

RF MRD 7-30-98

08-25-1998



07-30-1998



100799320

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

1. Name of conveying party(ies): NCI Acquisition Corporation

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

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

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other \_\_\_\_\_

Execution Date: January 28, 1998

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

Name: Fleet Capital Corporation, as Administrative Agent

Internal Address: 200 Glastonbury

Street Address: \_\_\_\_\_

City: Glastonbury State: Connecticut ZIP: 06033

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State Rhode Island
- Other \_\_\_\_\_

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

(Designation must be a separate document from Assignment)

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

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

A. Trademark Application No.(s) 75/343,471 (see attached Schedule 6)

B. Trademark Registration No.(s) 1,932,679; 1,932,669; 1,962,529 (see attached Schedule 6)

Additional numbers attached?  Yes  No

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

Name: Raymond M. Maiello, Esq.

Internal Address: Simpson Thacher & Bartlett

Street Address: 425 Lexington Avenue

City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41): \$115

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

Raymond M. Maiello, Esq.

Name of Person Signing

Signature

7/30/98

Date

Total number of pages comprising cover sheet: 84

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

TRADEMARK  
REEL: 1777 FRAME: 0172

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

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

NATIONWIDE CREDIT, INC. (GA Corporation)

INTELLECTUAL PROPERTY

SCHEDULE 5.11(a)

TRADEMARKS

Mark	Country	Goods/ Services	(Serial No.) Reg. No.	(Filing Date) Reg. Date
NCI Nationwide Credit Inc. and Design	U.S.	Debt and account collection services	1,932,679	8/15/95
Nationwide Credit	U.S.	Debt and account collection services	1,932,669	11/7/95
High Performance Recovery Services	U.S.	Debt collection services	1,962,529 (in Supplemental Register)	3/12/96
NCI and Design	Mexico	Debt and account collection services	496,607	6/30/95
Nationwide Credit	Mexico	Debt and account collection services	492,166	5/22/95
NCI	U.K.	Collection of consumer and commercial debts, rents; debt collection agencies; debt collection agency services; and debt recovery agency services	2,111,739	10/3/96
NCI Recoveries	U.K.	Collection of consumer and commercial debts, rents; debt collection agencies; debt collection agency services; and debt recovery agency services	2,111,740	10/3/96
Nationwide Credit	Germany	Insurance; financial affairs; monetary affairs; real estate affairs; debt and account collection services	(395,115,922)	(3/15/95) (Abandoned 8/96 due to lack of contemplated use)

TRADEMARK

Mark	Country	Goods/ Services	(Serial No.) Reg. No.	(Filing Date) Reg. Date
NCI and Design	Germany	Insurance; financial affairs; monetary affairs; real estate affairs; debt and account collection services	39,511,593	2/5/96
Natech Solutions	U.S.	Receivables management services	(75,343,471)	(9/19/97) (Intent to Use)

**TRADE NAMES**

1. Tradenames used by Nationwide:  
Credit Claims & Collections  
Financial Health Services  
FHS  
Nationwide Credit  
Nationwide  
Nationwide Credit of Georgia  
NWA  
ACB  
NCI  
NCI Recoveries Ltd.  
Healthcare Claims Services
  
2. Tradenames used by Subsidiary, Master Collectors of Dallas, Inc.:  
The Master Collectors of Dallas, Inc.

TRADEMARK

REEL: 1777 FRAME: 0175

MKD 4-21-98

FORM PTO 1504  
1-31-92

RECEIVED DEPARTMENT OF COMMERCE  
Patent and Trademark Office  
APR 21 1998

Tab settings → → → ▼ ▼

To the Honorable Commissioner of Patents and Trademarks, please return the attached original documents or copy thereof.

1. Name of conveying party(ies): NCI Acquisition Corporation  
 Individual(s)  Association  
 General Partnership  Limited Partnership  
 Corporation-State (DE)  
 Other \_\_\_\_\_  
Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):  
Name: Fleet Capital Corporation, as Administrative Agent  
Internal Address: 200 Glastonbury  
Street Address: \_\_\_\_\_  
City: Glastonbury State: Connecticut ZIP: 06033

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other \_\_\_\_\_  
Execution Date: January 28, 1998

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Rhode Island  
 Other \_\_\_\_\_  
If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designation must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No


4. Application number(s) or registration number(s):  
A. Trademark Application No.(s) See attached Schedule 6  
Additional numbers attached?  Yes  No

B. Trademark Registration No.(s) See attached Schedule 6

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Raymond M. Maiello, Esq.  
Internal Address: Simpson Thacher & Bartlett  
\_\_\_\_\_  
Street Address: 425 Lexington Avenue  
\_\_\_\_\_  
City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: ..... 4  
7. Total fee (37 CFR 3.41): ..... \$115  
 Enclosed  
 Authorized to be charged to deposit account  
8. Deposit account number:  
\_\_\_\_\_  
(Attached duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*  
Raymond M. Maiello, Esq.  4/21/98  
Name of Person Signing Signature Date  
Total number of pages comprising cover sheet: 84

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

TRADE MARK  
REEL: 1777 FRAME: 0176

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GUARANTEE AND COLLATERAL AGREEMENT

made by

NCI ACQUISITION CORPORATION

NATIONWIDE CREDIT, INC.

and certain of its Subsidiaries

in favor of

FLEET CAPITAL CORPORATION,  
as Administrative Agent

Dated as of January 28, 1998

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## GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of January 28, 1998, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of Fleet Capital Corporation, as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") from time to time parties to the Credit Agreement, dated as of January 28, 1998 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NCI Acquisition Corporation, Nationwide Credit, Inc. (the "Borrower"), the Lenders, Lehman Brothers, Inc., as Arranger, Lehman Commercial Paper Inc., as Syndication Agent, Fleet Capital Corporation, as Administrative Agent and BHF - Bank Aktiengesellschaft, Grand Cayman Branch, as Documentation Agent.

### W I T N E S S E T H:

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

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

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

### SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Documents, Equipment, Farm Products, Instruments, Inventory and Investment Property

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

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

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender (or, in the case of any Hedge Agreement referred to below, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents, any Letter of Credit or any Hedge Agreement entered into by the Borrower with any Lender (or any Affiliate of any Lender) or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4

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

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

"General Intangibles": all "general intangibles" as such term is defined in Section 9-106 of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, including, without limitation, with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and



interest in such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to such contract, agreement, instrument or indenture the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents); provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Guarantor Obligations" with respect to any Guarantor, the collective reference to (i) the Borrower Obligations and (ii) all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

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

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

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

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

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

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

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

foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing

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

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

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

"Pledged Stock": the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect.

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

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

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

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

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

1.2 Other Definitional Provisions. (a) The words "hereof," "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

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

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

## SECTION 2. GUARANTEE

2.1 Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations

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

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

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

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated.

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

and liabilities of any Subsidiary Guarantor to the Administrative Agent and the Lenders, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

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

2.4 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor

understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the office of the Administrative Agent located at Three World Financial Center, New York, New York.

### SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Lenders, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

- (a) all Accounts;
- (b) all Chattel Paper;

- (c) all Documents;
  - (d) all Equipment;
  - (e) all General Intangibles;
  - (f) all Instruments;
  - (g) all Intellectual Property;
  - (h) all Inventory;
  - (i) all Pledged Securities;
  - (j) all Investment Property
  - (k) all books and records pertaining to the Collateral; and
- (l) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

#### SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 4 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct, and the Administrative Agent and each Lender shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Guarantor's knowledge.

4.2 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Lenders pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Lenders, pursuant to this Agreement or as are permitted by the Credit Agreement.

4.3 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form) will constitute valid perfected security

interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Lenders, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens permitted by the Credit Agreement.

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

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

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

4.7 Pledged Securities. (a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor; provided, that the security interest granted hereby in any Capital Stock of any Excluded Foreign Subsidiary is limited to 65% of the Capital Stock of each Excluded Foreign Subsidiary.

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

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Pledged Securities pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

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

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

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

(b) On the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the intellectual property rights of any other Person.

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

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

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any Intellectual Property or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property.

## SECTION 5. COVENANTS

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

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

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

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

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

(c) The Borrower shall deliver to the Administrative Agent and the Lenders a report of a reputable insurance broker with respect to such insurance during the month of November in each calendar year and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request



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

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

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

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby, including, without limitation, compliance with any applicable federal laws with respect to Receivables as to which the obligor is a Governmental Authority (provided that the Borrower shall give the Administrative Agent written notice of the aggregate book value of such Receivables at such time as the aggregate book value of such Receivables exceeds \$10,000,000).

5.6 Changes in Locations, Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional executed financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept

(i) permit any of the Inventory or Equipment to be kept at a location other than those listed on Schedule 5;

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

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

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

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.8 Pledged Securities. (a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the Lenders, hold the same in trust for the Administrative Agent and the Lenders and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Pledged Securities or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of or any claim of any Person with respect to, any of the Pledged Securities or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Pledged Securities or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Pledged Securities issued by it and will comply

with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.8(a) with respect to the Pledged Securities issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Pledged Securities issued by it.

(d) Notwithstanding any other provision of this Agreement, no Grantor shall be obligated to pledge or deliver to the Administrative Agent or the Lenders more than 65% of the Capital Stock of any Excluded Foreign Subsidiary

5.9 Receivables. (a) Other than in the ordinary course of business consistent with its past practice, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

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

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

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

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

(e) Such Grantor will notify the Administrative Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office,

the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

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

(g) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

## SECTION 6 REMEDIAL PROVISIONS

6.1 Certain Matters Relating to Receivables (a) The Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications. At any time and from time to time, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Administrative Agent's direction and control, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account

of the Lenders only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Administrative Agent's request, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

6.2 Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may at any time communicate with obligors under the Receivables to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Administrative Agent for the parable benefit of the Lenders and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3 Pledged Stock. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that no vote shall be cast or corporate right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Securities and make application thereof to the Obligations in the order set forth in Section 6.5, and (ii) any or all of the Pledged Securities shall be registered in the

name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Securities at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Securities as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Pledged Securities, and in connection therewith, the right to deposit and deliver any and all of the Pledged Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Pledged Securities directly to the Administrative Agent.

6.4 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

First, to pay incurred and unpaid fees and expenses of the Administrative Agent under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Lenders according to the amounts of the Obligations then due and owing and remaining unpaid to the Lenders;

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

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

6.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7 Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 6.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be

in the opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Administrative Agent and the Lenders, that the Administrative Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement.

6.8 Waiver; Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the New York UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

## SECTION 7. THE ADMINISTRATIVE AGENT

7.1 Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name,



for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Revolving Credit Loans that are Base Rate Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

**7.2 Duty of Administrative Agent.** The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

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

**7.4 Authority of Administrative Agent.** Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed

by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in subsection 10.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule I.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to subsection 10.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Lenders and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

8.6 Set-Off. Each Grantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such Grantor promptly of any such set-off and the application made by the Administrative Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 8.6 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

8.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

**8.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

8.12 Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

**8.14 WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

8.15 Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to subsection 6.9 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex I hereto.

8.16 Releases. (a) At such time as the Loans, the Reimbursement Obligations and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

NCI ACQUISITION CORPORATION

By



NATIONWIDE CREDIT, INC.

