h) Ridgestone shall have received a favorable opinion of Borrower's counsel, in form and substance reasonably satisfactory to Ridgestone and its counsel;

(i) Ridgestone will have been satisfied, in its commercially reasonable discretion, with its due diligence investigations of the Borrower, the Guarantor and their Subsidiaries;

(j) Ridgestone shall have received the closing fee set forth in Section 1.3(a) and the USDA guarantee fee set forth in Section 1.3(b), and all reasonable fees and expenses of Ridgestone's legal counsel (which fees and expenses are estimated not to exceed Twenty Five Thousand Dollars $25,000) shall have been paid or will be paid at Closing;

(k) Ridgestone shall have received payoff letters and/or lien releases, in form and substance satisfactory to Ridgestone, from the holders of all Indebtedness which is not Permitted Indebtedness and all holders of Liens which are not Permitted Liens;

(l) Ridgestone shall have received copies of all Material Agreements;

(m) Ridgestone shall have received and approved all appraisals requested by Ridgestone;

(n) USDA Rural Development will have approved the Term Loan and all Loan Documents required to be approved by the USDA;

(o) Ridgestone shall have received a completed FEMA Form 81-93, "Standard Flood Hazard Determination," for the Maine Property;

(p) the Borrower shall have established the Tax Escrow Account;

(q) Ridgestone shall have received an Automatic Transfer Authorization executed by the Borrower allowing Ridgestone to make payments toward the Term Loan via electronic transfers from the Borrower's operating or other deposit account maintained at Ridgestone or at other financial institutions; and

(r) Ridgestone shall have received such other agreements, instruments, documents, certificates and opinions as Ridgestone or its counsel may reasonably request.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Ridgestone as follows:

3.1 Organization and Qualification. The Borrower is a corporation duly and validly organized and existing under the laws of the state of Delaware, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Borrower is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect. The Guarantor is a corporation duly organized and validly existing under the laws of the state of Wisconsin, and has the corporate power and authority, and all necessary licenses, permits and franchises, to own its assets and properties and to carry on its business as now conducted or presently contemplated. The Guarantor is duly licensed or qualified to do business and is in good standing in all other jurisdictions in which failure to do so would have a Material Adverse Effect.

3.2 Financial Statements. All of the financial statements of Borrower, its Subsidiaries, and the Guarantor heretofore furnished to Ridgestone by such parties are accurate and complete in all material respects and fairly present the financial condition and the results of operations of the Borrower and its Subsidiaries for the periods covered thereby and as of the relevant dates thereof. All such financial statements for the Borrower, its Subsidiaries and the Guarantor were prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower, its Subsidiaries or the Guarantor since the date of the latest of such financial statements. As of the Closing Date, the Borrower has no knowledge of any material liabilities of any nature of the Borrower, its Subsidiaries or the Guarantor other than as disclosed in the financial statements heretofore furnished to Ridgestone, and as otherwise disclosed in writing to Ridgestone.

The Closing Date Balance Sheet attached hereto as Schedule 3.2 is complete and correct in all material respects and presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries, on a consolidated basis, as of the Closing Date, based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

3.3 Authorization; Enforceability. The making, execution, delivery and performance of this Agreement, the Term Note and the Collateral Documents, and compliance with their respective terms, have been duly authorized by all necessary corporate, limited liability company or partnership action of the Borrower, its Subsidiaries, or the Guarantor, as the case may be. This Agreement, the Term Note and the other Loan Documents are the valid and binding obligations of the Borrower and the Guarantor, as applicable, enforceable against the Borrower the Guarantor, as applicable, in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws generally affecting the rights of creditors and subject to general equity principles.

3.4 Organization and Ownership of Subsidiaries. (a) Schedule 3.4 contains complete and correct lists, as of the Closing Date, of: (i) the Borrower's and the Guarantor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its equity interests outstanding owned by the Borrower and each other Subsidiary or other Persons; and (ii) of the ownership of the Borrower and the Guarantor and the percentage of shares, units or interests of each class of its equity outstanding and the ownership interests of such shares, units or interests.

(b) All of the outstanding shares, units or interests of equity of each such domestic Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or another Subsidiary free and clear of any Lien.

(c) Each of the Borrower's domestic Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in current status in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such domestic Subsidiary has the corporate, company or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) None of the Borrowers' or Guarantor's domestic Subsidiaries is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the PNC Loan Agreement and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Borrower to which it is a Subsidiary or any of the Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

3.5 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance of the Borrower and the Guarantor, as applicable of this Agreement, the Term Note and the other Loan Documents will not: (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower, the Guarantor or any of their Subsidiaries under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or bylaws, or any other agreement or instrument to which the Borrower, the Guarantor or any of their Subsidiaries is bound; (b) conflict with or result in a breach of any of the terms, conditions or provisions of any material order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; (c) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Borrower, the Guarantor or any of their Subsidiaries; or (d) violate the articles of incorporation, articles of organization, certificate of limited partnership, bylaws, partnership agreement or operating agreement, or other documents of formation, of the Borrower, the Guarantor or any of their Subsidiaries.

3.6 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any governmental authority is required in connection with the execution, delivery or performance by the Borrower or the Guarantor of this Agreement, the Term Note or any other Loan Document except those consents, approvals, authorizations, registrations and filings which have already been made or obtained and filings necessary to perfect the Liens under the Collateral Documents.

3.7 Litigation; Observance of Agreements, Statutes and Orders. Except as set forth on Schedule 3.7:

(a) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is a party to, and so far as is known to the Borrower there is no credible threat of, any litigation or administrative proceeding which would, if adversely determined, cause any Material Adverse Effect; and

(b) Neither the Borrower, the Guarantor nor any of their domestic Subsidiaries is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or governmental authority or is in violation of any applicable Law (including without limitation Environmental Laws) of any governmental authority, which in the event of any of the foregoing defaults or violations, individually or in the aggregate, would have a Material Adverse Effect.

3.8 Taxes. The Borrower, the Guarantor and their Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments, the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower, the Guarantor or any of their Subsidiaries, as the case may be, has established adequate reserves in accordance with GAAP or other accounting principles applicable to the Guarantor's Subsidiaries in foreign jurisdictions.

3.9 Title to Property; Leases. The Borrower has marketable title to the Owned Property subject to the Permitted Liens. To the Borrower's knowledge, there are no Liens on the Owned Property other than Permitted Liens. All leases to which the Borrower or their domestic Subsidiaries is a party are valid and subsisting and are in full force and effect. All leases relating to the Property are set forth on Schedule 3.9 hereto. A copy of each lease set forth on Schedule 3.9 hereto has been provided to Ridgestone and, to Borrower's knowledge, the Guarantor is not in default under any provision contained in any such lease which has not been cured.

3.10 Licenses, Permits, Etc. (a) To Borrower's knowledge without investigation, Borrower and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto necessary in the ownership of their properties and operation of their businesses, the absence of which would cause a Material Adverse Effect; (b) to Borrower's knowledge without investigation, no product of the Borrower or any of its Subsidiaries infringes any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person which would cause a Material Adverse Effect; and (c) to the knowledge of Borrower without investigation, there is no violation by any Person of any right of the Borrower or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Borrower, the Guarantor or any of their Subsidiaries, which violation would cause a Material Adverse Effect.

3.11 Compliance with ERISA. (a) The Borrower has no knowledge that any Plan is in noncompliance in any material respect with the applicable provisions of ERISA or the Internal Revenue Code; (b) the Borrower has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against or relating to any Plan; (c) the Borrower has no knowledge of any reasonable basis for any material proceedings, claims or actions against or relating to any Plan; (d) the Borrower has no knowledge that it has incurred any "accumulated funding deficiency" within the meaning of Section 302(a)(2) of ERISA in connection with any Plan; and (e) the Borrower has no knowledge that there has been any Reportable Event or Prohibited Transaction (as such terms are defined in ERISA) with respect to any Plan, or that the Borrower, any of their Subsidiaries or the Guarantor, or all of them, has incurred any material liability to the PBGC under Section 4062 of ERISA in connection with any Plan.

3.12 Fiscal Year. Borrower's fiscal year for accounting and tax purposes is a period consisting of a 52/53 calendar week year ending on or about September 30 of each year. The current fiscal year, which is the 2009 fiscal year, ends on October 2, 2009.

3.13 Indebtedness; No Default. Other than inter-company Indebtedness among Borrower, Guarantor and their respective Subsidiaries, neither any Borrower nor any of its Subsidiaries has any outstanding Indebtedness except for Permitted Indebtedness. There exists no default nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default under any material provisions of (a) any instrument evidencing such Indebtedness or any agreement relating thereto or (b) any other agreement or instrument to which the Borrower, any of its Subsidiaries or the Guarantor is a party.

3.14 Compliance With Laws. Except as disclosed in Schedule 3.14, to Borrower's knowledge after reasonable investigation: (a) Borrower is in compliance with all applicable Environmental Laws and all other Laws applicable to Borrower's respective assets or operations, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect; and (b) the Borrower has not received any written notice from any governmental entity or authority that it is not in compliance with any Environmental Laws which non-compliance has not been cured.

3.15 Dump Sites. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.15, with respect to any period during which the Borrower, the Guarantor or any of their Subsidiaries has occupied the Property, neither Borrower, the Guarantor nor any of their Subsidiaries (nor any agent or invitee of any of the foregoing) has caused or permitted petroleum products or hazardous substances or other materials to be stored, deposited, treated, recycled or disposed of on, under or at the Property in violation of Environmental Laws, which materials, if known to be present, would require cleanup, removal or other remedial action under Environmental Laws.

