

10-27-1998

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

10.26.98

TF



100860931

Tab settings

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

1. Name of conveying party(ies):

See Exhibit 1 attached hereto.

10-26-98

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

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

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

Name: Bank Boston, N.A.

Internal Address:

Street Address: 100 Federal Street  
Mail Stop 01-08-05

City: Boston State: MA ZIP: 02110

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Bank

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

(Designations must be a separate document from Assignment)

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

3. Nature of conveyance:

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

Execution Date: 10/2/98

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

A. Trademark Application No.(s)

See Schedule IV attached hereto.

B. Trademark registration No.(s)

See Schedule IV attached hereto.

Additional numbers attached?  Yes  No

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

Name:

Inte \_\_\_\_\_  
 \_\_\_\_\_ Return To 318 ZK  
 National Corporate Research, LTD.  
 225 W. 34th St., Suite 910  
 New York, N.Y. 10122  
 (800) 221-0102 (212) 947-7200  
 Stre \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

6. Total number of applications and registrations involved:

12

7. Total fee (37 CFR 3.41):

315.00

- Enclosed
- Authorized to be charged to deposit account.

8. Deposit account number:

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

10/27/1998 TTON11 00000128 1956834

DO NOT USE THIS SPACE

FC:491 40.00 BP  
FC:492 275.00 BP

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.

Susan Friedman  
Name of Person Signing

Susan Friedman  
Signature

10/16/98  
Date

Total number of pages comprising cover sheet:

90

OMB No. 0651-0011 (exp. 4/94)

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Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
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Washington, D.C. 20231

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TRADEMARK

REEL: 1804 FRAME: 0365

Exhibit 1

Conveying Parties

I. Atrium Entities

- (i) Atrium Companies, Inc.
- (ii) Atrium Corporation
- (iii) Atrium Door and Window Company of Arizona
- (iv) Atrium Door and Window Company of New England, Inc.
- (v) Atrium Door and Window Company of New York
- (vi) Atrium Door and Window Company of the Northeast
- (vii) Atrium Door and Window Company-West Coast

II. Door Entities

- (i) R.G. Darby
- (ii) Total Trim

II. Wing Entities

- (i) Wing Industries Holdings, Inc.
- (ii) Wing Industries, Inc.

**SCHEDULE IV**

**Trademarks**

**I. Atrium Entities**

Since Atrium Companies, Inc., and its predecessors in interest, including without limitation Fojtasek Companies, Inc., and Moulding Products, Inc., first began using the following marks in interstate commerce, they have done so continuously in interstate commerce: THE ATRIUM LOCK, PRISM and PARAGON.

**Registered Trademarks**

<b>A.Mark:</b>	<b>AARDVARK</b>		
<b>Goods:</b>	Vinyl windows		
<b>Country:</b>	United States		
<b>Reg. No.:</b>	1,956,834	<b>Reg. Date:</b>	02-13-96
<b>Serial No.:</b>	74/513,739	<b>Filing Date:</b>	04-18-94
<b>B.Mark:</b>	<b>APPLAUSE</b>		
<b>Goods:</b>	Vinyl windows		
<b>Country:</b>	United States		
<b>Reg. No.:</b>	1,925,477	<b>Reg. Date:</b>	10-10-95
<b>Serial No.:</b>	74/586,414	<b>Filing Date:</b>	10-17-94
<b>C.Mark:</b>	<b>TRIUMPH</b>		
<b>Goods:</b>	Vinyl windows		
<b>Country:</b>	United States		
<b>Reg. No.:</b>	1,925,476	<b>Reg. Date:</b>	10-10-95