By



Title: CEO & President

**NOTICE ADDRESSES OF GUARANTORS**



Schedule 1

NOTICE ADDRESSES OF GUARANTORS

NCI Acquisition Corporation  
6190 Powers Ferry Road, 4th Floor  
Atlanta, GA 30339

**DESCRIPTION OF PLEDGED SECURITIES**

DESCRIPTION OF PLEDGED SECURITIES

**Pledged Stock:**

<u>Issuer</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>No. of Shares</u>
NCI Recoveries Limited	Ordinary	2	65
Nationwide Credit, Inc.	Common	1	10

**Pledged Notes:**

<u>Issuer</u>	<u>Payee</u>	<u>Principal Amount</u>
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None.

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

Schedule 3

FILINGS AND OTHER ACTIONS  
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

File in jurisdictions listed in attached list of facilities.

Patent and Trademark Filings

File in copyright, patent and trademark offices.

Actions with Respect to Pledged Stock

Take possession of stock.

Other Actions

None.

**SCHEDULE 5.9  
REAL PROPERTY**

No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
1	00458	3600 E. University Dr. Suites C-1550, A-1450 & B1350 Phoenix, AZ 85034 (\$141,334 Letter of Credit)	4/15/02	38,106	\$9.97	\$29,147.62	Probably no, but notice required (Article 16) prohibits assignment of any interest and sublease w/o landlord's consent (not to be unreasonably withheld) but no express prohibition re stock transfer; tenant has right to assign or sublet w/o consent to affiliate or entity acquiring tenant's assets if notice given)	Southwood Properties Corp c/o the E.A.M. Group 2201 East Camelback Rd Suite 230B Phoenix, AZ 85016 Attn: Ronald R. Austerman (BUT NOTE SOUTHWOOD MAY HAVE SOLD TO ROBERTSON STEPHENS COMMERCIAL PROPERTY FUND L.L.C.)	Registered/certified mail
2	00451	714 & 816 E. Van Buren Phoenix, AZ 85006 (note discrepancy b/w size, monthly rent and annual rent psf)	03/25/98	4,375	\$8.00	\$31,393.00	Probably no (Article 16) prohibits assignment, transfer of interest in lease or sublease w/o landlord's consent (not to be unreasonably withheld) but no express prohibition re stock transfer; tenant has right to assign or sublet w/o consent to affiliate or party acquiring assets of tenant's business as a going concern if new party assumes obligations, tenant is fully liable and use is unchanged	Frable Investments, Inc 501 West Ocotillo Road Phoenix, AZ 85013 with a copy to: Plattner, Schneiderman & Schmeidler, P.C. 1707 East Highland, Suite 190 Phoenix, Arizona 85016	Registered/certified mail or overnight delivery service
3	00915	North Pointe Business Centre 3835 North Freeway Blvd. Suite 100 Sacramento, CA (Landlord held security deposit of \$8,649.80 applied to first month's rent)	02/14/01	14,605	\$15.00	\$18,256.25	No (Article 16) (notwithstanding any other provision of Article 16, can assign w/o consent to any entity acquiring all of the capital stock of tenant)	New England Mutual Life Insurance Company 21600 Oxnard Street Suite 300 Woodland Hills, CA 91367 with a copy to: Building Manager North Pointe Business Centre 3835 North Freeway Blvd. Sacramento, CA 95834-1956	Registered/certified mail

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No.	PROPERTY ID	ADDRESS	EXPIRATION	RSE	CURRENT ANNUAL RENT P/S/E	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
4	00860	12500 East Bluff Aurora, CO	02/27/02	27,681	\$13.00	\$29,987.75	No (Article 7) (No consent required for assignment or sublease to entity which acquires all or substantially all of tenant's stock but assignment document required within 30 days of subletting or assignment)	Jacobs Properties, L.L.C. P.O. Box 22065 Denver, CO 80222 Attention: Mike Jacobs  with a copy to: Brownstein Hyatt Farber & Stockland, P.C. 410 17th Street, 22nd Floor Denver, CO 80202 Attention: Laura Jean Christman, Esq	Registered/identified mail or recognized receipt overnight mail services determined delivered on the earlier of actual receipt or 2nd business day following deposit in mail
5	00332	10 Umvac Lane Third Floor Windsor, CT (guaranteed by FFMC; but if tenant assigns all of tenant's interest to unaffiliated entity in accordance with lease, guaranty of no further effect after assignment; \$7,184.25 security deposit)	12/01/97	5,562	\$15.50	\$7,184.25	Probably no (Article 32) (no assignment, sublease or transfer of lease w/o Landlord's consent (which shall not be unreasonably withheld) except to subsidiary or affiliate. No specific prohibition re: stock transfer	ADVO, Inc. c/o Servus Management Corporation Manager for Umvac Lane One Financial Plaza Hartford, CT 06103	Registered/identified mail
6	00450	4780 N. State Road 7 Building E, Suite 101 Lauderdale Lakes, FL	1/31/00	6,316	\$11.35	\$5,973.88	No (Paragraph 10. Inset 12) Tenant can assign w/o landlord's consent to entity acquiring tenant's stock upon prior notice	Headway Holdings, Inc. Suite 200 121 West Forsyth Street Jacksonville, FL 32202  Headway Holdings, Inc. P.O. Box 2718 Jacksonville, FL 32232	Registered mail or reputable overnight courier, delivered when deposited

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PROPERTY ID No.	ADDRESS	EXPIRATION	RSE	CURRENT ANNUAL RENT P/5/6	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
7. 00793	6190 Powers Ferry Road Building 14 Suites 150,170, 180, 200,290 and 400 Atlanta, GA	6/30/02	48,417	\$15.97	\$64,434.96	No (Article 18) Assignment of more than 50% interest in stock of tenant is subject to landlord's approval, but notwithstanding same, no consent is required for assignment to entity which acquires all of substantially all of tenant's assets or stock so long as such equity into which tenant is merged or which acquires the assets of tenant has a net worth equal to or greater than that of tenant on the lease commencement date (note that this net worth requirement does not expressly apply to entity acquiring stock)	Powers Ferry Landing East Limited Partnership c/o General Investment & Development Co. Suite 2000 600 Atlantic Avenue Boston, MA 02210 Attention: Mr. William H. Roberts  and: Spaulding and Slye Services Limited Partnership c/o Spaulding and Slye 125 High Street, 16th Floor Boston, MA 02110-2701 Attention: Mr. Jack Restivo  and: Greystone Realty Management, Inc Attn: General Manager 6201 Powers Ferry Road, Suite 305 Atlanta, GA 30339	Registered/certified mail or same day or overnight courier service
8. 00325	5883 Glenridge Drive Suites 110/200 Atlanta, GA (approx \$23,370 security deposit. did landlord approve 1994 assignment to Nationwide?)	9/30/97	19,556	\$15.50 per lease	\$34,518.42	Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer Certain timing requirements for sublease request	The Mutual Life Insurance Company of New York c/o The Landmarks Group One Concourse Parkway, Suite 600 Atlanta, GA 30328-5346  and lender if Nationwide has received notice of lender's address (NOTE--see revised landlord notice address for Suite 130/135)	Registered/certified mail; notices deemed given on date of mailing
9. 00327	5775 B Glenridge Drive Suite 250 Atlanta, GA (Sublease to Payroll 1, Inc. for all of premises through end of term - Lease Terminated effective June 6th, 1997)	9/30/97	6,968	\$12.45	\$7,229.30	Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer Certain timing requirements for sublease request	The Mutual Life Insurance Company of New York c/o The Landmarks Group 5775-B Glenridge Drive, Suite 220 Atlanta, GA 30328 and lender if Nationwide has received notice of lender's address (NOTE-- see revised landlord notice address for Suite 130/135)	Registered/certified mail; notices deemed given on date of mailing

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3



METHOD OF NOTICE

LANDLORD ADDRESS

CONSENT REQUIRED?

MONTHLY RENT

ANNUAL RENT P/S/F

RSE

EXPIRATION

ADDRESS

PROPERTY ID

No.

Registered/certified mail; notices deemed given on date of mailing

The Mutual Life Insurance Company of New York  
c/o ARES, Inc.  
575-B Glenridge Drive, Suite 100  
Atlanta, GA 30328  
Attn: Property Manager (this address provided by 1996 landlord consent to Western Union sublease) and lender if Nationwide has received notice of lender's address

Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer. Certain timing requirements for sublease request.

\$935.00

\$10.00

9/30/97

5883 Glenridge Drive  
Suites 130/135  
Atlanta, GA  
(\$935 security deposit; Sublease to Western Union for all of premises through end of term)

00326

10.

Overnight delivery registered/certified mail; notice effective when delivered

Koger Equity, Inc.  
3986 Boulevard Center Drive  
Jacksonville, FL 32207

Probably no (Article 17 and Inset 31) No sublease, assignment or transfer of Lease or tenant's interest in the Lease without landlord's consent (which may be withheld in landlord's discretion), but specific language relating to stock transfer being considered an assignment was deleted and initialled. Also, tenant may assign to entity which is affiliate or survives the sale of substantially all of the assets of tenant. Landlord requires 30 days advance notice.

\$7,588.03

\$9.70

9,248

7/31/01

3375 N.E. Expressway  
Suite 210  
Atlanta, GA

00578

11.

Mailed or telegraphed; notice deemed delivered when actually received

Frank J. Hanna, Jr.  
1360 Beechwood Truss Court  
Atlanta, GA 30327

No, depending on net worth (Article 12 First Amendment). Tenant may assign or sublet to party (w/o consent but with advance notice) which acquires all or substantially all of tenant's stock or assets if the party's net worth following such acquisition is equal to or greater than the greater of: (a) tenant's net worth as of date of First Amendment (6/22/90); or (b) the net worth of tenant immediately preceding the acquisition.

\$41,554.94

\$7.12

70,000

7/31/00

2253 Northwest Parkway  
Marietta, GA

00735

12.

No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
13	00452	5700 Broadmoor St. Suites 220 & 200 Mission, KS	1/14/99	8,993	\$7.06	\$5,253.98	Probably no. (Suite 200/Paragraph 7; Suite 220/Paragraph 7) Tenant may not assign the Lease or sublet without landlord's written consent (not to be unreasonably withheld), but no specific prohibition re stock transfer	Sharp & Shorten Enterprises c/o S & S Enterprises 5700 Broadmoor, Suite 401 Mission, KS 66202	Mailed
14	00453	305 N. Hurstbourne Lane Suite 110 Louisville, KY 40222	3/31/99	11,218	\$14.00	\$13,087.67	Probably no (Paragraph 15, Items 10 and 13 of Addendum) Tenant may not assign, sublet or transfer without landlord's prior written consent, but specific language relating to stock transfer being considered an assignment was deleted. Lease contains blanket reasonableness obligation	HFH Hurstbourne Forum Limited Partnership 101 Bullitt Lane, Suite 450 Louisville, KY 40222	Registered/certified mail
15	0084	300 Brickstone Square Andover, MA (Nationwide is subtenant. Base lease missing, need phone Landlord's notice address)	5/20/99	1,907	\$13.17	\$2,893.53	Yes (Paragraph 6) Subtenant may not assign or transfer w/o sublandlord's consent. Assign and transfer are defined to include the transfer or sale of a controlling interest in subtenant.	(Sublandlord Notice Information): Yankee Alliance, Inc. 300 Brickstone Square Andover, MA 01810  with a copy to McDermott, Will & Emery 75 State Street Boston, MA 02109 Attention: Martin R. Leinwand, Esq	In accordance with base lease
16	00913	600 West Cummings Park Suite 5400 Woburn, MA (\$17,000 security deposit/letter of credit-form at Nationwide's option)	3/30/01	7,878	\$12.95	\$8,501.58	No (Rider to Lease, Item D) Tenant may assign or sublet to any entity acquiring all of the stock of Tenant but must give Landlord prior written notice.	Cummings Properties Management, Inc 200 West Cummings Park Woburn, MA 01801	Certified mail, deemed served when delivered