3.16 Tanks. Except as previously disclosed to Ridgestone in writing and except as set forth on Schedule 3.16, to Borrower's knowledge after reasonable investigation, there are not now nor have there ever been tanks, containers or other vessels on, under or at the Property that contained petroleum products or hazardous substances or other materials which, if known to be present in soils or ground water, would require cleanup, removal or other remedial action under Environmental Laws.

3.17 Other Environmental Conditions. To the knowledge of the Borrower after reasonable investigation and except as previously disclosed to Ridgestone in writing and as set forth on Schedule 3.17, there are no conditions existing currently that would subject the Borrower, the Guarantor or any of their Subsidiaries to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws that would reasonably be expected to cause a Material Adverse Effect or require cleanup, removal or other remedial action by the Borrower, the Guarantor or any of their Subsidiaries under Environmental Laws.

3.18 Environmental Judgments, Decrees and Orders. Except as disclosed on Schedule 3.18, no unsatisfied judgment, decree, order or citation relating to the Property or the current operations of the Property and related to or arising out of Environmental Laws is applicable to or binds the Borrower, the Guarantor, any of their Subsidiaries, or the Property.

3.19 Environmental Permits and Licenses. Except as disclosed on Schedule 3.19, to the knowledge of the Borrower after reasonable investigation, all permits, licenses and approvals required under Environmental Laws necessary for the Borrower to own or operate the Facilities and to conduct its business as now conducted or proposed to be conducted, have been obtained and are in full force and effect, the failure of which would cause a Material Adverse Effect.

3.20 Accuracy of Information. All documents, certificates or statements by the Borrower, its Subsidiaries, and the Guarantor given in, or pursuant to, this Agreement shall be accurate, true and complete in all material respects when given.

3.21 Offering of Term Note. Neither the Borrower nor any agent acting for the Borrower has offered the Term Note or any similar obligation of the Borrower for sale to, or solicited any offers to buy the Term Note or any similar obligation of the Borrower from, any Person other than Ridgestone, and neither the Borrower nor any agent acting for the Borrower will take any action that would subject the sale of the Term Note to the registration provisions of the Securities Act of 1933, as amended.

3.22 Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loan solely for the purposes set forth in Section 1.5 hereof. No part of the proceeds of the Term Loan will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

3.23 Subsidiaries. The Borrower does not have any Subsidiaries other than those set forth on Schedule 3.4.

3.24 Solvency. The Borrower and its Subsidiaries taken as a whole, and the Guarantor, are able to pay their debts as they become due in the ordinary course of business and have sufficient capital to carry on their businesses and all businesses in which they are about to engage in; and the amount that will be required to pay the Borrower's and each of its Subsidiary's, and to pay the Guarantor's, probable liabilities as they become absolute and mature in the ordinary course of business is less than the sum of the present fair sale value of their assets valued on a going concern basis.

ARTICLE IV
NEGATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations have been paid in full including any obligations under any Swap Agreements and Ridgestone shall have no obligations under any Swap Agreements:

4.1 Liens. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume or permit to be created or allow to exist any Lien upon or in any of its assets or properties, except Permitted Liens.

4.2 Indebtedness. The Borrower, the Guarantor and their Subsidiaries shall not incur, create, assume, permit to exist, guarantee, endorse or otherwise become directly or indirectly or contingently responsible or liable for any Indebtedness, except Permitted Indebtedness.

4.3 Consolidation or Merger or Recapitalization. Excepting Permitted Transactions (defined in Article 7), the Guarantor or the Borrower shall not consolidate with or merge into any other Person, or permit another Person to merge into it, or acquire all or substantially all of the assets or equity of any other Person or allow another Person to acquire all or substantially of its assets or equity, whether in one or a series of transactions or liquidate, dissolve or effect a recapitalization or reorganization in any form (including, without limitation, any reorganization after which the Borrower becomes a Subsidiary of another Person). Notwithstanding the foregoing, the Guarantor shall be permitted to engage in any consolidation, merger, acquisition or similar transaction: (a) with respect to any such transaction wherein the aggregate purchase price does not exceed Five Million Dollars ($5,000,000), the Guarantor shall be permitted to engage in such transaction without consent or notice to Ridgestone; (b) with respect to any such transaction wherein the aggregate purchase price is more than Five Million Dollars ($5,000,000) but less than Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor shall be permitted to engage in such transaction, however, the Borrower shall provide to Ridgestone written notice of the Guarantor's completion of such transaction within a reasonable time thereafter; and (c) with respect to any such transaction wherein the aggregate purchase price exceeds Seven Million Five Hundred Thousand Dollars ($7,500,000), the Guarantor must obtain Ridgestone's written consent prior to entering into a definitive agreement for such transaction.

4.4 Disposition of Assets. The Borrower and its Subsidiaries shall not sell, lease, assign, transfer or otherwise dispose of (collectively, "Dispositions") any of their now owned or hereafter acquired assets or properties except, prior to the occurrence of an Event of Default: (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of used, obsolete, worn out or surplus equipment or property in the ordinary course of business; (c) Dispositions to the Borrower, Guarantor, or any of their Subsidiaries; (d) Dispositions of receivables in connection with the compromise, settlement or collection thereof; (e) 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; (f) the leasing of intellectual property rights to third parties; (g) Dispositions of non-strategic assets in the ordinary course of business; and (h) Dispositions of equipment or other property not permitted under any other subsection of this Section, provided that such equipment or other property is either replaced by equipment or property of a similar kind and equivalent value or sold or otherwise disposed of in the ordinary course of business, provided the value of such equipment or property sold or otherwise disposed of and not replaced during any fiscal year does not exceed One Hundred Thousand Dollars ($100,000).

4.5 Sale and Leaseback. Neither the Borrower nor the Guarantor shall enter into any agreement, directly or indirectly, to sell or transfer any real property used in its business and thereafter to lease back the same or similar property other than for property with a selling price of less than Five Hundred Thousand Dollars ($500,000) or less.

4.6 Restricted Payments. Neither the Borrower nor the Guarantor shall make or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except Borrower and the Guarantor may make Restricted Payments pursuant to and in accordance with the PNC Loan Agreement, stock option plans, grants of restricted stock, employee stock purchase plans, or other benefit plans for management or employees of Borrower, Guarantor, and their Subsidiaries pursuant to such plans as are currently in effect as set forth on Schedule 4.6 hereto, or as may be in effect from time to time hereafter.

4.7 Transactions with Affiliates. The Borrower shall not engage in any transaction with an Affiliate involving the payment or exchange of funds in any single instance in excess of One Hundred Thousand Dollars ($100,000) and on terms that are materially less favorable to the Borrower than would be available at the time from a Person who is not an Affiliate.

4.8 Loans and Advances. The Borrower shall not make any loan or advance to any Person, except: (a) extensions of credit in the ordinary course of business by the Borrower to its customers; (b) advances to officers and employees of the Borrower for travel and other expenses in the ordinary course of business; and (c) loans, advances or guarantees made among Borrower, Guarantor and any of their respective Subsidiaries which loans, advances or guarantees are reflected in the books and records of the respective entities. In addition, the Borrower may make any loans or advances to any of its Subsidiaries.

4.9 Guarantees. Neither the Borrower nor the Guarantor shall, without the prior written consent of Ridgestone, which consent shall not be unreasonably withheld, conditioned or delayed, guarantee the Indebtedness of any Person or co-signing or otherwise becoming liable for the Indebtedness of another Person, except for: (a) any guarantee or co-signing made for the benefit of Borrower, Guarantor or any of their respective Subsidiaries; (b) such guarantees or co-signings which are currently in effect and are set forth in Schedule 4.9 hereof; and (c) any guarantee or co-signing in which the Indebtedness so guaranteed does not exceed, in the aggregate as to the Borrower, the Guarantor and Subsidiaries taken as a whole, Five Hundred Thousand Dollars ($500,000) in any single instance, or Two Million Dollars ($2,000,000) in any fiscal year.

4.10 Subsidiaries. The Borrower shall not form any Subsidiary other than those set forth on Schedule 3.4 hereof.

4.11 Capital Expenditures. The Guarantor shall not make or enter into any binding agreement(s) to make Capital Expenditures in excess of the Capital Expenditure Limit, as defined in this Section. "Capital Expenditure Limit" shall mean: (a) for the Guarantor's 2009 fiscal year ending October 2, 2009, Ten Million Dollars ($10,000,000) in the aggregate; (b) for the Guarantor's 2010 fiscal year ending on or about September 30, 2010, Eleven Million Dollars ($11,000,000) in the aggregate; (c) for the Guarantor's 2011 fiscal year ending on or about September 30, 2011, Twelve Million Dollars ($12,000,000) in the aggregate; and (d) for the Guarantor's 2012 fiscal year ending on or about September 30, 2012 and for each fiscal year thereafter, one hundred five percent (105%) of the Capital Expenditure Limit for the immediately preceding fiscal.

4.12 Notes or Debt Securities Containing Equity Features. Neither the Borrower nor the Guarantor shall authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities containing equity features (including, without limitation, any notes or debt securities convertible into or exchangeable for capital stock or other equity securities, issued in connection with the issuance of capital stock or other equity securities or containing profit participation features), other than any agreement authorized, issued or entered into with any member of the Johnson Family which shall be permitted hereby.

4.13 Nature of Business. The Borrower shall not enter into the ownership, act of management, or operation of any business other than the manufacture, distribution or sale of outdoor equipment and any activities incidental thereto.