Serial No.:	74/586,413	Filing Date:	10-17-94
<b>Pending Applications</b>			
A. Mark:	<b>AARDVARK - THE FIRST NAME IN VINYL WINDOWS</b>		
Goods:	Vinyl windows		
Country:	United States		
Serial No.:	75/310,636	Filing Date:	06-17-97
B. Mark:	<b>TRADITIONS</b>		
Goods:	Vinyl windows		
Country:	United States		
Serial No.:	75/314,283	Filing Date:	06-24-97
C. Mark:	<b>THE ATRIUM DOOR</b>		
Goods:	Non-metal doors		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
D. Mark:	<b>ATRIUM</b>		
Goods:	Non-metal doors and windows		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
E. Mark:	<b>THE FRENCH CLASSIC</b>		
Goods:	Doors and transoms		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
F. Mark:	<b>MASTerview</b>		
Goods:	Aluminum doors and windows		

Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98

II. Door Entities

**R. G. DARBY  
TOTAL TRIM**

III. Wing Entities

**Trademark (Unregistered) Goods/Services**

Avalon	Glass Bifold Doors
BevelLite	French Style & Decorative Glass Doors & Windows
BrassLite	French Style Glass Doors
Carmelle	Wood Passage and Bifold Doors
Chantilly	Glass Bifold Doors
Classic	Fashion Windows
Classique	Wood Passage and Bifold Doors
Clermont	Wood Passage and Bifold Doors
Colonial	Wood Passage and Bifold Doors
Colonist	Wood Passage and Bifold Doors
Courtney	Glass Bifold Doors
Coventry	Wood Passage and Bifold Doors
Daisy	Fashion Windows
DeVille	Glass Bifold Doors
Florentine	Glass Bifold Doors
Hampton	Glass Bifold Doors
Heritage Glass	Glass Bifold Doors
Hummingbird	Fashion Windows
Imperial	Glass Bifold Doors
International Wing Logo	Logo
Jamison	Glass Bifold Doors
LaDoor	French Style Glass Doors
Lite Reflections	Mirrored Wall Decor
Lily Blossoms	Glass Bifold Doors

Magnolia  
 Magnolia  
 Monticello  
 Mystic  
 Natchez  
 Nob Hill  
 OneLite LaDoor  
 Orleans  
 Premier  
 Rosebud  
 Starburst  
 Starlite  
 Sunlite  
 Tamary  
 Tara  
 Villa  
 Wild Rose  
 Wing  
 Wildflower  
 WoodLite

Glass Bifold Doors  
 Fashion Windows  
 Mirror Bifold Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Glass Passage Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Fashion Windows  
 Fashion Windows  
 Fashion Windows  
 Fashion Windows  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Glass Bifold Doors  
 Mail Order, Catalog Services & General Use  
 Fashion Windows  
 French Style Glass Doors

**Trademarks (Registered)**

<b><u>Trademark</u></b>	<b><u>Goods/ Services</u></b>	<b><u>Registration Number</u></b>	<b><u>Registration Date</u></b>
Museum	Non-metal doors	2,105,433	October 14, 1997
Globe Logo	Non-metal doors, windows, window shutters and window frames; mail order catalog services	2,138,783	February 24, 1998
La Door	Non-metal doors	2,138,789	February 24, 1998
Rosemont	Non-metal doors	2,181,803	August 18, 1998
Wing	Non-metal doors, windows window shutters and window frames; mail order	2,138,773	February 24, 1998

- **The following Registered Trademark is not being preserved because the Company has abandoned its use**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Stylized W and Design	1,617,649	October 16, 1990

- **Trademarks (Registered - U.K.)**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
WING	1,426,074	May 22, 1990

## SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement"), dated as of October 2, 1998, made by ATRIUM COMPANIES, INC., a Delaware corporation having an office at Suite 1200 W, 1341 West Mockingbird Lane, Dallas, Texas 75247 (the "Borrower"), and EACH OF THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (collectively, the "Guarantors"; together with the Borrower, the "Pledgors", and each, a "Pledgor"), as pledgors, assignors and debtors, in favor of BANKBOSTON, N.A., having an office at 100 Federal Street, Mail Stop 01-08-05, Boston, Massachusetts 02110, in its capacity as administrative agent, as pledgee, assignee and secured party (in such capacity and together with any successors in such capacity, "Administrative Agent") for the lending institutions (the "Lenders") from time to time party to the Credit Agreement (as hereinafter defined).