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No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/E	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
17.	00435	1812 Front Street Scotch Plains, NJ (\$1,115.47 security deposit; missing agreement extending lease term beyond 12/31/96)	12/31/97	333	\$19.82	\$550.00	Probably no (Paragraph 4.4) Tenant may not assign or sublet but no specific prohibition re stock transfer.	C.E.O. Suites, Inc. aka C.E.O. Executive Suites, Inc C.E.O. Corporate Center 1812 Front Street Scotch Plains, NJ 07076-1103	Registered/certified
18.	00736	800 Westpoint Parkway Suite 100 Westlake, Ohio	1/31/01	13,127	\$15.00	\$16,408.75	No (Section 13c) General assignment language describes stock transfer as subject to Landlord's consent, but per 13c, Tenant may assign or sublet to any entity acquiring all of the stock of Tenant as long as Tenant gives Landlord notice	Westlake Office Associates, Ltd 868 Corporate Way Westlake, OH 44145 Attention: General Counsel	Registered/certified ; notice deemed given on earlier of when received or 2 post delivery days following date notice is mailed
19.	00888	1718 General George Patton Dr. Brentwood, TN	5/31/98	1,400	\$13.93	\$1,625.00	No (Section 4(2) second paragraph) Tenant may assign or sublet with landlord's consent to any entity which acquires substantially all of the stock of tenant	LAI #22 Partnership 1720 General George Patton Drive Brentwood, TN 37027	Registered/certified ; date of notice is date of registration or certification
20.	00570	136 Walton Ferry Court Hendersonville, TN	3/31/98	11,500	\$13.32	\$153,660.00	Probably no (Paragraph 4) Landlord may terminate upon attempted assignment by tenant but no specific prohibition re stock transfer	LAI #5 Partnership 8440 Crockett Lane College Grove TN 37046	By notice provision
21.	00834	6060 North Central Expressway Suite 344 Dallas, TX	1/31/02	7,372	\$12.00	\$7,372.00	No (Article 11) Tenant may assign to an entity which acquires all of tenant's stock w/o landlord's consent but upon 10 days prior notice	Twin Sixties, Inc 6060 N. Central Expressway Suite 700 Dallas, TX 75206	Registered/certified mail, deemed given 2 business days after deposit in mail

450679 1

<u>No.</u>	<u>PROPERTY ID</u>	<u>ADDRESS</u>	<u>EXPIRATION</u>	<u>RSF</u>	<u>CURRENT ANNUAL RENT P/ST</u>	<u>CURRENT MONTHLY RENT</u>	<u>CONSENT REQUIRED?</u>	<u>LANDLORD ADDRESS</u>	<u>METHOD OF NOTICE</u>
22.	00455	450 Sam Houston Pkwy. E. Houston, TX (\$6,287.81 security deposit) (guaranty by ACB Sales & Service, Inc.)	3/14/99	10,555	\$11.00	\$9,675.42	Probably no (Article 16; Addendum Paragraph 4) Tenant may not assign the Lease or any interest therein or sublease w/o landlord's consent but no specific prohibition re stock transfer and tenant may assign to entity which acquires all of tenant's assets as a going concern w/o consent. If subject to landlord's consent, request must be submitted 60 days in advance.	Sate Mutual Life Assurance Company of America c/o Commercial Management Services 450 Sam Houston Parkway East, Management Office Houston, TX 77060  copy to: Commercial Management Services 4299 San Felipe, Suite 210 Houston, TX 77027  copy to: Allmerica Realty Advisors 440 Lincoln Street Worcester, MA 01653 Attn: President	Registered/Certified; notice deemed given when delivered or rejected for delivery; if failure to notify re change in address, noticed deemed given upon delivery
23	00914	20818 - 44th Avenue West Suite 231 Lynnwood, WA (Nationwide is subtenant of Boeing and a sub- sublease of 460 s. f. of the sublet premises between NCI and FDMS is pending execution )	12/31/00	12,811	\$7.00	\$8,056.42	No as to sublandlord (Article 12 of Sublease) Subtenant may assign or sublet to any entity which acquires all of Subtenant's stock  Probably no as to Prime Landlord (Article 17 of Prime Lease) Any assignment by Boeing to non-affiliate requires Landlord's consent (not to be unreasonably withheld but it is deemed reasonable to withhold consent if assignee does not have S & P rating of at least AA). Any sublease to non-affiliate of Boeing requires Landlord's consent (not to be unreasonably withheld)  No specific prohibition re stock transfer.	(Sublandlord) The Boeing Company P.O. Box 3707 Mail Stop 75-66 Seattle, WA 98124-2207 Attn: Leased Property Manager Boeing Commercial Airplane Group  (Prime Landlord) Rosche One Interests, L.P. 5350 S. Staples, Suite 100 Corpus Christi, TX 78411 Attn: Kathy Deurneyer	Boeing - prepaid courier, first class mail or fax  Rosche One - prepaid courier, registered/certified or overnight delivery

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No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P1/P2	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
24.	00324	217 Pine Street, Third Floor Seattle, WA (sublease of entire space for entire remaining term to Intermind)	9/15/97	11,097	\$6.64	\$6,138.03	Probably no (Article 12) Tenant may not assign or transfer the Lease or any interest therein w/o landlord's consent (not to be unreasonably withheld) but no specific prohibition re stock transfer	Duchess Properties Ltd. c/o Alison, Courtnage, MacAulay & Proctor 1000 Second Avenue, Suite 3900 Seattle, WA 98104-1045 Attn: Andrew B. Bassetti	US mail
25	00734	32990 Alvarado - Niles Road Suite 910 Union City, CA (lease documentation indicates 5/31/96 expiration date)	5/31/99	8,032	\$9.88	\$6,616.00	Yes (Article 19). The assignment or transfer of more than 25% of tenant's stock (if tenant is not a public corporation) is an assignment subject to landlord's consent (not to be unreasonably withheld, but certain enumerated reasons are deemed reasonable)	Rouse & Associates - Dowe Business Park Phase I Limited Partnership 32990 Alvarado - Niles Road Union City, CA 94587	Certified
26	00956	1060 Perimeter Road West Endicott, New York	7/31/00	12,000	\$9.00	\$9,000.00	No (Paragraph 7) Tenant may assign or sublet w/o landlord's consent to any entity which acquires all of tenant's stock	IBM Office of Counsel 1701 North Street Endicott, NY 13760 and RES Director Planning and Analysis IBM Real Estate Services Old Orchard Road Armonk, NY 10504	Registered/certified
27	not yet executed	414 Gallimore Dairy Road Greensboro, NC (Nationwide is a subs tenant of First Data Resources Inc.)	4/30/98	9,900	\$9.30	\$7,672.50	Yes as to sublessor (paragraph 16) Subtenant may not assign or sublet the sublet premises w/o sublessor's consent (not to be unreasonably withheld if proposed assignee/subtenant has a net worth equal to or greater than subtenant)	(Sublessor) Eileen Murdoch First Data Resources Inc 11024 Chicago Circle Omaha, NE 68154 and David L. Schlapbach First Data Corporation 5660 New Nordside Dr., Suite 1400 Atlanta, GA 30328	(to Sublessor) Telex/courier/ overnight delivery/ registered mail/ certified mail
							No as to Overlandlord (Article 14) tenant may assign or sublet the premises without Overlandlord's consent provided tenant remains liable in the event of default of assignee or subtenant.	(Overlandlord) Forsyth/Gallimore Partners and Petula Associates, Ltd 7015-D Albert Pick Road Greensboro, North Carolina 27409	registered/certified

<u>No.</u>	<u>PROPERTY ID</u>	<u>ADDRESS</u>	<u>EXPIRATION</u>	<u>RSF</u>	<u>CURRENT ANNUAL RENT P/S/F</u>	<u>CURRENT MONTHLY RENT</u>	<u>CONSENT REQUIRED?</u>	<u>LANDLORD ADDRESS</u>	<u>METHOD OF NOTICE</u>
28.	not yet executed	3395 Northeast Expressway Atlanta, GA	7/30/2001	6,092	\$68,413.16	\$5,701.10	Yes as to sublessor (paragraph 14). Subtenant may not assign or sublet the sublet premises w/o sublessor's consent (not to be unreasonably withheld if proposed assignee/subtenant has a net worth equal to or greater than subtenant)  Yes as to lessor (Article 17) lessee may not assign or sublet the premises to a nonaffiliated company without lessor's consent and lessor may withhold consent in lessor's sole discretion. Lessee may assign or sublet the premises to an affiliated company without landlord's consent.	(Sublessor) Lee Searcy Credit Performance Services 3395 Northeast Expressway Suite 200 Atlanta, GA 30341 and Ms. Eileen Murdoch Property Administrator 11024 Chicago Circle Omaha, NE 68154  (Overlandlord) Koger Equity, Inc. 3986 Boulevard Center Dr. Jacksonville, FL 32207	(to Sublessor) Telex/courier/ overnight delivery/ registered mail/ certified mail  (to Overlandlord) overnight delivery/ personal delivery/ certified mail/ registered mail

FACILITIES INFORMATION AS OF JULY 31, 1997

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Seattle, WA (Relocated Branch and Subleased Space)	217 Pine Street Suite 200 Seattle, WA 98101	113,840.08	11,087	08/15/97	N/A	Cellars 800 Fifth Avenue, Suite 3930 Seattle, WA 98104 Michael Dierdorff 206-474-8200
Atlanta, GA (Suite 200 Subleased Atlanta Western Union Financial & Commercial Services, affiliate or sub of FPMC, still occupies Suite 110)	5883 Glenridge Drive Suites 110 & 200 Atlanta, GA 30328 404 843 9400; fax 404 843 0447	25,259.83  Dep 23,368.43	18,250	09/30/97	N/A	Area 57758 Glenridge Drive Suite 500 Atlanta, GA 30328 Gerry Brown 404 847 0000; fax 404 847 8936
Atlanta, GA (Subleased Both Suites to Western Union Financial Services, wholly owned subsidiary of FDC)	5883 Glenridge Drive Suites 130 & 135 Atlanta, GA 30328	1,032.32  Dep 935.00	1,122	09/30/97 (sublease expires 8/28/97)	N/A	Area 57758 Glenridge Drive, Suite 500 Atlanta, GA 30328 Gerry Brown 404 847 0000; fax 404 847 8936
Atlanta, GA (Subleased)	57758 Glenridge Drive Suite 500 Atlanta, GA 30328	7,765.75	8,968	09/30/97	N/A	Area 57758 Glenridge Drive Suite 500 Atlanta, GA 30328 Gerry Brown 404 847 0000; fax 404 847 8936