4.14 Other Agreements. Neither the Borrower nor the Guarantor shall enter into, become subject to, amend, modify or waive, or permit any of their Subsidiaries to enter into, become subject to, amend, modify or waive, any agreement or instrument (other than the Loan Documents and the Other Loan Documents (as such term is defined in the PNC Loan Agreement)) which by its terms would (under any circumstances) restrict (i) the right of any of their Subsidiaries or the Guarantor to make loans or advances or pay dividends to, transfer property to, or repay any Indebtedness owed to, the Borrower, the Guarantor or their Subsidiaries, or (ii) the Borrowers' right to perform the provisions of any of the Loan Documents.

4.15 Sales of Subsidiaries. Neither the Borrower nor the Guarantor shall sell or otherwise dispose of any stock (or other ownership interest), or securities convertible into stock (or other ownership interest), of any domestic Subsidiary (however, the liquidation or dissolution of non-operating entities shall not be prohibited hereby).

4.16 Modification of Organizational Documents. The Borrower shall not permit the articles of incorporation or organization, certificate of partnership, bylaws, operating agreement or other organizational documents of the Borrower, its Subsidiaries, or the Guarantor to be amended or modified in a manner adverse to the interests of Ridgestone, except for such amendments or modifications as may be required by Law.

4.17 Compensation. The current compensation of all officers of the Guarantor are as set forth on Schedule 4.18. Compensation of the Chairman and Chief Executive Officer, and the Vice President and Chief Financial Officer shall be limited to an amount that shall not cause a Material Adverse Effect and shall not be increased in any year unless: (a) such increase will not cause Borrower to breach any covenant of this Agreement; (b) the Borrower is current in all material respects on its Indebtedness; and (c) such increase has been approved by the Compensation Committee of the Board of Directors of Guarantor which committee is comprised solely of independent outside directors.

ARTICLE V
AFFIRMATIVE COVENANTS

From and after the date of this Agreement and until (i) the entire amount of principal of and interest due on the Term Loan, and all other amounts of fees and payments due under this Agreement, the Collateral Documents and the Term Note is paid in full and (ii) all Obligations to Ridgestone have been paid in full including, without limitation, any obligations to Ridgestone under any Swap Agreements:

5.1 Payment. The Borrower shall timely pay or cause to be paid the principal of and interest on the Term Loan and all other amounts due under this Agreement, the Term Note and the Collateral Documents.

5.2 Existence; Property. The Borrower shall, and shall cause its Subsidiaries to: (a) maintain its limited liability company, corporate existence or partnership status; (b) conduct its business substantially as now conducted or as described in any business plans delivered to Ridgestone prior to the Closing Date unless otherwise consented to by Ridgestone; (c) maintain the Property or cause other Persons to maintain the Property; and (d) maintain accurate records and books of account, consistently applied throughout all accounting periods.

5.3 Licenses. The Borrower shall, and the Borrower shall cause each of its Subsidiaries to, maintain in good standing and in full force and effect each license, permit and franchise granted or issued by any federal, state or local governmental agency or regulatory authority that is necessary to or used in the Borrower's or any of its Subsidiary's businesses, the failure of which would cause a Material Adverse Effect.

5.4 Reporting Requirements. The Borrower and the Guarantor shall furnish to Ridgestone such information respecting the business, assets and financial condition of the Borrower and the Guarantor and their Subsidiaries as Ridgestone may reasonably request and, without request:

(a) as soon as available, and in any event within sixty (60) days after the end of each fiscal quarter (i) a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such quarter and of the comparable quarter in the preceding fiscal year; and (ii) consolidated statements of income of each Guarantor and its Subsidiaries for each such quarter and for that part of the fiscal year ending with each quarter and for the corresponding periods of the preceding fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity; and

(b) as soon as available, and in any event within sixty (60) days after the end of each fiscal year a company prepared consolidated balance sheet of the Guarantor and its Subsidiaries as of the end of each such fiscal year, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the chief financial officer or treasurer of the reporting entity (Borrower and/or the Guarantor shall be in compliance with Section 5.4(a) and this Section 5.4(b) by timely providing to Ridgestone a hyperlink to Guarantor's SEC Form 10-K and 10-Q Statements, as appropriate); and

(c) as soon as available, and in any event within one hundred ten (110) days after the close of each fiscal year, a copy of the detailed annual audit report for such year and accompanying consolidated financial statements of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries prepared in reasonable detail and in accordance with GAAP and prepared by the independent certified public accountants ratified by Guarantor's shareholders at its annual meeting, which audit report shall be accompanied by: (i) an unqualified opinion of such accountants, to the effect that the same fairly presents the financial condition and the results of operations of the Borrower and its Subsidiaries and of the Guarantor and its Subsidiaries, respectively, for the periods and as of the relevant dates thereof, and (ii) a certificate of such accountants setting forth their computations as to Borrower's compliance with Section 5.12 of this Agreement; and

(d) together with each delivery required by Sections 5.4(a), 5.4(b) and 5.4(c) of this Agreement, an executed Officer's Certificate or Member's Certificate, as applicable, in the form of Exhibit B attached to this Agreement containing information as to the financial statements so delivered; and

(e) as soon as available, and in any event within forty-five (45) days of filing, a copy of the annual federal corporate tax returns for the Guarantor (including its domestic Subsidiaries); and

(f) as soon as received, but in any event not later than ten (10) days after receipt, copies of all management letters and other reports submitted to the Borrower or its domestic Subsidiaries, by independent certified public accountants in connection with any examination of the financial statements of the Borrower or its domestic Subsidiaries or the Guarantor, and notify Ridgestone promptly of any material change in any accounting method used by the Borrower or its Subsidiaries in the preparation of the financial statements to be delivered to Ridgestone pursuant to this Section; and

(g) as soon as available, and in any event within forty-five (45) days after the end of each fiscal year, business projections for the Borrower and the Guarantor for the upcoming fiscal year.

5.5 Taxes. The Borrower shall, and the Borrower shall cause each of its Subsidiaries and the Guarantor and its Subsidiaries, to pay all taxes and assessments prior to the date on which penalties attach thereto, except for any tax or assessment which is either not delinquent or which is being contested in good faith and by proper proceedings and against which adequate reserves have been provided in accordance with GAAP.

5.6 Inspection of Property and Records. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to, permit Ridgestone or its agents or representatives, at Ridgestone's expense, to visit any of their properties and examine and audit any of its books and records after delivery of reasonable advance written notice, and provided such activities occur during normal business hours and in a manner that does not cause unreasonable interruptions. Notwithstanding the foregoing, unless an Event of Default has occurred and is continuing hereunder, such visits, examinations and audits shall be limited to not more than one (1) visit to each Property per fiscal year. The Borrower, the Guarantor or their Subsidiaries shall reimburse Ridgestone, up to a maximum of Two Thousand Five Hundred Dollars ($2,500) in the aggregate, per fiscal year, for travel and lodging expenses incurred by Ridgestone in connection with visits made pursuant to this Section 5.6 and pursuant to the similar provisions of other loan agreements between the Guarantor or any of its Subsidiaries and Ridgestone. Notwithstanding anything contained herein to the contrary, the Borrower shall be responsible for all costs and expenses incurred by Ridgestone in connection with any visit to any Facility following the occurrence of an Event of Default, and for visits to any Facility made pursuant to any other section of this Agreement.

5.7 Compliance with Laws. The Borrower shall, and the Borrower shall cause its Subsidiaries and the Guarantor and its Subsidiaries to: (a) comply in all material respects with all applicable Environmental Laws, and orders of regulatory and administrative authorities with respect thereto, and, without limiting the generality of the foregoing, promptly undertake and diligently pursue to completion appropriate and legally authorized containment, investigation and clean-up action in the event of any release of petroleum products or hazardous materials or substances on, upon or into any real property owned, operated or within the control of the Borrower, the Guarantor or any of their Subsidiaries; and (b) comply in all material respects with all other Laws applicable to the Borrower, the Guarantor, and any of their Subsidiaries, their assets or operations where failure to so comply could have a Material Adverse Effect.

5.8 Compliance with Agreements. The Borrower shall, and the Borrower shall cause the Guarantor and their Subsidiaries to, perform and comply in all respects with the provisions of any agreement (including without limitation any collective bargaining agreement), license, regulatory approval, permit and franchise binding upon the Borrower, the Guarantor, their Subsidiaries, or their properties, if the failure to so perform or comply would have a Material Adverse Effect.

5.9 Notices. The Borrower shall:

(a) as soon as possible and in any event within five (5) Business Days after the occurrence of any Default or Event of Default, notify Ridgestone in writing of such Default or Event of Default and set forth the details thereof and the action which is being taken or proposed to be taken by the Borrower with respect thereto;

(b) promptly notify Ridgestone of the commencement of any litigation or administrative proceeding that would cause the representation and warranty of the Borrower contained in Section 3.7 of this Agreement to be untrue;

(c) promptly notify Ridgestone: (i) of the occurrence of any Reportable Event or, to the extent a Prohibited Transaction would have a Material Adverse Effect, a Prohibited Transaction (as such terms are defined in ERISA) that has occurred with respect to any Plan; and (ii) of the institution by the PBGC or the Borrower of proceedings under Title IV of ERISA to terminate any Plan;

(d) unless prohibited by applicable Law, notify Ridgestone, and provide copies, immediately upon receipt but in any event not later than ten (10) days after receipt, of any written notice, pleading, citation, indictment, complaint, order or decree from any federal, state or local government agency or regulatory body, asserting or alleging a circumstance or condition that is reasonably expected to require a clean-up, removal, remedial action or other response by or on the part of the Borrower, the Guarantor or any Subsidiary under Environmental Laws or which seeks damages or civil, criminal or punitive penalties from or against the Borrower, the Guarantor or any Subsidiary, for an alleged violation of Environmental Laws, in each of the foregoing which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect or would reasonably be expected to cause or require the Borrower, the Guarantor or any of their Subsidiaries to expend, in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) in costs and expenses; and provide Ridgestone with written notice of any condition or event which would make the representations and warranties contained in Sections 3.14 through 3.19 of this Agreement inaccurate, as soon as ten (10) Business Days after the Borrower becomes aware of such condition or event;

(e) notify Ridgestone at least thirty (30) days prior to any change of either of the Borrower's, the Guarantor's or their Subsidiary's name or its use of any trade name;

(f) promptly notify Ridgestone of any damage to, or loss of, any of the assets or properties of the Borrower, the Guarantor or of their Subsidiaries if the net book value of the damaged or lost asset or property at the time of such damage or loss exceeds Two Hundred Fifty Thousand Dollars ($250,000); and

(g) promptly notify Ridgestone of the commencement of any investigation, litigation, or administrative or regulatory proceeding by, or the receipt of any notice, citation, pleading, order, decree or similar document issued by, any federal, state or local governmental agency or regulatory authority that results in the termination or suspension of any license, permit or franchise necessary to the Borrower's, the Guarantor's or any of their Subsidiary's business, or that imposes a material fine or penalty on the Borrower, the Guarantor or any of their Subsidiaries.