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Tampa Closed Branch (still paying on Suite 215)	1311 N. Westshore Blvd Suite 215 Tampa, FL 33607	3,208.78		12/31/97	N/A	Austin Company 1408 N. Westshore Blvd. Suite 1002 Tampa, FL 33607 John Long, Vicepres 813.289.3888, fax 813.287.5619
Hendersonville, TN (Leased to Ingram & Associates, Inc.)	136 Walton Ferry Road Suite A Hendersonville, TN 37075 615.822.5862, fax 615.824.4508	11,806	11,500	12/31/97	N/A	IAI #7 Partnership c/o Larry Mullins 5200 Maryland Way, Suite 204 Brentwood, TN 37027 Preston Ingram 615.395.4028
Hendersonville, TN Parking (Leased to Ingram & Associates, Inc.)	136 Walton Ferry Road Hendersonville, TN 37075	1,666.67	Parking	12/31/97	N/A	IAI #7 Partnership c/o Larry Mullins 5200 Maryland Way, Suite 204 Brentwood, TN 37027 Preston Ingram 615.395.4028
Scotch Plains, NJ Sales	1812 Front Street Suite 1814 2FL Scotch Plains, NJ 07876 908.322.3804, fax 908.322.3886	833.62 Dep 1,115.47	Office	12/31/97	Renewable on notice prior to 10/31/97	CEO Executive Suites 1812 Front Street Scotch Plains, NJ 07876 Seymour Stein 908.322.8629
Scotch Plains, NJ Sales	1812 Front Street Suite 1818 1FL Scotch Plains, NJ 07876	833.62 Dep 1,283.62	Office	12/31/97	Renewable on notice prior to 10/31/97	CEO Executive Suites 1812 Front Street Scotch Plains, NJ 07876 Seymour Stein 908.322.8629, fax 908.322.8961



BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Greensboro, NC MCI	414 Gallum Dairy Road Suite F Greensboro, NC 27409-9725	14,483.04	8,864	3/98	Nationwide rents this space pursuant to an intercompany arrangement with First Data Corporation which holds the lease. We have not reviewed the underlying lease.	
Phoenix Operations (ACM, Inc.)	714 & 818 East Van Buren Phoenix, AZ 85008 602-378-2222	32,067.95	47,090	03/25/98	N/A	Triable Investments 601 W. Gentry Road Phoenix, AZ 85013
Kansas City, KS	5700 Broadmeor Street Suites 200 & 220 Shawnee Mission, KS 66202 913-384-0056, fax 913-871-2019	8,658.85	8,711	01/31/99	Renewable for (1) additional term of 3 years, right of first refusal for additional space	Sharp & Shorten 5700 Broadmeor Street Suite 1012 Shawnee Mission, KS 66202 913-722-6900, fax 913-722-8685
Brantwood, TN	1718 General George Patton Dr. Brantwood, TN 770-377-0623	1,625	1,400	05/31/98	Renewable for 12 months on 60 days notice	IAI #22 Partnership 1720 General George Patton Drive Brantwood, TN 37027 Preston Ingram 815-395-4028
Louisville, KY	305 N. Hurstbourne Lane Suite 110 Louisville, KY 40222 502-428-8900, fax 502-428-6800	13,087.87	11,218	03/31/99	Renewable for (1) term of 3 years with 6 month notice	HH, Inc. One Damara Place, Suite 450 Louisville, KY 40222 Bobby Compton 502-329-8984, fax 502-329-8255

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Yukon Alliance (not assignable by NCI and transfer of controlling interest in NCI, including by sale of capital stock, is deemed an assignment)	300 Brickstone Square, 5th Floor Andover, MA 01810-1429 508-475-2230, fax 508-470-3116	2,093.63	1,907	05/20/99	This lease may be extended if primary lease is extended	Yukon Alliance, Inc. Paul O'Neill 508-470-2000
Houston, TX	450 N. Sam Houston Pkwy East Suite 240 Houston, TX 77060 713-831-6855, fax 713-998-0081	9,675.42	10,555	03/14/99	Right of first offer for additional space, renewable for 1 additional 5 year term	2272 Corporation c/o Termino Properties 7887 Sam Felipe, Suite 237 Houston, TX 77063 Maruano Bak 713-874-4292, fax 713-874-5646
FL Lauderdale, FL	4740 N. State Road 7 Suite 108 Lauderdale Lakes, FL 33319 954-486-0003, fax 954-714-2206	6,332.31	6,316	01/31/00	Termable on 90 days' notice prior to 1/31/99, renewable on 90 days' notice for (1) additional 3 year term, right of first refusal for certain additional space	Harshery Holdings c/o Regency Realty Corp P O Box 2718 Jacksonville, FL 32232 Jay Adams 305-523-8551, fax 305-325-8180

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Dak Road	2253 Northwest Parkway Marietta, GA 30087 770-956-5638	44,368.18 (thru 7/31/97)	70,000	07/31/00	Renewable twice for up to 5 years on 30 days' notice; option to purchase during term for fair market value on written notice. Right to notice of lessor's intent to transfer interest and right to purchase such interest.	Hanna Investments Two Revenue Drive, Suite 1750 Atlanta, GA 30346 770-901-5810, fax 770-901-5820
Endicott, NY	Glenade Technology Park 1060 Perimeter Road West Building 17-4 Endicott, NY 13760	8,000.00	12,000	07/31/00 or 08/31/00 (inconsistent expiration dates in lease)	Option to lease on additional 4,000 sq ft, on notice prior to 7/31/00; renewable for 2 additional 3 year terms on notice not later than 2 months prior to expiration of the then current term.	IBM Corporation 1701 North Street Dept. KMB/Bldg 403 Endicott, NY 13760 Edward M. Burke 607-755-9700, fax 607-755-3172
Seattle, WA	20818 44th Avenue West Suite 251 Lynnwood, WA 98038 Retail 208-640-2080, fax 640-2096 HC 208-640-2072, fax 640-2072	14,386.48	13,811	12/31/00	Renewable for 2 additional 3 year terms on 6 months' notice	Cushman & Wakefield Building 121-01 P.O. Box 84851 Seattle, WA 98124 Rick Sherrill 206-521-0289, fax 206-521-0298

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Cleveland, OH	800 Westpoint Parkway Suite 1100 Westlake, OH 44145 216-348-1860, fax 216-348-1867	16,408.75	13,127	02/28/01	Renewable on 6 months' notice for an additional 5 year term	Westlake Office Associates, Ltd. c/o Zensaba Management Co 968 Corporate Way Westlake, OH 44145 Donald Lydon 216-892-4544, fax 216-892-0418
Boston, MA	600 West Cummings Park Suite 2500 Webster, MA 01801 817-938-9701, fax 817-938-5310	8,408.84	7,602	04/30/01	Automatically extended for successive 5 year periods absent notice of intent not to extend	Cummings Properties Mgmt. Inc. 200 W Cummings Park Webster, MA 01801 Fred Keefe 617-935-8000, fax 617-935-1990
Sacramento, CA (Change of control of MO (> 25%) - assignment and if to other than an affiliate, need lessor's consent)	3835 North Freeway Blvd Suite 100 Sacramento, CA 95834 916-583-1300, fax 916-583-1310	17,459.76	12,967	05/10/01	Renewable for 5 years with 3 months notice	Vest Networks c/o The Vest Companies Dept 66450 El Monte, CA 91735-6450 Shelby Lovelaki 916-641-8112, fax 916-641-0983
Dallas, TX	6080 North Central Expressway Suite 344 Dallas, TX 75208 214-890-4477, fax 214-890-2203	7,372.00	7,372	01/31/02	Renewable for (1) 5 year term, right of first refusal for additional space, terminable after 11/30/99 on 6 months' notice	Twin Satires, Inc. 6080 North Central Expressway Suite 700 Dallas, TX 75208 Rich Sam 214-891-8921, fax 214-891-5970

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

Schedule 4

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

<u>Grantor</u>	<u>Location</u>
Nationwide Credit, Inc.	6190 Powers Ferry Road, 4th Floor Atlanta, GA 30339
NCI Acquisition Corporation	6190 Powers Ferry Road, 4th Floor Atlanta, GA 30339

**LOCATION OF INVENTORY AND EQUIPMENT**

Schedule 5

LOCATION OF INVENTORY AND EQUIPMENT

Grantor

Location

See attached.



FACILITIES INFORMATION AS OF JULY 31, 1997

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Seattle, WA (Relocated Branch and Subleased Space)	217 Pine Street Suite 200 Seattle, WA 98101	\$13,640.06	11,097	08/15/97	N/A	Collins 800 Fifth Avenue, Suite 3930 Seattle, WA 98104 Michael Dierdorff 206-424-8200
Atlanta, GA (Suite 200 Subleased, Atlanta Western Union Financial & Commercial Services, affiliate or sub of FFMIC, still occupies Suite 110)	5883 Glenridge Drive Suites 110 & 200 Atlanta, GA 30328 404-843-8400, fax 404-843-0442	25,259.83  Dep 23,369.43	18,250	09/30/97	N/A	Ara 57758 Glenridge Drive, Suite 500 Atlanta, GA 30328 Garry Brown 404-847-0000, fax 404-847-8936
Atlanta, GA (Subleased Bath Suites to Western Union Financial Services, wholly-owned subsidiary of FDC)	5883 Glenridge Drive Suites 130 & 135 Atlanta, GA 30328	1,032.32  Dep 936.00	1,122	09/30/97 (sublease expires 9/29/97)	N/A	Ara 57758 Glenridge Drive, Suite 500 Atlanta, GA 30328 Garry Brown 404-847-0000, fax 404-847-8936
Atlanta, GA (Subleased)	57758 Glenridge Drive Suite 250 Atlanta, GA 30328	7,766.76	6,968	09/30/97	N/A	Ara 57758 Glenridge Drive, Suite 500 Atlanta, GA 30328 Garry Brown 404-847-0000, fax 404-847-8936

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Tampa Closed Branch is still paying on Suite 215	1311 N. Westshore Blvd. Suite 215 Tampa, FL 33607	3,208.78		12/31/97	N/A	Austin Company 1408 N. Westshore Blvd Suite 1002 Tampa, FL 33607 John Long, Veronica 813-289-3886, fax 813-787-5619
Hendersonville, TN (Leased to Ingram & Associates, Inc.)	136 Walten Ferry Road Suite A Hendersonville, TN 37075 815-822-5962, fax 815-824-4508	11,808	11,500	12/31/97	N/A	IAI #7 Partnership c/o Larry Mullins 5200 Maryland Way, Suite 204 Brentwood, TN 37027 Preston Ingram 815-395-4026
Hendersonville, TN Parking (Leased to Ingram & Associates, Inc.)	136 Walten Ferry Road Hendersonville, TN 37075	1,688.67	Parking	12/31/97	N/A	IAI #7 Partnership c/o Larry Mullins 5200 Maryland Way, Suite 204 Brentwood, TN 37027 Preston Ingram 815-395-4026
Scotch Plains, NJ Sales	1812 Front Street Suite 1814 2FL Scotch Plains, NJ 07876 908-322-3804, fax 908-322-3886	833.82 Dep 1,115.47	Office	12/31/97	Renewable on notice prior to 10/31/97	CEO Executive Suites 1812 Front Street Scotch Plains, NJ 07876 Seymour Stein 980-322-9529
Scotch Plains, NJ Sales	1812 Front Street Suite 1816 1FL Scotch Plains, NJ 07876	833.82 Dep 1,283.62	Office	12/31/97	Renewable on notice prior to 10/31/97	CEO Executive Suites 1812 Front Street Scotch Plains, NJ 07876 Seymour Stein 980-322-9529, fax 908-322-8961