5.10 Environmental Assessment. Within ten (10) Business Days after the Borrower or Guarantor learns of the occurrence of any event or condition described in Section 5.9(d) of this Agreement, the Borrower shall undertake and, within a reasonable time thereafter, obtain an Environmental Assessment (the scope of which shall be limited to the event or condition giving rise to the disclosure requirement under Section 5.9(d) hereof), at the Borrower's expense, and provide promptly to Ridgestone a written report of the results of such Environmental Assessment, which report shall recite that Ridgestone is entitled to rely thereon. Except as otherwise required by applicable Law or as may be reasonably necessary, in the opinion of Ridgestone, for evaluation and analysis by Ridgestone, any participating financial institution, or their attorneys, agents and consultants, any Environmental Assessment provided to Ridgestone pursuant to this Section shall be treated as confidential and shall not be disclosed without the prior written consent of the Borrower.

5.11 Insurance.

(a) The Borrower shall, and Borrower shall cause its Subsidiaries and the Guarantor to, obtain and maintain at their own expense the following insurance, which shall be with insurers satisfactory to Ridgestone (Ridgestone hereby acknowledging and agreeing that the insurers providing the insurance coverages in effect as of the Closing Date are satisfactory to Ridgestone):

(i) insurance against physical loss or damage to the Collateral as provided under a standard "All Risk" property policy including but not limited to flood (if required by Ridgestone), fire, windstorm, lightning, hail, explosion, riot, civil commotion, smoke, sewer back-up, business interruption and such other risks of loss generally and customarily maintained by companies of similar size in the same industry and line of business as Borrower, the Guarantor and their Subsidiaries, in amounts not less than the actual replacement cost of the Collateral or the balance of the Term Loan, whichever is greater. Such policies shall contain replacement cost and agreed amount endorsements and shall contain deductibles of not more than Three Hundred Thousand Dollars ($300,000) per occurrence. Notwithstanding the foregoing, with respect to earthquake insurance covering Collateral located in the state of California, the deductible may be increased to the greater of five percent (5%) of the total insured value or Five Hundred Thousand Dollars ($500,000), and with respect to windstorm insurance covering Collateral located in the state of Florida, the deductible may be increased to the greater of five percent (5%) of the total insured value or Two Hundred Fifty Thousand Dollars ($250,000);

(ii) commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in an amount not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury, including personal injury, and property damage with umbrella coverage in an amount at least equal to the balance of the Term Loan;

(iii) product liability insurance in such amounts as is customarily maintained by companies engaged in the same or similar businesses as the Borrower;

(iv) worker's compensation insurance in amounts meeting all statutory state and local requirements;

(v) comprehensive Automobile Liability covering all owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit; and

(vi) during construction of any improvements at the Facilities and during any period in which substantial alterations or repairs at the Facilities are being undertaken, (i) builder's risk insurance (on a completed value, non-reporting basis) against "all risks of physical loss," including collapse and transit coverage, with deductibles not to exceed Three Hundred Thousand Dollars ($300,000), in non-reporting form, covering the total replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction or repair of improvements or equipment, together with "soft cost" and such other endorsements as Ridgestone may reasonably require, and (ii) general liability, worker's compensation and automobile liability insurance with respect to the improvements being constructed, altered or repaired; and

(vii) Such other insurance as Ridgestone may reasonably require, that at the time is commonly obtained in connection with similar businesses and is generally available at commercially reasonable rates.

(b) Each insurance policy described in Section 5.11(a)(i), (ii) or (vi) with respect to any Collateral shall name Ridgestone as a lender's loss payee, and shall require the insurer to provide at least thirty (30) days' prior written notice to Ridgestone of any material change or cancellation of such policy.

5.12 Financial Covenants.

(a) Current Ratio. The Guarantor will not permit as of the end of any fiscal year end of the Guarantor, commencing with the 2009 fiscal year ending October 2, 2009, its Current Ratio to be less than 1.75 to 1.

(b) Tangible Net Worth. The Borrower and its Subsidiaries shall have a tangible net worth of at least ten percent (10%) of the total assets of the Borrower as of the Closing Date as verified by the Closing Date Balance Sheet.

(c) Total Debt to Book Net Worth. The Guarantor shall not permit the ratio of Total Debt to Book Net Worth for the Guarantor to exceed 2.00 to 1 beginning as of the last day of the Guarantor's 2009 fiscal year ending October 2, 2009, and at the end of each fiscal quarter thereafter.

(d) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2009, the Guarantor shall maintain as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, to be tested based on a rolling four quarter basis.

(e) Minimum Book Net Worth. The Guarantor shall not permit its consolidated Book Net Worth, as of the last day of each calendar year, to be less than the Book Net Worth Requirement. As used herein, the term "Book Net Worth Requirement" shall mean: (i) Ninety Five Million Dollars ($95,000,000) as the last day of the Guarantor's 2009 fiscal year ending October 2, 2009; (ii) One Hundred Million Dollars ($100,000,000) by the last day of the Guarantor's 2010 fiscal year ending on or about September 30, 2010; and (iii) One Hundred Five Million Dollars ($105,000,000) by the last day of the Guarantor's 2011 fiscal year ending on or about September 30, 2011, and at all times thereafter.

5.13 Borrower's Certification. At the request of Ridgestone, Borrower shall deliver to Ridgestone a fully executed Borrower's Certification in the form attached hereto as Exhibit C.

5.14 Maintenance of Accounts; Tax Escrow Account. The Borrower shall maintain an escrow account for real estate taxes at Ridgestone (the "Tax Escrow Account") into which the Borrower shall make an initial deposit at the Closing in an amount equal to thirty percent (30%) of aggregate 2008 real estate taxes for the Properties securing all loans. Funds maintained in the Tax Escrow Account may be used by Ridgestone to pay any delinquent real estate taxes and special assessments relating to the Property. The Borrower shall provide to Ridgestone a copy of all annual real estate tax bills for the Properties within thirty (30) days following the Borrower's receipt of the same. Following the fifth (5th) anniversary of the Closing Date and after each five (5)-year period thereafter, Ridgestone shall have the right to re-examine and adjust the amount the Borrower is required to maintain in the Tax Escrow Account so that at such times the amount maintained by the Borrower in the Tax Escrow Account is equal to thirty percent (30%) of all real estate taxes for the Property for the immediately preceding calendar year.

ARTICLE VI
REMEDIES

6.1 Acceleration. (a) Upon the occurrence of an Automatic Event of Default, then, without notice, demand or action of any kind by Ridgestone the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, shall be automatically and immediately due and payable.

(b) Upon the occurrence of a Notice Event of Default, Ridgestone may, upon written notice and demand to the Borrower declare the entire unpaid principal of, and accrued interest on, the Term Note, and any other amount due under this Agreement and the Collateral Documents, immediately due and payable.

6.2 Ridgestone's Right to Cure Default. In case of failure by the Borrower or any Subsidiary or the Guarantor to procure or maintain insurance, or to pay any fees, assessments, charges or taxes arising with respect to any properties and assets pledged or secured under any Collateral Documents, Ridgestone shall have the right, but shall not be obligated, to effect such insurance or pay such fees, assessments, charges or taxes, as the case may be, and, in that event, the cost thereof shall be payable by the Borrower to Ridgestone immediately upon demand together with interest at an annual rate equal to the Default Rate for Advances (to the extent permitted by applicable Law) from the date of disbursement by Ridgestone to the date of payment by the Borrower.

6.3 Remedies Not Exclusive. Upon the occurrence of any Event of Default Ridgestone may implement any remedies available to it under or in connection with the Loan Documents. No remedy conferred upon Ridgestone herein or in any other Loan Document is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Term Note or the Collateral Documents or now or hereafter existing at law or in equity. No failure or delay on the part of Ridgestone in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

6.4 Setoff. The Borrower agrees that Ridgestone and its affiliates shall have all rights of setoff and bankers' lien provided by applicable Law, and in addition thereto, the Borrower agrees that if at any time any payment or other amount owing by the Borrower under the Term Note or this Agreement is then due to Ridgestone, Ridgestone may apply to the payment of such payment or other amount any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter with Ridgestone or any affiliates of Ridgestone. Ridgestone rights under this Section 6.4 shall be limited to the Borrower's accounts maintained at Ridgestone.

ARTICLE VII
DEFINITIONS

7.1 Definitions. When used in this Agreement, the following terms shall have the meanings specified:

"Acknowledgement" shall mean the Acknowledgement by the Borrower of even date herewith to the Intercreditor Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, or is controlled by, or is under common control with, the Borrower. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Loan Agreement, together with the Exhibits and Schedules attached hereto, as the same shall be amended or amended and restated from time to time in accordance with the terms hereof.

"Automatic Event of Default" shall mean any one or more of the following:

(a) The Borrower, the Guarantor or any of their domestic Subsidiaries shall become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature; or

(b) The Borrower, the Guarantor or any of their Subsidiaries shall make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets; or

(c) The Borrower, the Guarantor or any of their Subsidiaries shall become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code or a similar law of any other country, or shall file a petition in bankruptcy, for reorganization or liquidation under any Federal, state or foreign Law; or

(d) The Borrower, the Guarantor or any of their Subsidiaries shall have a petition or application filed against it in bankruptcy or any similar proceeding, or shall have such a proceeding commenced against it, and such petition, application or proceeding shall remain unstayed or undismissed for a period of sixty (60) days or more, or the Borrower or any Subsidiary shall file an answer to such a petition or application, admitting the material allegations thereof; or

(e) The Borrower, the Guarantor or any of their Subsidiaries shall apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or shall have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged or dismissed within sixty (60) days after his appointment;

(f) The Borrower, the Guarantor or any of their Subsidiaries shall adopt a plan of complete liquidation of its assets; or

(g) The USDA refuses or fails to issue the Loan Note Guarantee to Ridgestone, or the Loan Note Guarantee shall be rescinded, retracted or becomes otherwise unenforceable, in whole or in part, for any reason whatsoever;

(h) Provided, however, that nowithstanding any other language in this definition, a "Permitted Transaction" as defined below, shall not be an "Automatic Event of Default."

"Book Net Worth" shall mean, at any date of determination, the difference between: (a) the total assets appearing on the balance sheet at such date prepared in accordance with GAAP after deducting adequate reserves in each case where, in accordance with GAAP, a reserve is proper; and (b) the total liabilities appearing on such balance sheet.

"Borrower" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday, public holiday or other day when commercial banks in Wisconsin are authorized or required by Law to close.

"Capital Expenditure Limit" shall have the meaning set forth in Section 4.11 hereof.

"Capital Expenditures" shall mean 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, which, in accordance with GAAP, would be classified as capital expenditures.

"Capitalized Lease Obligation" shall mean any Indebtedness of the Guarantor or any of its Subsidiaries represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capital Securities" shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Closing" shall mean the consummation of the transaction(s) contemplated in this Agreement.

"Closing Date" shall mean September 29, 2009.

"Closing Date Balance Sheet" shall mean the balance sheet of the Borrower and its Subsidiaries attached hereto as Schedule 3.2, which balance sheet is prepared in accordance with GAAP, not including subordinated debt or appraisal surplus, and certified by an accountant acceptable to Ridgestone, presents fairly in all material respects the financial condition of the Borrower and its Subsidiaries as of Closing Date as if the transactions contemplated by this Agreement had occurred immediately prior to such date, and contains all pro forma adjustments necessary in order to fairly reflect such assumption, all based upon the balance sheet of the Borrower and its Subsidiaries prepared as of July 3, 2009.

"Collateral" shall mean all of the real and personal property of the Borrower and its Subsidiaries subject to a Lien in favor of Ridgestone pursuant to the Collateral Documents, including, without limitation, the Owned Property and the equipment and machinery set forth on Schedule 7.1(a) hereto.

"Collateral Documents" shall mean the Mortgages, the Security Agreement, the Guarantee Agreement and such other guarantees, security agreements, mortgages, deeds of trust and other credit enhancements as may be executed from time to time by the Borrower or third parties in favor of Ridgestone in connection with this Agreement.

"Current Ratio" shall mean the relationship, expressed as a numerical ratio, which, with reference to any period, that current assets bears to current liabilities, measured on a first-in, first-out basis and including the borrowing base on any lines of credit with other lenders as a current liability, notwithstanding the maturity date for such lines of credit.

"Debt Payments" shall mean and include for any period, and without duplication (a) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (b) all cash actually expended by any the Guarantor and its Subsidiaries to make payments for all fees, commissions and charges set forth in the PNC Loan Agreement and with respect to any Advances, plus (c) all cash actually expended by the Guarantor and its Subsidiaries to make payments on Capitalized Lease Obligations, plus (d) without duplication all cash actually expended by the Guarantor and its Subsidiaries to make payments under any Plan to which the Guarantor or any of its Subsidiaries is a party, plus (e) all cash actually expended by the Guarantor and its Subsidiaries to make payments with respect to any other Indebtedness for borrowed money (but excluding repayment of Intercompany Loans and prepayments made on account of the loans under the Ridgestone Loan Documents resulting from the sale of assets subject to the Liens in favor of Ridgestone), plus (f) all cash expended by the Guarantor and its Subsidiaries to make a prepayment of Revolving Advances to the extent that the Maximum Revolving Advance Amount is permanently reduced by the amount of such prepayment.

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, (A) interest payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be calculated as follows: (i) for the quarter ending December 31, 2009, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances, plus (2) $3,500,000; (ii) for the quarter ending March 31, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the six month period ending March 31, 2010, plus (2) $2,250,000; and (iii) for the quarter ending June 30, 2010, interest payments will be the sum of (1) all cash actually expended by the Guarantor and its Subsidiaries to make interest payments on any Advances for the nine month period June 30, 2010, plus (2) $925,000, and (B) Debt Payments for the quarters ending December 31, 2009, March 31, 2010 and June 30, 2010 shall be modified to reflect an annualized payment on account of the borrowed money from Ridgestone as follows: (i) for the quarter ending December 31, 2009, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through December 31, 2009 shall be multiplied by four (4); (ii) for the quarter ending March 31, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through March 31, 2010 shall be multiplied by two (2); and (iii) for the quarter ending June 30, 2010, the payments made to Ridgestone under the Ridgestone Loan Documents for the period from the Closing Date through June 30, 2010 shall be multiplied by one and one-third (1 1/3).

For purposes of calculating Fixed Charge Coverage Ratio under this Agreement, the terms "Advances", "Revolving Advances", and "Maximum Revolving Advance Amount" shall have the meanings given to such terms under the PNC Loan Agreement.

"Default" shall mean any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Rate" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Default Rate for Advances" shall mean an annual rate equal to the Prime Rate plus 5.00%.

"Dispositions" shall have the meaning set forth in Section 4.4 of this Agreement.

"Distributions" shall have the meaning set forth in Section 4.6 of this Agreement.

"EBITDA" shall mean, with respect to any period, the Borrower's and its Subsidiaries' net income after taxes for such period (excluding any after-tax gains or losses on the sale of assets and excluding other after-tax extraordinary gains or losses) plus interest expense, income tax expense, depreciation, amortization and the items set forth in Schedule 7.1(b) hereto for such period, less gains and losses attributable to any fixed asset sales made during such period, plus or minus any other non-cash charges or gains which have been subtracted or added in calculating net income after taxes for such period, on a consolidated basis as determined in accordance with GAAP and applied on a consistent basis to the Borrower and its Subsidiaries, for the applicable period preceding the date of determination.

"Environmental Assessment" shall mean a review of environmental conditions at the Property undertaken by an independent environmental consultant satisfactory to Ridgestone for the purpose of determining whether the Borrower, the Guarantor and their Subsidiaries are in compliance with all Environmental Laws and whether there exists any condition or circumstance which requires or will require clean-up, removal or other remedial action under Environmental Laws on the part of the Borrower, the Guarantor or their Subsidiaries and may include, but are not limited to, some or all of the following: (a) on-site inspection, including review of site geology, hydrogeology, demography, land use and population; (b) taking and analyzing soil borings, installing ground water monitoring wells and analyzing samples taken from such wells; (c) reviewing plant permits, compliance records and regulatory correspondence relating to environmental matters, and interviewing enforcement staff at regulatory agencies; (d) reviewing the operations, procedures and documentation of the Borrower, the Guarantor and their Subsidiaries relating to environmental matters; (e) interviewing Ms. Alisa Swire (or her successor, if applicable), and interviewing past and present facility or plant managers of each Facility who, through their employment, are or would have been familiar with such environmental condition and who would typically be interviewed by an independent environmental consulting conducting an environmental review; and (f) reviewing all records and information regarding the past activities of prior owners and prior or current tenants of the Facilities, to the extent such information is available and is not required to be procured by the Borrower, Guarantor or any of their Subsidiaries from a third party.

"Environmental Indemnity Agreement" shall mean the Environmental Indemnity Agreement of even date herewith between the Borrower, the Guarantor and Ridgestone, relating to the Property, as the same may be amended or otherwise modified from time to time.

"Environmental Laws" shall mean any Law, including any common law, which relates to or otherwise imposes liability or standards of conduct concerning discharges, emissions, releases or threatened releases of pollutants, contaminants or hazardous or toxic wastes, substances or materials, into air, water or groundwater, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants, or hazardous or toxic wastes, substances or materials, including, but not limited to CERCLA as amended, the Resource Conservation and Recovery Act of 1976, as amended, the Toxic Substances Control Act of 1976, as amended, the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, as amended, the Oil Pollution Act of 1990, as amended, any so-called "Superlien" law, and any other similar Federal, state or local statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and as in effect from time to time.

"Event of Default" shall mean any Automatic Event of Default or any Notice Event of Default.