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Greensboro, NC MCI	414 Gallimore Dairy Road Suite F Greensboro, NC 27409 8725	14,483.04	8,864	3/98	Nationwide rents this space pursuant to an intercompany arrangement with First Data Corporation which holds the lease. We have not reviewed the underlying lease.	
Phoenix Operations (A.C.M. Inc.)	714 & 818 East Van Buren Phoenix, AZ 85008 602.378.2222	32,067.95	47,090	03/25/98	N/A	Frable Investments 501 W. Ocotillo Road Phoenix, AZ 85013
Kansas City, KS	5700 Broadmeor Street Suites 200 & 220 Shawnee Mission, KS 66202 813-384-0055, fax 813-671-2018	8,658.65	8,711	01/31/99	Renewable for (1) additional term of 3 years, right of first refusal for additional space	Sharp & Shorten 5700 Broadmeor Street Suite 1012 Shawnee Mission, KS 66202 813/722-6800, fax 813/722-6895
Brentwood, TN	1718 General George Patton Dr. Brentwood, TN 770-377-0823	1,625	1,400	05/31/98	Renewable for 12 months on 60 days notice	IAI #22 Partnership 1720 General George Patton Drive Brentwood, TN 37027 Preston Ingram 815-395-4028
Louisville, KY	305 N. Harritbourne Lane Suite 110 Louisville, KY 40222 502-428-8900, fax 502-428-6800	13,087.67	11,218	03/31/99	Renewable for (1) term of 3 years with 6 months' notice	HFH Inc One Ozmers Place, Suite 450 Louisville, KY 40222 Becky Compass 502-328-8964, fax 502-328-8255

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Yusko Alliance (not assignable by NCI and transfer of controlling interest in NCI, including by sale of capital stock, is deemed an assignment)	300 Brickstone Square, 5th Floor Andover, MA 01810-1429 508-475-2230, fax 508-470-3116	2,093.53	1,907	05/20/99	This sublease may be extended if primary lease is extended	Yusko Alliance, Inc. Paul O'Neil 508-470-2000
Houston, TX	450 N. Sam Houston Pkwy East Suite 240 Houston, TX 77060 713-831-6855, fax 713-999-0091	9,675.42	10,555	03/14/99	Right of first offer for additional space, renewable for 1 additional 5 year term	7272 Corporation c/o Termino Properties 7887 San Felipe, Suite 237 Houston, TX 77063 Marionne Beck 713-974-4262, fax 713-974-5848
Ft Lauderdale, FL	4740 N State Road 7 Suite 108 Lauderdale Lakes, FL 33319 954-486-0003, fax 954-714-2205	6,302.31	6,316	01/31/00	Terminable on 90 days' notice prior to 1/31/99; renewable on 90 days' notice for (1) additional 3 year term; right of first refusal for certain additional space	Handberry Holdings c/o Regency Realty Corp P.O. Box 2718 Jacksonville, FL 32232 Jay Adams 305-523-8551, fax 305-325-8160

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Dak. Road	2253 Northwest Parkway Marietta, GA 30067 770-958-5838	44,368.18 (thru 7/31/97)	70,000	07/31/00	Renewable twice for up to 5 years on 30 days' notice; option to purchase during term for fair market value; written notice; right to notice of lessor's intent to transfer interest and right to purchase such interest	Hanna Investments Two Revere Drive, Suite 1750 Atlanta, GA 30346 Gail Veal 770-901-5810, fax 770-901-5820
Endicott, NY	Glendale Technology Park 1060 Penmeter Road West Building 17-4 Endicott, NY 13760	9,000.00	12,000	07/31/00 or 08/31/00 (inconsistent expiration dates in lease)	Option to lease an additional 4,000 sq. ft. on notice prior to 7/31/00; renewable for 2 additional 3 year terms on notice not later than 2 months prior to expiration of the then current term	IBM Corporation 1701 North Street Dept. KMB/Blg 40-3 Endicott, NY 13760 Edward M. Burns 807-755-8700, fax 807-755-3172
Seattle, WA	20818 44th Avenue West Suite 251 Lynnwood, WA 98036 Retail 208-640-2060, fax 840-2096 HC 208-640-2072, fax 640-2072	14,386.48	13,811	12/31/00	Renewable for 2 additional 3-year terms on 6 months' notice	Cushman & Wakefield Building 121-01 P.O. Box 84851 Seattle, WA 98124 Rick Sherrill 206-521-0289, fax 206-521-0798

BRANCH	BRANCH ADDRESS	MONTHLY RENT	SQUARE FOOTAGE	EXPIRATION DATE	CERTAIN OPTIONS	LANDLORD CONTACT
Cleveland, OH	800 Westpoint Parkway Suite 1100 Westlake, OH 44145 216-348-1850, fax 216-348-1857	16,408.75	13,127	02/28/01	Renewable on 6 months' notice for an additional 5 year term	Westlake Office Associates, Ltd. c/o Zereba Management Co. 868 Corporate Way Westlake, OH 44145 Donald Lyden 216-892-4544, fax 216-892-0418
Boston, MA	600 West Cummings Park Suite 2500 Woburn, MA 01801 817-938-9701, fax 817-938-5310	8,408.84	7,602	04/30/01	Automatically extended for successive 5 year periods absent notice of intent not to extend	Cummings Properties Mgmt. Inc. 200 W. Cummings Park Woburn, MA 01801 Fred Koefe 817-935-8000, fax 617-935-1990
Sacramento, CA (Change of control of NC) (> 25%) - assignment and if to other than an affiliate, need lessor's consent)	3835 North Freeway Blvd. Suite 100 Sacramento, CA 95834 816-563-1300, fax 816-563-1310	17,458.75	13,967	05/10/01	Renewable for 5 years with 3 months notice	Vest Networks c/o The Vest Companies Dept. 86450 El Monte, CA 91735-6450 Shafiq Levahat 816-641-8112, fax 816-641-0983
Dallas, TX	6060 North Central Expressway Suite 344 Dallas, TX 75206 214-890-4477, fax 214-890-2203	7,372.00	7,372	01/31/02	Renewable for (1) 5 year term, right of first refusal for additional space, terminable after 11/30/99 on 6 months' notice	Twins Suites, Inc. 6060 North Central Expressway Suite 700 Dallas, TX 75206 Rick Elam 214-891-8921, fax 214-691-5870

**SCHEDULE 5.9  
REAL PROPERTY**

No.	PROPERTY ID	ADDRESS	EXPIRATION	RSE	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
1.	00458	3600 E. University Dr. Suites C-1550, A-1450 & B1350 Phoenix, AZ 85034 (\$141,334 Letter of Credit)	4/15/02	38,106	\$9.97	\$29,147.62	Probably no, but notice required (Article 16) prohibits assignment of any interest and sublease w/o landlord's consent (not to be unreasonably withheld) but no express prohibition re stock transfer; tenant has right to assign or sublet w/o consent to affiliate or entity acquiring tenant's assets if notice given)	Southwood Properties Corp c/o the E.A.M. Group 2201 East Camelback Rd. Suite 230B Phoenix, AZ 85016 Attn: Ronald R. Auserman (BUT NOTE SOUTHWOOD MAY HAVE SOLD TO ROBERTSON STEPHENS COMMERCIAL PROPERTY FUND L.L.C.)	Registered/certified mail
2.	00451	714 & 816 E. Van Buren Phoenix, AZ 85006 (note discrepancy btw size, monthly rent and annual rent psf)	03/25/98	4,375	\$8.00	\$31,393.00	Probably no (Article 16) prohibits assignment, transfer of interest in lease or sublease w/o landlord's consent (not to be unreasonably withheld) but no express prohibition re stock transfer; tenant has right to assign or sublet w/o consent to affiliate or party acquiring assets of tenant's business as a going concern if new party assumes obligations, tenant is fully liable and use is unchanged.	Frable Investments, Inc. 501 West Ocotillo Road Phoenix, AZ 85013 with a copy to Planner, Schneiderman & Schneider, P.C., 1707 East Highland, Suite 190 Phoenix, Arizona 85016	Registered/certified mail or overnight delivery service
3.	00915	North Pointe Business Centre 3835 North Freeway Blvd. Suite 100 Sacramento, CA (Landlord held security deposit of \$8,649.80 applied to first month's rent)	02/14/01	14,605	\$15.00	\$18,256.25	No (Article 16) (notwithstanding any other provision of Article 16, can assign w/o consent to any entity acquiring all of the capital stock of tenant)	New England Mutual Life Insurance Company 21600 Oxnard Street Suite 300 Woodland Hills, CA 91367 with a copy to: Building Manager North Pointe Business Centre 3835 North Freeway Blvd. Sacramento, CA 95834-1956	Registered/certified mail

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TRADEMARK

No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/SF	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
4.	00860	12500 East Iliff Aurora, CO	02/27/02	27,681	\$13.00	\$29,987.75	No (Article 7) (No consent required for assignment or sublease to entity which acquires all or substantially all of tenant's stock but assignment document required within 30 days of subletting or assignment)	Jacobs Properties, L.L.C. P.O. Box 22065 Denver, CO 80222 Attention: Mike Jacobs  with a copy to: Browstein Hyatt Farber & Strickland, P.C. 410 17th Street, 22nd Floor Denver, CO 80202 Attention: Laura Jean Christman, Esq.	Registered mail or recognized receipt overnight mail service; decennial delivered on the earlier of actual receipt or 2nd business day following deposit in mail
5	00332	10 Univac Lane Third Floor Windsor, CT (guaranteed by FFMC, but if tenant assigns all of tenant's interest to unaffiliated entity in accordance with lease, guaranty of no further effect after assignment; \$7,184.25 security deposit)	12/01/97	5,562	\$15.50	\$7,184.25	Probably no (Article 32) (no assignment, sublease or transfer of lease w/o Landlord's consent (which shall not be unreasonably withheld) except to subsidiary or affiliate. No specific prohibition re: stock transfer	ADVO, Inc. c/o Servus Management Corporation Manager for Univac Lane One Financial Plaza Hartford, CT 06103	Registered mail
6	00456	4780 N. State Road 7 Building E., Suite 101 Lauderdale Lakes, FL	12/31/00	6,316	\$11.75	\$5,973.50	No (Paragraph 10, Item 12) Tenant can assign w/o landlord's consent to entity acquiring tenant's stock upon prior notice	Headway Holdings, Inc. Suite 200 121 West Forsyth Street Jacksonville, FL 32202  Headway Holdings, Inc. P.O. Box 2718 Jacksonville, FL 32222	Certified mail or reputable overnight courier, deemed delivered when deposited



No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
7.	00793	6190 Powers Ferry Road Building 14 Suites 150,170, 180, 200,290 and 400 Atlanta, GA	6/30/02	48,417	\$15.97	\$64,434.96	No (Article 18) Assignment of more than 50% interest in stock of tenant is subject to landlord's approval, but notwithstanding same, no consent is required for assignment to entity which acquires all of substantially all of tenant's assets or stock so long as such entity into which tenant is merged or which acquires the assets of tenant has a net worth equal to or greater than that of tenant on the lease commencement date (note that this net worth requirement does not expressly apply to entity acquiring stock)	Powers Ferry Landing East Limited Partnership c/o General Investment & Development Co. Suite 2000 600 Atlantic Avenue Boston, MA 02210 Attention: Mr. William H. Roberts  and: Spaulding and Slye Services Limited Partnership c/o Spaulding and Slye 125 High Street, 16th Floor Boston, MA 02110-2701 Attention: Mr. Jack Restivo  and: Greystone Realty Management, Inc. Attn: General Manager 6201 Powers Ferry Road, Suite 305 Atlanta, GA 30339	Registered/certified mail or same day or overnight courier service
8.	00325	5883 Glenridge Drive Suites 110/200 Atlanta, GA (approx \$23,370 security deposit; did landlord approve 1994 assignment to Nationwide?)	9/30/97	10,555	\$15.50 per lease	\$164,439.47	Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer. Certain timing requirements for sublease request.	The Mutual Life Insurance Company of New York c/o The Landmarks Group One Concourse Parkway, Suite 600 Atlanta, GA 30328-5346 and lender if Nationwide has received notice of lender's address (NOTE--see revised landlord notice address for Suite 130/135)	Registered/certified mail; notices deemed given on date of mailing
9.	00327	5775 B Glenridge Drive Suite 250 Atlanta, GA (Sublease to Payroll 1 Inc. for all of premises through end of term - Lease Terminated effective June 6th, 1997)	9/30/97	6,968	\$12.45	\$7,229.30	Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer. Certain timing requirements for sublease request	The Mutual Life Insurance Company of New York c/o The Landmarks Group, 5775-B Glenridge Drive, Suite 220 Atlanta, GA 30328 and lender if Nationwide has received notice of lender's address (NOTE--see revised landlord notice address for Suite 130/135)	Registered/certified mail; notices deemed given on date of mailing

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TRADEMARK

REEL: 1777 FRAME: 0236

PROPERTY ID      ADDRESS      EXPIRATION      RSF      ANNUAL RENT P/S/F      MONTHLY RENT      CONSENT REQUIRED      LANDLORD ADDRESS      METHOD OF NOTICE

10.      00326      5883 Glenridge Drive  
 Suites 130/135  
 Atlanta, GA  
 (\$935 security deposit; Sublease  
 to Western Union for all of  
 premises through end of term)

9/30/97      1,122      \$10.00      \$935.00

Probably no (Article 18) No assignment or transfer of lease or sublease, but no specific prohibition re stock transfer. Certain timing requirements for sublease request.