"Facilities" shall mean all real property and improvements now or hereafter owned, used or occupied by the Borrower, the Guarantor or any of their Subsidiaries including, without limitation, the Property.

"Financing Statements" shall mean Uniform Commercial Code financing statements related to the Collateral Documents.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to a fiscal period, the ratio of (a) EBITDA, minus the sum of, without duplication, Unfunded Capital Expenditures made during such period, distributions (including tax distributions made during such period) and dividends, cash taxes paid during such period to (b) all Debt Payments made during such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America, applied by the Borrower and its Subsidiaries on a basis consistent with the preparation of the Borrower's most recent financial statements furnished to Ridgestone pursuant to Section 5.4(c) hereof.

"Guarantee Agreement" shall mean an unlimited guarantee agreement made by the Guarantor in favor of Ridgestone, as the same is amended or otherwise modified from time to time.

"Guarantor" shall mean Johnson Outdoors Inc., a Wisconsin corporation, its successors and assigns.

"Indebtedness" shall mean all liabilities or obligations, whether primary or secondary or absolute or contingent: (a) for borrowed money or for the deferred purchase price of property or services (excluding trade obligations incurred in the ordinary course of business, which are not the result of any borrowing or which are not more than ninety (90) days past due); (b) as lessee under leases that have been or should be capitalized according to GAAP; (c) evidenced by notes, bonds, debentures or similar obligations; (d) under any guarantee or endorsement (other than in connection with the deposit and collection of checks in the ordinary course of business), and other contingent obligations to purchase, provide funds for payment, supply funds to invest in any Person, or otherwise assure a creditor against loss; (e) secured by any Liens on assets, whether or not the obligations secured have been assumed; (f) any unsatisfied obligation for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA; or (g) any interest rate swap obligations or similar obligations including all obligations under Swap Agreements.

"Intercompany Loans" shall mean temporary loans incurred from time to time by the Guarantor or any of its Subsidiaries from another Subsidiary or Affiliate of the Guarantor.

"Intercreditor Agreement" shall mean the Intercreditor Agreement of even date herewith by and between Ridgestone and PNC, as the same is amended or otherwise modified from time to time.

"Investment" shall mean: (a) any transfer or delivery of cash, Capital Securities or other property or value by such Person in exchange for Indebtedness, Capital Securities or any other security of another Person; (b) any loan, advance or capital contribution to or in any other Person; (c) any guarantee, creation or assumption of any liability or obligation of any other Person; and (d) any investment in any fixed property or fixed assets other than fixed properties and fixed assets acquired and used in the ordinary course of the business of that Person.

"Johnson Family" shall mean at any time, collectively, the estate of Samuel C. Johnson, the widow of Samuel C. Johnson, and the children and grandchildren of Samuel C. Johnson, the executor or administrator of the estate or legal representative of any such Person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more of them.

"Landlord Waiver" shall mean the Landlord Waiver of even date herewith made by the Humble Beginnings, LLC, in favor of Ridgestone waiving any right, title or interest in and to any Collateral.

"Law" shall mean any federal, state, local or other law, rule, regulation or governmental requirement of any kind, and the rules, regulations, written interpretations and orders promulgated thereunder.

"Leasehold Mortgage" shall mean the Commercial Leasehold Mortgage and Security Agreement with Financing Statement of even date herewith made by the Guarantor in favor of Ridgestone granting to Ridgestone a first-lien mortgage on the Borrower's leasehold interest in and to the Maine Leased Property, as the same is amended or otherwise modified from time to time.

"Lien" shall mean, with respect to any asset: (a) any mortgage, pledge, lien, charge, security interest or encumbrance of any kind in respect of such asset; or (b) the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loan Documents" shall mean this Agreement, the Term Note, the Intercreditor Agreement, the Collateral Documents and any other document, instrument, contract or agreement executed by the Borrower, the Guarantor or a Subsidiary in connection with this Agreement or the Term Loan.

"Loan Note Guarantee" shall mean a USDA Rural Development guarantee of repayment of seventy percent (70%) of the Term Loan.

"Maine Property" shall mean the land, together with the buildings and improvements thereon, located at 190 North Main Street (a/k/a 211 Main Street), 82 North Brunswick Street (a/k/a 123 Brunswick Street), 35 Middle Street, Old Town, Maine, as more particularly described on Exhibit E-1 attached hereto.

"Maine Leased Property" shall mean the land, together with the buildings and improvements thereon, located at 125 Gilman Falls Avenue, Old Town, Maine, as more particularly described on Exhibit E-2 attached hereto.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, operations or financial condition of the Borrower, the Guarantor or any of their Subsidiaries taken as a whole; or (b) the ability of the Borrower or the Guarantor to perform their respective obligations under this Agreement, the Collateral Documents, the Term Note or the other Obligations; or (c) the validity or enforceability of this Agreement, the Term Note, any Collateral Documents, any other Loan Document or the other Obligations.

"Material Agreements" shall mean any and all written or oral material agreements or instruments to which any Borrower or their assets or properties is subject, and all documents or agreements to be executed in connection with the Senior Liens, including, but not limited to, intercreditor agreements, subordination agreements, third party financing agreements, leases, subleases, loan agreements, promissory notes and partnership agreements.

"Mortgage" shall mean the Mortgage, Assignment of Rents and Leases and Fixture Financing Statement of even date herewith made by the Guarantor in favor of Ridgestone granting to Ridgestone a first-lien mortgage on the Maine Property, as the same is amended or otherwise modified from time to time.

"Notice Event of Default" shall mean any one or more of the following:

(a) the Borrower shall fail to pay, within five (5) Business Days after written notice from Ridgestone to the Borrower specifying such failure: (i) any installment of the principal of the Term Note or any interest on the Term Note; or (ii) any of the other Obligations; or (iii) any fee, expense or other amount due under the Loan Documents or any of the other Obligations; or

(b) there shall be a default in the performance or observance of any of the covenants and agreements contained in Article IV or Sections 5.2, 5.4, 5.6, 5.9, 5.10, 5.11 or 5.12 of this Agreement and, if such default is of a nature that can be cured, such default shall have continued for a period of five (5) Business Days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(c) there shall be a default in the performance or observance of any of the other covenants, agreements or conditions contained in any Loan Document and such default shall have continued for a period of thirty (30) calendar days after written notice from Ridgestone to the Borrower specifying such default and requiring it to be remedied; or

(d) any representation or warranty made by the Borrower, the Guarantor or any of their Subsidiaries in any Loan Document or financial statement delivered pursuant to this Agreement shall prove to have been false in any material respect as of the time when made or given; or

(e) any non-appealable, final judgment or binding settlement agreement (or any final judgment whatsoever that could reasonably be expected to result in a loss to the Borrower, the Guarantor and/or their Subsidiaries, individually or together, in an amount greater than Fifteen Million Dollars ($15,000,000) higher than the limit of the insurance policy coverage amount(s) that are reasonably likely to be paid against such loss) shall be entered against the Borrower or any of its Subsidiaries which, when aggregated with other final judgments against the Borrower or any of its Subsidiaries would reasonably be expected to result in a Material Adverse Effect and shall remain outstanding and unsatisfied, unbonded or unstayed after sixty (60) days from the date of entry thereof; provided that no final judgment shall be included in the calculation under this subsection to the extent that the claim underlying such judgment is covered by insurance and defense of such claim has been tendered to and accepted by the insurer without reservation; or

(f) (i) any Reportable Event (as defined in ERISA) shall have occurred which constitutes grounds for the termination of any Plan by the PBGC or for the appointment of a trustee to administer any Plan, or any Plan shall be terminated within the meaning of Title IV of ERISA, or a trustee shall be appointed by the appropriate court to administer any Plan, or the PBGC shall institute proceedings to terminate any Plan or to appoint a trustee to administer any Plan, or the Borrower or any of its Subsidiaries or any trade or business which together with the Borrower or any of its Subsidiaries would be treated as a single employer under Section 4001 of ERISA shall withdraw in whole or in part from a multiemployer Plan, and (ii) the aggregate amount of the Borrower's and its Subsidiaries' liability for all such occurrences, whether to a Plan, the PBGC or otherwise, would reasonably be expected to result in a Material Adverse Effect and such liability is not covered for the benefit of the Borrower or its Subsidiaries by insurance; or

(g) the Borrower, the Guarantor or any of their Subsidiaries (i) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to PNC or to any other Secured Lender when required to be performed or observed, and (ii) such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, and (iii) in the case of PNC only, PNC has accelerated, with the giving of notice if required, the maturity of such Indebtedness; or

(h) the Borrower, the Guarantor or any of their Subsidiaries: (i) fail to pay any amount of principal or interest when due (whether by scheduled maturity, required prepayment, acceleration or otherwise) under any Indebtedness to Ridgestone (other than the Term Note) and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Indebtedness; or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness to Ridgestone when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit acceleration of, with the giving of notice if required, the maturity of such Indebtedness; or

(i) any Collateral Document shall cease to be in full force and effect as a result of the default, negligent act or inaction, or misconduct of the Borrower; or

(j) the Borrower shall fail to pay any amount owed by it under any Swap Agreement or shall fail to perform any terms or conditions or covenants contained in any Swap Agreement and any grace periods provided therefore shall have lapsed.

"OFAC" shall have the meaning set forth in Section 8.17 of this Agreement.

"Obligations" shall mean: (a) the outstanding principal of, and all interest on, the Term Note, and any renewal, extension or refinancing thereof; (b) all debts, liabilities, obligations, covenants and agreements of the Borrower contained in this Agreement, the Term Note and the Collateral Documents, including, without limitation, any and all fees and expenses, including reasonably attorneys' fees incurred in connection with enforcing any obligations of Ridgestone under any of the Loan Documents or any other Obligations, both before and after judgment and all other fees and expenses set forth in the Obligations; and (c) all debts, liabilities, obligations, covenants and agreements of Borrower to Ridgestone contained in any Swap Agreement; and (d) any and all other debts, liabilities and obligations of the Borrower to Ridgestone.

"Owned Property" shall mean the Maine Property and the Washington Property.

"Patriot Act" shall have the meaning set forth in Section 8.17 of this Agreement.

"PBGC" shall mean Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Indebtedness" shall mean: (a) Indebtedness of the Borrower and its Subsidiaries to Ridgestone; (b) Purchase Money Indebtedness secured by Purchase Money Liens, which Indebtedness shall not exceed One Million Dollars ($1,000,000) per year on a noncumulative consolidated basis; (c) other Indebtedness incurred in the ordinary course of business, which Indebtedness shall not exceed Five Million Dollars ($5,000,000.00) on a consolidated basis at any time during the term of the Loan; (d) unsecured accounts payable and other unsecured obligations incurred in the ordinary course of business and not as a result of any borrowing; (e) Indebtedness secured by the Permitted Liens listed on Exhibit D attached hereto, and the Indebtedness of Borrower, Guarantor and their Subsidiaries to PNC; (f) inter-company Indebtedness which is reflected on Borrower's and/or Guarantor's financial statements; (g) Indebtedness incurred in connection with any governmental loans, debt obligations, incentives, revenue bonds, and similar loan or debt programs which provide funds at rates and on terms that are generally more beneficial to Borrower, Guarantor and their Subsidiaries, as applicable, than those commercially available from traditional lenders such as Ridgestone and PNC, provided that such Indebtedness shall not exceed the aggregate sum of Five Million Dollars ($5,000,000); (h) other Indebtedness to PNC, other lenders, and/or the Johnson Family incurred on a temporary basis in the ordinary course of business, which Indebtedness shall not exceed Ten Million Dollars ($10,000,000) outstanding at any given time; and (i) with respect to each of the foregoing, all extensions, renewals and replacements of such Indebtedness with Indebtedness of a similar type.

"Permitted Liens" shall mean:

(a) Liens in favor of Ridgestone;

(b) Liens for taxes, assessments, or governmental charges, or levies that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established;

(c) zoning ordinances, easements, restrictions, minor title irregularities and similar matters which have no material adverse effect as a practical matter upon the ownership and use of the affected property;

(d) Liens or deposits in connection with workmen's compensation, unemployment insurance, social security, ERISA or similar legislation or to secure customs' duties, public or statutory obligations in lieu of surety, stay or appeal bonds, or to secure performance of contracts or bids (other than contracts for the payment of borrowed money) or deposits required by law as a condition to the transaction of business or other liens or deposits of a like nature made in the ordinary course of business;

(e) Purchase Money Liens securing purchase money Indebtedness which is permitted hereunder;

(f) Liens in favor of bailees, shippers, or warehousemen arising in the ordinary course of the Borrower's business;

(g) any Liens securing Permitted Indebtedness hereunder; and

(h) any Liens that are approved by Ridgestone and listed on Exhibit D attached hereto including, but not limited to, Liens in favor of PNC set forth on Exhibit D attached hereto.

"Permitted Transaction" shall mean and include (a) a merger of any of Guarantor's Subsidiaries into Guarantor or into any other of Guarantor's Subsidiaries; and/or (b) the liquidation or merger of any of Guarantor's foreign (non-domestic) Subsidiaries.

"Person" shall mean and include an individual, partnership, limited liability entity, corporation, trust, unincorporated association and any unit, department or agency of government.

"Plan" shall mean each pension, profit sharing, stock bonus, thrift, savings and employee stock ownership plan established or maintained, or to which contributions have been made, by the Borrower, the Guarantor or any of their Subsidiaries or any trade or business which together with the Borrower, the Guarantor or any of their Subsidiaries would be treated as a single employer under Section 4001 of ERISA.

"PNC" shall mean PNC Bank, National Association, a national banking association, its successors and assigns.

"PNC Loan Agreement" shall mean that certain Revolving Credit and Security Agreement dated as of the Closing Date, among the Guarantor, the Borrower, Johnson Outdoors Watercraft Inc., Johnson Outdoors Gear LLC, Johnson Outdoors Diving LLC, Under Sea Industries, Inc., the financial institutions which are now or which hereafter become a party thereto, and PNC, as administrative agent and collateral agent for the lenders named therein.

"PNC Loan Documents" shall mean, collectively, (i) the PNC Loan Agreement and (ii) the Other Documents (as such term is defined in the PNC Loan Agreement).

"Prime Rate" shall mean the Prime Rate of interest published in *The Wall Street Journal* from time to time. Each change in any rate of interest computed by reference to the Prime Rate, if any, shall take effect on the first day of each calendar quarter (*i.e.*, January 1, April 1, July 1, and October 1).

"Property" shall mean the Owned Property and the Maine Leased Property.

"Purchase Money Liens" shall mean Liens securing purchase money Indebtedness incurred in connection with the acquisition of capital assets by the Borrower, Guarantor or any of their Subsidiaries in the ordinary course of business, provided that such Liens do not extend to or cover assets or properties other than those purchased in connection with the purchase in which such Indebtedness was incurred and that the obligation secured by any such Lien so created shall not exceed one hundred percent (100%) of the cost of the property covered thereby.

"Renewal Fee" shall have the meaning set forth in Section 1.3(c) of this Agreement.

"Restricted Payments" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any equity interests in Borrower, Guarantor or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase or repurchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests in the Borrower, Guarantor or any of their Subsidiaries.

"Ridgestone" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Ridgestone Loan Documents" shall mean, collectively (i) this Agreement, (ii) that certain Loan Agreement by and between Ridgestone and Johnson Outdoors Gear LLC dated as of the Closing Date, (iii) that certain Loan Agreement by and between Ridgestone, Johnson Outdoors Marine Electronics LLC, and Techsonic Industries, Inc. dated as of the Closing Date and (iv) each of the other Loan Documents (as defined in each of the foregoing documents), together with all schedules, exhibits, instruments and other documents executed or delivered in connection therewith, each as the same may be amended, restated or supplemented from time to time.

"Secured Lender" shall mean (a) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and who holds a Lien or Liens on any Collateral to secure such Indebtedness and such Indebtedness is greater than One Million Dollars ($1,000,000), or (b) any Person with which the Borrower, the Guarantor or any of their Subsidiaries has any Indebtedness and such Indebtedness is greater than Five Million Dollars ($5,000,000).

"Security Agreement" shall mean the Security Agreement of even date herewith between the Guarantor and Ridgestone, as the same are amended or otherwise modified from time to time.

"Senior Liens" shall mean the Liens that are set forth on Exhibit F attached hereto.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which Capital Securities representing fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Swap Agreement" shall mean any agreement governing any transaction now existing or hereafter entered into between the Borrower and Ridgestone or any of its Subsidiaries or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Tangible Net Worth" shall mean the Borrower's and its Subsidiaries' shareholders' or members' equity (including retained earnings), less the book value of all intangible assets as determined by Borrower on a consistent basis, less prepaid expenses, less amounts due from officers, employees and Affiliates and investments, less leasehold improvements, plus the amount of any LIFO reserve, plus the amount of any debt subordinated to Ridgestone, all as determined under GAAP applied on a basis consistent with the financial statements dated July 3, 2009, except as set forth herein.

"Term Loan" shall mean the non-revolving basis loan made to the Borrower by Ridgestone pursuant to Section 1.1 of this Agreement.

"Term Loan Termination Date" shall mean the earlier of October 1, 2034, and the date on which the Term Loan becomes due and payable pursuant to Section 6.1 of this Agreement.

"Term Note" shall mean the promissory note of even date herewith made by the Borrower to Ridgestone evidencing the Term Loan and all amendments thereto and all renewals, extensions or refinancings thereof.

"Total Debt" shall mean (i) all Indebtedness for borrowed money (including without limitation, Indebtedness evidenced by promissory notes, bonds, debentures and similar interest-bearing instruments), plus (ii) all purchase money Indebtedness, plus (iii) the principal portion of capital lease obligations, plus (iv) all reimbursement obligations and other obligations with respect to any letters of credit, all as determined for the Borrower and its Subsidiaries on a consolidated basis as of the date of determination, without duplication, and in accordance with GAAP applied on a consistent basis.

"Total Debt to Book Net Worth" shall mean the relationship, expressed as a numerical ratio, between Total Debt and Book Net Worth.

"Unfunded Capital Expenditures" shall mean Capital Expenditures made through Revolving Advances (as such term is defined in the PNC Loan Agreement) or out of the Guarantor's own funds other than through equity contributed subsequent to the Closing Date or purchase money or other financing or lease transactions permitted hereunder.

"USDA" shall mean the United States Department of Agriculture.

"USDA Guarantee" shall mean a Rural Development Unconditional Guarantee (Form RD 4279-14) executed by the Guarantor.

"Washington Property" shall mean the land, together the buildings and improvements thereon, located at 2450 Salashan Loop, Ferndale, Washington, as more particularly described on Exhibit E-3 attached hereto.

7.2 Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" as words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Expenses and Attorneys' Fees. The Borrower shall pay all reasonable fees and expenses incurred by Ridgestone and any loan participants, including the reasonable fees of counsel (written invoices for which shall be delivered to the Borrower upon written request for the same), in connection with the preparation, issuance, maintenance and amendment of the Loan Documents and the consummation of the transactions contemplated by this Agreement, and the administration, protection and enforcement of Ridgestone's rights under the Loan Documents, or with respect to the Collateral, including without limitation the protection and enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving the Borrower, the Guarantor or any of their Subsidiaries, both before and after judgment. The Borrower further agrees to pay on demand all reasonable internal audit fees and accountants' fees incurred by Ridgestone in connection with the maintenance and enforcement of the Loan Documents or any other collateral security.