The Mutual Life Insurance Company of New York  
 c/o ARES, Inc.  
 5775-B Glenridge Drive, Suite 100  
 Atlanta, GA 30328  
 Attn: Property Manager (this address provided by 1996 landlord consent to Western Union sublease) and lender if Nationwide has received notice of lender's address

Registered/certified mail; notices deemed given on date of mailing

11.      00578      3375 N.E. Expressway  
 Suite 210  
 Atlanta, GA

7/31/01      9,248      \$9.70      \$7,588.63

Probably no (Article 17 and Insert 31) No sublease, assignment or transfer of Lease or tenant's interest in the Lease without landlord's consent (which may be withheld in landlord's discretion), but specific language relating to stock transfer being considered an assignment was deleted and initialed. Also, tenant may assign to entity which is affiliate or survives the sale of substantially all of the assets of tenant. Landlord requires 30 days advance notice.

Koger Equity, Inc.  
 3986 Boulevard Center Drive  
 Jacksonville, FL 32207

Overnight delivery; registered/certified mail; notice effective when delivered

12.      00705      2253 Northwest Parkway  
 Marietta, GA

7/31/00      70,000      \$7.12      \$4,982,400

No, depending on net worth (Article 12 First Amendment). Tenant may assign or sublet to party (w/o consent but with advance notice) which acquires all or substantially all of tenant's stock or assets if the party's net worth following such acquisition is equal to or greater than the greater of: (a) tenant's net worth as of date of First Amendment (6/22/90); or (b) the net worth of tenant immediately preceding the acquisition.

Frank J. Hanna, Jr.  
 1360 Beechwood Hills Court  
 Atlanta, GA 30327

mailed or telegraphed; notice deemed delivered when actually received

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No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P1/P2	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
13.	00452	5700 Broadmoor St. Suites 220 & 200 Mission, KS	1/14/99	8,993	\$7.06	\$5,253.98	Probably no. (Suite 200/Paragraph 7; Suite 220/Paragraph 7) Tenant may not assign the Lease or sublet without landlord's written consent (not to be unreasonably withheld), but no specific prohibition re stock transfer	Sharp & Shorten Enterprises c/o S & S Enterprises 5700 Broadmoor, Suite 401 Mission, KS 66202	Mailed
14.	00453	305 N. Hurstbourne Lane Suite 110 Louisville, KY 40222	3/31/99	11,218	\$14.00	\$13,087.67	Probably no (Paragraph 15, Items 10 and 13 of Addendum) Tenant may not assign, sublet or transfer without landlord's prior written consent, but specific language relating to stock transfer being considered an assumption was deleted. Lease contains blanket reasonableness obligation.	HFH Hurstbourne Forum Limited Partnership 101 Bullitt Lane, Suite 450 Louisville, KY 40222	Registered/certified mail
15.	00841	300 Brickstone Square Andover, MA (Nationwide is subtenant; Base lease missing; need prime Landlord's notice address)	5/20/99	1,907	\$13.17	\$2,093.53	Yes (Paragraph 6) Subtenant may not assign or transfer w/o sublandlord's consent. Assign and transfer are defined to include the transfer or sale of a controlling interest in subtenant.	(Sublandlord Notice Information) Yankee Alliance, Inc. 300 Brickstone Square Andover, MA 01810 with a copy to: McDermott, Witt & Binety 75 State Street Boston, MA 02109 Attention: Martin R. Lettward, Esq.	In accordance with Base lease
16.	00913	600 West Cummings Park Suite 5400 Woburn, MA (\$17,000 security deposit/letter of credit-form at Nationwide's option)	3/30/01	7,878	\$12.95	\$8,501.58	No (Rider to Lease, Item D) Tenant may assign or sublet to any entity acquiring all of the stock of Tenant but must give Landlord prior written notice.	Cummings Properties Management, Inc. 200 West Cummings Park Woburn, MA 01801	Certified mail; deemed served when delivered

No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
17.	00435	1812 Front Street Scotch Plains, NJ (\$1,115.47 security deposit; missing agreement extending lease term beyond 12/31/96)	12/31/97	333	\$19.82	\$550.00	Probably no (Paragraph 4.4) Tenant may not assign or sublet but no specific prohibition re stock transfer.	C.E.O. Suites, Inc. aka C.E.O. Executive Suites, Inc. C.E.O. Corporate Center 1812 Front Street Scotch Plains, N.J. 07076-1103	Registered/certified
18.	00736	800 Westpoint Parkway Suite 100 Westlake, Ohio	1/31/01	13,127	\$15.00	\$16,408.75	No (Section 13c) General assignment language describes stock transfer as subject to Landlord's consent, but per 13c, Tenant may assign or sublet to any entity acquiring all of the stock of Tenant as long as Tenant gives Landlord notice	Westlake Office Associates, Ltd. 868 Corporate Way Westlake, OH 44145 Attention: General Counsel	Registered/certified ; notice deemed given on earlier of when received or 2 post delivery days following date notice is mailed
19.	00888	1718 General George Patton Dr. Brentwood, TN	5/31/98	1,400	\$13.93	\$1,625.00	No (Section 4(2) second paragraph) Tenant may assign or sublet with landlord's consent to any entity which acquires substantially all of the stock of tenant.	LAI #22 Partnership 1720 General George Patton Drive Brentwood, TN 37027	Registered/certified ; date of notice is date of registration or certification
20.	00573	136 Walton Ferry Court Hendersonville, TN	1/31/98	11,500	\$12.32	\$1,006.16	Probably no (Paragraph 4) Landlord may terminate upon attempted assignment by tenant but no specific prohibition re stock transfer	LAI #5 Partnership 8440 Crockett Lane College Grove, TN 37046	No notice provision
21.	00834	6060 North Central Expressway Suite 344 Dallas, TX	1/31/02	7,372	\$12.00	\$1,122.00	No (Article 11) Tenant may assign to any entity which acquires all of tenant's stock w/o landlord's consent but upon 10 days prior notice.	Twin States, Inc. 6060 N. Central Expressway Suite 700 Dallas, TX 75206	Registered/certified mail, deemed given 2 business days after deposit in mail

<u>No.</u>	<u>PROPERTY ID</u>	<u>ADDRESS</u>	<u>EXPIRATION</u>	<u>RSE</u>	<u>CURRENT ANNUAL RENT P/SE</u>	<u>MONTHLY RENT</u>	<u>CONSENT REQUIRED?</u>	<u>LANDLORD ADDRESS</u>	<u>METHOD OF NOTICE</u>
22.	00455	450 Sam Houston Pkwy. E. Houston, TX (\$6,287.81 security deposit) (guaranty by ACB Sales & Service, Inc.)	3/14/99	10.555	\$11.00	\$9,675.42	Probably no (Article 16; Addendum Paragraph 4) Tenant may not assign the Lease or any interest therein or sublease w/o landlord's consent but no specific prohibition re stock transfer and tenant may assign to entity which acquires all of tenant's assets as a going concern w/o consent. If subject to landlord's consent, request must be submitted 60 days in advance.	State Mutual Life Assurance Company of America c/o Commercial Management Services 450 Sam Houston Parkway East, Management Office Houston, TX 77060  copy to: Commercial Management Services 4299 San Felipe, Suite 210 Houston, TX 77027	Registered/Certified; notice deemed given when delivered or rejected for delivery; if failure to notify re change in address, noticed deemed given upon delivery
21	00914	20818 - 44th Avenue West Suite 251 Lynnwood, WA (Nationwide is subtenant of Boeing and a sub- sublease of 460 s. f. of the subject premises between NCI and FDMS is pending execution )	12/31/00	13.811	\$7.00	\$8,056.42	No as to sublandlord (Article 12 of Sublease) Subtenant may assign or sublet to any entity which acquires all of Subtenant's stock.  Probably no as to Prime Landlord (Article 17 of Prime Lease) Any assignment by Boeing to non-affiliate requires Landlord's consent (not to be unreasonably withheld but it is deemed reasonable to withhold consent if assignee does not have S & P rating of at least AA). Any sublease to non-affiliate of Boeing requires Landlord's consent (not to be unreasonably withheld). No specific prohibition re stock transfer.	copy to: Allmerica Realty Advisors 440 Lincoln Street Worcester, MA 01653 Attn: President  (Sublandlord) The Boeing Company P.O. Box 3707 Mail Stop 75-66 Seattle, WA 98124-2207 Attn: Leased Property Manager Boeing Commercial Airplane Group  (Prime Landlord) Rosche One Interests, L.P. 5350 S. Staples, Suite 100 Corpus Christi, TX 78411 Attn: Kathy Deurmyer	Boeing - prepaid courier, first class mail or fax  Rosche One - prepaid courier, registered/certified or overnight delivery