8.2 Assignability; Successors. The Borrower's rights and liabilities under this Agreement are not assignable or delegable, in whole or in part, without the prior written consent of Ridgestone. The provisions of this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties.

8.3 Survival. All agreements, representations and warranties made in this Agreement or in any document delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the issuance of the Term Note and the delivery of any such document.

8.4 Governing Law. To the extent permitted by the laws of the State of Maine, this Agreement, the Term Note, the Collateral Documents and the other instruments, agreements and documents issued pursuant to this Agreement shall be governed by, and construed and interpreted in accordance with, the Laws of the State of Wisconsin applicable to agreements made and wholly performed within such state.

8.5 Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed original, but such counterparts shall together constitute but one and the same agreement. The table of contents and article and section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement.

8.6 Entire Agreement; Schedules. This Agreement, the Term Note, the Collateral Documents and the other documents referred to herein and therein contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth in this Agreement. This Agreement supersedes all prior negotiations, agreements and undertakings between the parties with respect to such subject matter. Ridgestone agrees that for purposes of completing and delivering the Schedules to this Agreement any information disclosed by the Borrower in one Schedule shall be deemed to be a disclosure on other Schedule(s) provided that the Schedule in which the information is disclosed is specifically referenced in such other Schedule(s).

8.7 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given: (a) upon delivery if hand delivered; or (b) upon deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier, airbill prepaid; or (c) upon transmission if by facsimile, provided that such transmission is promptly confirmed by hand delivery, mail or courier as provided above, and each such communication or notice shall be addressed as follows, unless and until any party notifies the other in accordance with this Section 8.7 of a change of address:

If to the Borrower:

Johnson Outdoors Global
555 Main St.
Racine, WI 53403
Attention: Alisa Swire
Fax No.: (262) 631-6610

with a copy to:

Godfrey & Kahn, S.C.
780 N. Water Street
Milwaukee, WI 53202
Attention: Kristine Cherek
Fax No.: (414) 273-5198

If to Ridgestone:

Ridgestone Bank
13925 West North Avenue
Brookfield, WI 53005
Attention: Jessie L. Hagen
Fax No.: (262) 432-0549

with a copy to:

Hopp Neumann Humke LLP
2124 Kohler Memorial Drive, Suite 110
Sheboygan, WI 53081
Attention: Kristopher L. Gotzmer
Fax No.: (920) 457-8411

8.8 Amendment. No amendment of this Agreement shall be effective unless in writing and signed by the Borrower and Ridgestone.

8.9 Taxes. If any transfer or documentary taxes, assessments or charges levied by any governmental authority shall be payable by reason of the execution, delivery or recording of this Agreement, the Term Note, the Collateral Documents or any other document or instrument issued or delivered pursuant to this Agreement, the Borrower shall pay all such taxes, assessments and charges, including interest and penalties, and hereby indemnifies Ridgestone against any liability therefor.

8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement in such jurisdiction or affecting the validity or enforceability of any provision in any other jurisdiction.

8.11 Indemnification. Unless caused by the negligence or willful misconduct of Ridgestone or Ridgestone's failure to comply with any of its obligations hereunder, the Borrower hereby agrees to indemnify, defend and hold Ridgestone harmless from and against all loss, liability, damage and expense, including costs associated with administrative and judicial proceedings and attorneys' fees, suffered or incurred by Ridgestone arising out of or related to: (i) any Borrower's or any Subsidiary's failure to comply with any Environmental Law, or any order of any regulatory or administrative authority with respect thereto; (ii) any release of petroleum products or hazardous materials or substances on, upon or into real property owned, operated or controlled by the Borrower or any Subsidiary; and (iii) any and all damage to natural resources or real property or harm or injury to Persons resulting or alleged to have resulted from any failure to comply or any release of petroleum products or hazardous materials or substances as described in clauses (i) and (ii) above. All indemnities set forth in this Agreement shall survive the execution and delivery of this Agreement and the Term Note and the making and repayment of the Term Loan.

The Borrower hereby agrees to indemnify Ridgestone against all losses, liabilities, claims, damages and expenses including, but not limited to, reasonable attorneys' fees and settlement costs resulting from or relating to: (a) any Borrower's or any Subsidiary's failure to comply with any of its obligations hereunder, its negligence or its intentional misconduct; (b) the Borrower's use of any proceeds of the Term Loan.

Upon and after an Event of Default, the Borrower hereby grants and licenses to Ridgestone full and complete access, for itself, its employees and representatives (including without limitation independent engineering consultants retained by Ridgestone), to the Property, and to the books and records of the Borrower relating to the Facilities, in order to conduct an Environmental Assessment from time to time as Ridgestone may deem necessary in its commercially reasonable discretion for the purpose of confirming Borrower's compliance with Environmental Laws. The license granted by this paragraph is irrevocable. The Borrower shall reimburse Ridgestone for all reasonable costs and expenses associated with any Environmental Assessment obtained by Ridgestone under this paragraph if the Borrower were obligated to obtain and provide to Ridgestone an Environmental Assessment pursuant to Section 5.10 of this Agreement and failed to do so or if any Event of Default shall have occurred. The Borrower and Ridgestone agree that there is no adequate remedy at law for the damage that Ridgestone might sustain for failure of the Borrower to permit Ridgestone to exercise and enjoy the license granted by this paragraph and, accordingly, Ridgestone shall be entitled at its option to the remedy of specific performance to enforce such license.

8.12 Participation. Ridgestone may at any time and from time to time, grant to any bank or banks a participation in any part of the Term Loan. All of the representations, warranties and covenants of the Borrower in this Agreement are also made to any participant with the same force and effect as if expressly so made.

8.13 Inconsistent Provisions. The provisions of the Collateral Documents, the Term Note and this Agreement are not intended to supersede the provisions of each other or this Agreement, but shall be construed as supplemental to this Agreement and to each other. In the event of any inconsistency between the provisions of the Collateral Documents and this Agreement, it is intended that the provisions of this Agreement shall control. In the event of any inconsistency between the provisions of the Term Note and this Agreement, it is intended that the provisions of this the Term Note shall control.

8.14 **WAIVER OF RIGHT TO JURY TRIAL**. RIDGESTONE AND THE BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE TERM NOTE AND THE COLLATERAL DOCUMENTS OR WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY AND THEREBY WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND, THEREFORE, THE PARTIES AGREE THAT ANY LAWSUIT ARISING OUT OF ANY SUCH CONTROVERSY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY AND THE BORROWER HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL.

8.15 **TIME OF ESSENCE**. TIME IS OF THE ESSENCE FOR THE PERFORMANCE BY THE BORROWER OF THE OBLIGATIONS SET FORTH IN THIS AGREEMENT, THE NOTE, THE COLLATERAL DOCUMENTS AND THE OTHER LOAN DOCUMENTS.

8.16 **SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** AS A MATERIAL INDUCEMENT TO RIDGESTONE TO ENTER INTO THIS AGREEMENT:

(a) THE BORROWER AGREES THAT, TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE OF MAINE, ALL ACTIONS OR PROCEEDINGS IN ANY MANNER RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE NOTE OR THE OTHER COLLATERAL DOCUMENTS MAY BE BROUGHT ONLY IN COURTS OF THE STATE OF WISCONSIN LOCATED IN MILWAUKEE COUNTY OR THE FEDERAL COURT FOR THE EASTERN DISTRICT OF WISCONSIN AND THE BORROWER CONSENTS TO THE JURISDICTION OF SUCH COURTS. THE LAWS OF THE STATE OF MAINE WILL GOVERN THE FORECLOSURE AND DISPOSITON OF THE PROPERTY. THE BORROWER WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH COURT AND ANY RIGHT IT MAY HAVE NOW OR HEREAFTER HAVE TO CLAIM THAT ANY SUCH ACTION OR PROCEEDING IS IN AN INCONVENIENT COURT; and

(b) The Borrower consents to the service of process in any such action or proceeding by certified mail sent to the address specified in Section 8.7; and

(c) Nothing contained herein shall affect the right of Ridgestone to serve process in any other manner permitted by law or to commence an action or proceeding in any other jurisdiction.

8.17 USA Patriot Act. Ridgestone hereby notifies the Borrower and each of its Subsidiaries that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower and each of its Subsidiaries, which information includes the name and address of the Borrower and each of its Subsidiaries and other information that will allow Ridgestone to identify the Borrower, each of its Subsidiaries in accordance with the Patriot Act and the Borrower agree to provide such information. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any affiliated entity is or shall be listed on the "Specially Designated Nationals and Blocked Person List" or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or included in any Executive Orders, (b) not use or permit the use of the proceeds of the loans to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause each affiliated entity to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

8.18 Joint and Several Obligations. In the event the Borrower consists of more than one Person, then all liabilities, obligations and undertakings of the Borrower pursuant to this Agreement and each other Loan Document to which any Borrower is a party shall be the joint and several obligations of the Borrower.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHNSON OUTDOORS WATERCRAFT INC.,
a Delaware corporation

By: /s/ Donald P. Sesterhenn
Name: Donald P. Sesterhenn
Title: Treasurer

RIDGESTONE BANK,
a Wisconsin banking corporation

By: /s/ Jessie L. Hagen
Name: Jessie L. Hagen
Title: Vice President

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Schedules