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No.	PROPERTY ID	ADDRESS	EXPIRATION	RSF	CURRENT ANNUAL RENT P/S/F	CURRENT MONTHLY RENT	CONSENT REQUIRED?	LANDLORD ADDRESS	METHOD OF NOTICE
24.	00324	217 Pine Street, Third Floor Seattle, WA (sublease of entire space for entire remaining term to Intermind)	9/15/97	11,097	\$6.64	\$6,138.03	Probably no (Article 12). Tenant may not assign or transfer the Lease or any interest therein w/o landlord's consent (not to be unreasonably withheld) but no specific prohibition re stock transfer	Duchess Properties Ltd c/o Alston, Courtnage, MacAulby & Proctor 1000 Second Avenue, Suite 3900 Seattle, WA 98104-1045 Attn: Andrew B. Bassett	US mail
25.	00734	32990 Alvarado - Niles Road Suite 910 Union City, CA (lease documentation indicates 5/31/96 expiration date)	5/31/99	8,032	\$9.88	\$6,616.00	Yes (Article 19). The assignment or transfer of more than 25% of tenant's stock (if tenant is not a public corporation) is an assignment subject to landlord's consent (not to be unreasonably withheld, but certain enumerated reasons are deemed reasonable)	Rouse & Associates - Dowe Business Park Phase I Limited Partnership 32990 Alvarado - Niles Road Union City, CA 94587	Certified
26	00956	1060 Perimeter Road West Endicott, New York	7/31/00	12,000	\$9.00	\$9,000.00	No (Paragraph 7). Tenant may assign or sublet w/o landlord's consent to any entity which acquires all of tenant's stock.	IBM Office of Counsel 1701 North Street Endicott, NY 13760 and RES Director Planning and Analysis IBM Real Estate Services Old Orchard Road Armonk, NY 10504	Registered/certified
27	not yet executed	414 Gallimore Dairy Road Greensboro, NC (Nationwide is a subs tenant of First Data Resources inc.)	4/30/98	9,900	\$9.30	\$9,072.00	Yes as to sublessor (paragraph 16). Subtenant may not assign or sublet the sublet premises w/o sublessor's consent (not to be unreasonably withheld if proposed assignee/subtenant has a net worth equal to or greater than subtenant)  No as to Overlandlord (Article 14) tenant may assign or sublet the premises without Overlandlord's consent provided tenant remains liable in the event of default of assignee or subtenant	(Sublessor) Eileen Muroch First Data Resources Inc 11024 Chicago Circle Omaha, NE 68154 and David L. Schlapbach First Data Corporation 5660 New Northside Dr., Suite 1400 Atlanta, GA 30328  (Overlandlord) Forsyth/Gallimore Partners and Petula Associates, Ltd. 7015-D Albert Pick Road Greensboro, North Carolina 27409	(to Sublessor) Telefax/courier/ overnight delivery/ registered mail/ certified mail  (to Overlandlord) registered/certified

<u>No.</u>	<u>PROPERTY ID</u>	<u>ADDRESS</u>	<u>EXPIRATION</u>	<u>RSF</u>	<u>CURRENT ANNUAL RENT P/ST</u>	<u>CURRENT MONTHLY RENT</u>	<u>CONSENT REQUIRED?</u>	<u>LANDLORD ADDRESS</u>	<u>METHOD OF NOTICE</u>
28.	not yet executed	3395 Northeast Expressway Atlanta, GA	7/30/2001	6,092	\$68,413.16	\$5,701.10	<p>Yes as to sublessor (paragraph 14). Subtenant may not assign or sublet the sublet premises w/o sublessor's consent (not to be unreasonably withheld if proposed assignee/subtenant has a net worth equal to or greater than subtenant)</p> <p>Yes as to lessor (Article 17) lessee may not assign or sublet the premises to a nonaffiliated company without lessor's consent and lessor may withhold consent in lessor's sole discretion. Lessee may assign or sublet the premises to an affiliated company without landlord's consent</p>	<p>(Sublessor) Lee Searcy Credit Performance Services 3395 Northeast Expressway Suite 200 Atlanta, GA 30341</p> <p>and Ms. Eileen Murdoch Property Administrator 11024 Chicago Circle Omaha, NE 68154</p> <p>(Overlandlord) Koger Equity, Inc 3986 Boulevard Center Dr Jacksonville, FL 32207</p>	<p>(to Sublessor) Telefax/courier/ overnight delivery/ registered mail/ certified mail</p> <p>(to Overlandlord) overnight delivery/ personal delivery/ certified mail/ registered mail</p>

**COPYRIGHTS & COPYRIGHT LICENSES; PATENTS & PATENT LICENSES;  
TRADEMARKS AND TRADEMARK LICENSES**



Schedule 6

COPYRIGHTS AND COPYRIGHT LICENSES

See attached.

PATENTS AND PATENT LICENSES

See attached.

TRADEMARKS AND TRADEMARK LICENSES

See attached.

TRADEMARK  
REEL: 1777 FRAME: 0244

## INTELLECTUAL PROPERTY

### SCHEDULE 5.11(a)

#### COPYRIGHTS

Pursuant to the certain Asset Purchase Agreement dated 12/18/92, ACB Management Services, Inc., author of the work "A.C.C.E.S.S. - ACB Client Executive Support System," assigned all its rights, title and interest in and under all U.S. and foreign copyrights to such work, to ACB Business Services, Inc. (f/k/a ACM, Inc.), including the U.S. copyright registration for said work: TX 418381. The U.S. copyright registration for said work has subsequently been assigned to the Company pursuant to a certain confirmation of assignment of copyright, a copy of which is attached hereto as Exhibit 5.11.1.

#### PATENT RIGHTS

NONE

See Schedule 5.11(c) regarding the termination of license and covenant not to sue rights relating to a certain portfolio of patents and patent applications owned by Ronald A. Katz Technology Licensing, L.P., upon the change of control of Affiliates of FDC, including the Company.

#### TRADE SECRETS

All confidential ideas, know-how, concepts, methods, processes, formulae, reports, data, customer lists, customer requirements, mailing lists, business plans, marketing plans or strategies, software (including source code and object code), and other proprietary information of the Company or the Subsidiaries that provides the Company or the Subsidiaries with a competitive advantage.

INTELLECTUAL PROPERTY

SCHEDULE 5.11(b)

SOFTWARE

1. Software Applications Previously Acquired by Company or its Affiliates:

Title	Prior Owner
CONVERT 2 . EXE STANDY . EXE BOUNTY . EXE EMPLOY . EXE EMPLIST . EXE COBOLCNV . EXE TCINDEX . EXE TCNEMU . EXE ACCOUNT . FIN	ACB Management Services, Inc.

Title	Prior Owner
PC Programs Home Office AS/400 CL Programs Home Office AS/400 RPG Programs HFS AS/400 CL Programs HFS AS/400 COBOL Programs Branch AS/400 A.C.C.E.S.S. CL Programs Branch AS/400 A.C.C.E.S.S. RPG Programs Home Office ES/9000 Assembler Programs Home Office ES/9000 CICS Programs Home Office ES/9000 Batch COBOL Programs Home Office Program Descriptions	ACB Management Services, Inc.
MACS 2000 collection system software	Master Collectors, Inc.
Collector workscreen Payment processing Letter printing Account placement Legal processing Account reporting Account transfer and assignment Accounting software developed by SOTAS International Collection software developed by COMPCO, Inc.	Ingram

2. Interface Programs Used in the Business.

Approximately 4200 customer interface software programs have been created by Company employees or consultants for the Company's customers to enable the Company to interface with its various customers. A listing of these programs has been made available for inspection by the Buyer. The Sellers make no representations or warranties, including as to title and ownership, or non-infringement of the intellectual property rights of any third party, with respect to these programs.

3. Third-Party Software Used in the Business:

CUBS (licensed from Columbia Ultimate) (copy of license attached)  
FACS System (licensed from Ontario Systems Corp.) (copy of license attached)  
Collection Partner Software, Legal Forwarding Solution Software and Collection Partner to Collection Partner  
Electronic Data Interface Module (licensed from Jim Hubbard & Associates) (copy of licenses attached)

## INTELLECTUAL PROPERTY

### SCHEDULE 5.11(c)

#### A. Patent Rights:

1. Enterprise Licenses With Ronald A. Katz Technology Licensing, L.P.

Ronald A. Katz Technology Licensing, L.P., a California limited partnership ("RAKTL") is the owner of a portfolio of United States and foreign patents and patent applications (the "Portfolio") relating to automated transaction processing utilizing communication facilities and/or computer telephone integration. The Portfolio has particular relevance to the interactive and automated call processing industry, prepaid calling card services, product/service technical support, customer service, credit card and calling card authorization and utilization, service bureaus, home shopping and remote ordering. The Portfolio also relates to merchandising, promotions, registrations, contests and lotteries as well as functions involved in securing information from databases by telephone, interactive cable transactions and various other uses of 800 and 900 telephone numbers.

FDR is an Affiliate of FDC. FDR is a limited partner in RAKTL and has an economic interest in the partnership. FDR, FDC and FDC's Affiliates enjoy non-exclusive license and covenant not to sue rights under the Portfolio pursuant to two (2) License and Covenant Not to Sue Agreements (the "RAKTL Enterprise License Agreements") between RAKTL and FDR dated September 17, 1994 and November 14, 1994. These license and covenant not to sue rights under the RAKTL Enterprise License Agreements are only available to Affiliates of FDC while such Affiliates remain directly or indirectly controlled by FDC.

In the event an Affiliate of FDC becomes no longer controlled by FDC (as for instance in a sale of all of the stock of such Affiliate to a third party), the former Affiliate's license and covenant not to sue rights under the RAKTL Enterprise License Agreements automatically terminate in accordance with the terms and conditions of such Agreements. However, under the RAKTL Limited Partnership Agreement, RAKTL has separately agreed with FDR that RAKTL will not make a claim or prosecute an infringement action under the Portfolio (without FDR's prior written consent) against a former FDC affiliate with regard to activities that are within the scope of the activities that the former affiliate was engaged in while it was controlled by FDC. For activities beyond the scope of those activities that the former affiliate was engaged in while it was controlled by FDC, RAKTL is not restricted from bringing an infringement claim or action under the Portfolio if such activities beyond such scope infringe the Portfolio.

In addition, during the period that an Affiliate of FDC enjoys license and covenant not to sue rights under the RAKTL Enterprise License Agreements, it may in certain circumstances be able to convey implied license rights under the Portfolio with respect to the products and/or services which it sells or otherwise furnishes to its customers. In the event the Affiliate becomes no longer controlled by FDC (as for instance in a sale of all of the stock of the former affiliate to a third party), the former affiliate's license and covenant not to sue rights under the RAKTL Enterprise License Agreements automatically terminate thereby also automatically terminating its ability to convey such implied license rights in respect to the products and/or services it sells or otherwise furnishes its customers. Depending upon the express or implied representations, warranties, indemnities or other assurances which the former affiliate may have provided or be deemed to have provided or which the former affiliate may be providing or be deemed to be providing to its customers with regard to the products and/or services it sells or otherwise furnishes, the termination of its ability to convey such implied license rights could expose it to liability to its customers in the event RAKTL were to bring an infringement action under the Portfolio against one or more of its customers.

2. Licenses of "Auto-Pay" from AutoScribe Corporation.

The Company and/or the Subsidiaries use a number of copies of a software application called "Auto-Pay" licensed from AutoScribe Corporation ("AutoScribe"). This application relates to computer systems which generate preauthorized debtor checks for submission and payment through the banking system. Mr. Robert Pollin was the inventor named in regard to United States Patent Number 5,504,677 (the "Pollin Patent") which covers systems which generate preauthorized checks. The Company believes that Mr. Pollin is also an owner of AutoScribe Corporation.

The Company understands that rights under the Pollin Patent were assigned or licensed exclusively to National Credit Management Corporation ("National"), but that AutoScribe and/or Mr. Pollin are currently in litigation with National and are seeking to terminate the assignment/license. Accordingly, it is unclear whether the copies of the "Auto-Pay" software application being used by the Company and the Subsidiaries are licensed under the Pollin Patent. If they are not so licensed, the Sellers believe it is possible that the copies of the "Auto Pay" application may infringe the exclusive rights of National under the Pollin Patent if such rights are ultimately upheld.

3. The Company's use of Bar Code Technology.

Bar Code Disclosure The Company and/or Subsidiaries utilize bar code technology in the Business without a license from the estate of Jerome H. Lemelson. Mr. Lemelson was the inventor of a number of United States patents relating to methods and apparatus for scanning, analyzing and/or generating image information. The Company understands that Mr. Lemelson's estate is conducting a licensing program with respect to these patents. The Company also understands that the validity and/or enforceability of these patents is the subject of pending litigation.

B. Copyrights, Trade Secrets and Software:

1. The Company has not obtained on a consistent basis written work-for-hire and confidentiality agreements, or assignment agreements providing for exclusive ownership and rights in the Company for works created by a number of independent programmers and consultants who have been engaged by the Company to work on various projects from time to time. Such programmers or consultants have been engaged to provide computer programming services and to write or develop code, and any related user manuals, or contribute to the development or enhancement of the Software owned or licensed by the Company and/or its subsidiaries. In connection with such engagement, such independent programmers or consultants may have gained access to the Trade Secrets. Moreover, such programmers' or consultants' work product, including Software, may also constitute Trade Secrets. Therefore, such independent programmers or consultants may be able to assert rights in such Software. They may also not be obligated to maintain the confidentiality of any Trade Secrets to which they had access during the course of their engagement by the Company, or to assign any work product that may constitute a Trade Secret and to maintain the confidentiality of such work product.

2. The Company has allowed its customers to gain access from a remote location to the Company's computer system, on which some or all such Software resides or is accessible. Such access has been provided without any restrictions or conditions, such as, by making access by the customer conditioned upon such customer signing a license agreement, a non-disclosure agreement or other agreement or obligation regarding the use of such Software (including against copying, disclosure, transfer, transmission or other distribution).

3. Such Software and other computer systems owned or licensed by the Company are not Year 2000 compliant. However, the Company has made representations to its clients that such Software is or will be made to be Year 2000 compliant.



4. The First Data Affiliated group of companies has enterprise type license or other agreements with the owners, licensors, vendors and/or providers of software, Intellectual Property, equipment, other property and/or services listed in Exhibit 5.4.3. Such license or other agreements may grant the Company and/or the Subsidiaries rights, options and/or benefits in or with respect to the applicable software, Intellectual Property, equipment, other property and/or services which are not ordinarily available in other circumstances. Upon the Closing and the Company and the Subsidiaries no longer being affiliated with FDC, the Company and the Subsidiaries will lose such rights and benefits and/or no longer be entitled to exercise such options (except to the extent provided for pursuant to the Transition Services Agreement.)

6. See also reference to Auto-Pay software in Schedule 5.11(c)A(2).

7. The Company and/or Subsidiaries utilize bar code technology in the Business without a license from the estate of Jerome H. Lemelson. Mr. Lemelson was the inventor of a number of United States patents relating to methods and apparatus for scanning, analyzing and/or generating image information. The Company understands that Mr. Lemelson's estate is conducting a licensing program with respect to these patents. The Company also understands that the validity and/or enforceability of these patents is the subject of pending litigation.

8. Virtually all of the third party licenses for the Software identified in Schedule 5.11(b), including licenses for commercially available or "shrink-wrapped" software, and any other licenses granted to the Company or any of the Subsidiaries by third parties restrict assignment and/or contain change in control provisions. Such licenses may require the other party's consent to avoid a breach of such license terms and/or an event of default or other event entitling the other party to terminate such licenses.

C. Trademarks:

1. Collecto, Inc. filed suit in the United States District Court for the District of Colorado against Nationwide Credit, Inc. alleging that Nationwide Credit Inc. infringed certain trademarks owned by Collecto; Civil Action No. 97-B-872. Collecto alleged that it had used the mark "NATIONWIDE CREDIT" in Colorado continuously since 1968 and that Collecto's use is prior to Company's use. Pursuant to a Settlement Agreement entered by the parties on May 16, 1997, the lawsuit was dismissed against Nationwide Credit, Inc. with prejudice. Since then, the parties have entered into a Purchase Agreement whereby Seller purchased, and Collecto conveyed, transferred and assigned to Seller, all rights to the following trademarks, together with the goodwill related thereto: NATIONWIDE, NATIONWIDE CREDIT, NCI, NCC, any

logos containing either NATIONWIDE, NATIONWIDE CREDIT, NCI or NCC, and any names or marks confusingly similar thereto.

2. On 7/19/96, Company sent a cease and desist letter to Jim Norton, Vice President of a company doing business as "Nationwide Credit Corporation" based Alexandria, VA, demanding that the Virginia company cease using the mark "NATIONWIDE CREDIT" based on the Company's federal registration as a service mark of the identical mark on November 7, 1975. The Virginia company responded with a letter requesting further information, including the factual basis of the Company's claim, and to Seller's knowledge, the Virginia company has continued to use the trade name. The Company has taken no further action since that time.

3. The Sellers have become aware that there are numerous concurrent third-party uses of the mark "NATIONWIDE CREDIT" and variations thereof used in identical or related markets and channels of trade. (See search reports attached as Exhibit 5.11.2 disclosing other similar uses of "NATIONWIDE CREDIT" and variations thereof, including as a trade name, by others in same or similar businesses). Such third party uses may be prior to the Company's use and thus, one or more of such third parties may have rights to the mark "NATIONWIDE CREDIT" superior to the Company's rights in the mark.

4. On August 5, 1997, Nationwide was notified by the Washington Collection Agency Board (the "WCA Board") that it had been contacted by a representative of Nationwide Collectors Company ("Collectors"). Collectors told the WCA Board that it had been receiving Nationwide's mail, money and telephone calls. Nationwide was asked to contact Collectors to respond to its inquiry. A similar inquiry has been made by the State of Florida.

INTELLECTUAL PROPERTY

SCHEDULE 5.11(d)

5.11(d)(iii):

1. See Schedule 5.11(c) regarding possible third party claims against Company with respect to the Copyrights, the Patent Rights, the Software, Trade Secrets and the Trademarks.

2. See Schedule 5.11(c) regarding possible factual grounds for third-party assertion of abandonment and/or loss of rights based on laches, estoppel, and/or failure to actively enforce trademark rights and concurrent third-party uses of the Trademarks.

3. See Schedule 5.11(c) regarding factual grounds for third-party claims based on possible loss or diminution of rights in Software and any Copyrights thereto or Trade Secrets, for permitting unlicensed, and unrestricted distribution, use or access to such Software or Trade Secrets, and failure to obtain written work-for-hire and/or assignment documents, where applicable.

4. See Schedule 5.11(c) for potential patent infringement claims relating to the Katz enterprise patent licenses, the license for the AutoPay software, and the Lemelson patents

INTELLECTUAL PROPERTY

SCHEDULE 5.11(e)

5.11(e)(i):

See Schedule 5.11(c) regarding dispute involving Nationwide Credit Corporation of Virginia; Item 5 of Schedule 5.13 regarding the claim made by Fiserv, and Item 4 of Schedule 5.11(c)(C) above regarding claims by Washington Collection Agency Board and State of Florida.

5.11(e)(ii):

See Schedule 5.11(e)(i) above.

**SCHEDULE 5.11(f)**

1. See Schedules 5.11(e) above.

SIMPSON THACHER & BARTLETT

A PARTNERSHIP WHICH INCLUDES PROFESSIONAL CORPORATIONS

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R\_Maiello@stblaw.com

EXPRESS MAIL

April 21, 1998

Re: Recordation of Security Agreement

Commissioner of Patents and Trademarks  
U.S. Patent and Trademark Office  
Office of Public Records  
Crystal Gateway 4, Room 335  
Washington, DC 20231

Dear Madam or Sir:

Enclosed for recording please find a Security Agreement in favor of Fleet Capital Corporation, as Administrative Agent, covering 4 U.S. trademarks and trademark applications.

A check for \$115 is enclosed to cover the filing fee. Please return confirmation of this filing to me at my firm's address as listed above.

Thank you for your consideration.

Respectfully submitted,



Raymond M. Maiello

cc: Michael Lee

Enclosure

LONDON

HONG KONG

TOKYO

SINGAPORE

COLUMBUS

TRADEMARK  
REEL: 1777 FRAME: 0257



**UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office**

ASSISTANT SECRETARY AND COMMISSIONER  
OF PATENTS AND TRADEMARKS  
Washington, D.C. 20231

JULY 20, 1998

PTAS

SIMPSON THACHER & BARTLETT  
RAYMOND M. MAIELLO  
425 LEXINGTON AVENUE  
NEW YORK, NY 10017



\*100697387A\*

UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF NON-RECORDATION OF DOCUMENT

DOCUMENT ID NO.: 100697387

THE ENCLOSED DOCUMENT HAS BEEN EXAMINED AND FOUND NON-RECORDABLE BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. THE REASON(S) FOR NON-RECORDATION ARE STATED BELOW. DOCUMENTS BEING RESUBMITTED FOR RECORDATION MUST BE ACCOMPANIED BY A NEW COVER SHEET REFLECTING THE CORRECT INFORMATION TO BE RECORDED AND THE DOCUMENT ID NUMBER REFERENCED ABOVE.

THE ORIGINAL DATE OF FILING OF THIS ASSIGNMENT DOCUMENT WILL BE MAINTAINED IF RESUBMITTED WITH THE APPROPRIATE CORRECTION(S) WITHIN 30 DAYS FROM THE DATE OF THIS NOTICE AS OUTLINED UNDER 37 CFR 3.51. THE RESUBMITTED DOCUMENT MUST INCLUDE A STAMP WITH THE OFFICIAL DATE OF RECEIPT UNDER 37 CFR 3. APPLICANTS MAY USE THE CERTIFIED PROCEDURES UNDER 37 CFR 1.8 OR 1.10 FOR RESUBMISSION OF THE RETURNED PAPERS, IF THEY DESIRE TO HAVE THE BENEFIT OF THE DATE OF DEPOSIT IN THE UNITED STATES POSTAL SERVICE.

SEND DOCUMENTS TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, CG-4, 1213 JEFFERSON DAVIS HWY, SUITE 320, WASHINGTON, D.C. 20231. IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, YOU MAY CONTACT THE INDIVIDUAL WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723.

1. PLEASE IDENTIFY THE FOUR PROPERTY NUMBERS THAT YOU WANT RECORDED.
2. THE COVER SHEET SUBMITTED FOR RECORDING DOES NOT ADEQUATELY IDENTIFY THE PROPERTY NUMBER(S). THE APPLICATION NUMBER AND SERIES CODE OR THE SERIAL NUMBER AND FILING DATE IS REQUIRED.

ANTIONE ROYALL, EXAMINER  
ASSIGNMENT DIVISION  
OFFICE OF PUBLIC RECORDS

TRADEMARK  
REEL: 1777 FRAME: 0258

TMB

**SIMPSON THACHER & BARTLETT**

A PARTNERSHIP WHICH INCLUDES PROFESSIONAL CORPORATIONS

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U.S. Patent & TMAO: TM Mail Reg. TM



07-30-1998

(SIMILE) (212) 455-2502

TELEX: 129158

E-MAIL ADDRESS

r\_maicello@stblaw.com

EXPRESS MAIL

July 30, 1998

Re: Notice of Non-Recordation of Document of July 20, 1998  
Document ID No.: 100697387

U.S. Patent and Trademark Office  
Assignment Division  
Box Assignments, CG-4  
1213 Jefferson Davis Hwy, Suite 320  
Washington, DC 20231  
attn: Antione Royall

Dear Mr. Royall:

In accordance with your Notice of Non-Recordation, enclosed for recordation please find the original Recordation Cover Sheet and Security Agreement received by your office April 21, 1998, as well as the updated Cover Sheet you requested including the registration/application numbers of the 4 U.S. trademarks and trademark applications to be recorded.

I hope that the appropriate filing may now be executed. Thank you for your attention to this matter.

Respectfully submitted,

Raymond M. Maicello

Enclosure

LONDON

HONG KONG

TOKYO

SINGAPORE  
TRADEMARK

COLUMBUS

RECORDED: 07/30/1998

REEL: 1777 FRAME: 0259