### RECITALS:

A. Pursuant to a certain credit agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Credit Agreement), among the Borrower, D and W Holdings, Inc., the Guarantors, the Lenders, Administrative Agent and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner and Smith Incorporated, as Lead Arranger, Syndication Agent and Documentation Agent, the Lenders have agreed (i) to make to or for the account of the Borrower certain Term Loans up to an aggregate principal amount of \$175,000,000 and certain Revolving Loans up to an aggregate principal amount of \$30,000,000 and (ii) to issue certain Letters of Credit for the account of the Borrower.

B. It is contemplated that one or more of the Pledgors may enter into one or more Interest Rate Protection Agreements and Swap Contracts with one or more of the Lenders or their respective Affiliates (collectively, "Interest Rate Agreements") fixing the interest rates with respect to Loans under the Credit Agreement (all obligations of the Pledgors now existing or hereafter arising under such Interest Rate Agreements, collectively, the "Interest Rate Obligations").

C. Each Pledgor is or will be the legal and beneficial owner of the Pledged Collateral (as hereinafter defined) to be pledged by it hereunder.

D. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to any Lender issuing Letters of Credit under the Credit Agreement or entering into the Interest Rate Agreements that each Pledgor execute and deliver the applicable Credit Documents, including this Agreement.



E. This Agreement is given by each Pledgor in favor of Administrative Agent for its benefit and the benefit of the Lenders and the other Agents (collectively, the "Secured Parties") to secure the payment and performance of all of the Secured Obligations (as defined in Section 2).

**A G R E E M E N T :**

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and Administrative Agent hereby agree as follows:

Section 1. **Pledge.** As collateral security for the payment and performance when due of all the Secured Obligations, each Pledgor hereby pledges and grants to Administrative Agent for its benefit and the benefit of the Secured Parties, a continuing first priority security interest (subject to Prior Liens (as hereinafter defined)) in and to all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral"):

(a) all "accounts", as such term is defined in the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction (the "UCC"), and in any event including, without limitation, all of such Pledgor's rights to payment for goods sold or leased or services performed by such Pledgor or any other party, and all rights evidenced by an account, contract, security agreement, chattel paper, guarantee (including a letter of credit) or other evidence of indebtedness or security together with (i) all security pledged, assigned, hypothecated or granted to or held by such Pledgor to secure the foregoing, (ii) general intangibles arising out of such Pledgor's rights in any goods, the sale of which gave rise thereto, (iii) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (iv) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith and (v) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties and certificates from filing or other registration offices (collectively, the "Receivables");

(b) all "inventory", as such term is defined in the UCC, and, in any event including, without limitation, all raw materials, work in process, returned goods, finished goods, samples and consigned goods to the extent of the consignee's interest therein, materials and supplies of any kind or nature which are or might be used in connection with the manufacture, printing, publication, packing, shipping, advertising, selling or finishing of any such goods and all other products, goods, materials and supplies (collectively, the "Inventory");

(c) all books, records, ledgers, print-outs, file materials and other papers containing information relating to Receivables and any account debtors in respect thereof;

(d) any and all sale, service, performance and equipment or real property lease contracts, agreements and grants (whether written or oral), and any other contract (whether written or oral) between such Pledgor and third parties, but excluding any of the foregoing (i) the terms of which would be violated if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from such counterparty to the grant of a security interest therein (collectively, the "Contracts");

(e) all "equipment", as such term is defined in the UCC, and, in any event including, without limitation, all machinery, equipment, office machinery, furniture, conveyors, tools, materials, storage and handling equipment, automotive equipment, motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership, and all other equipment of every kind and nature owned by such Pledgor or in which such Pledgor may have any interest (to the extent of such interest), all modifications, alterations, repairs, substitutions, additions and accessions thereto, all replacements and all parts therefor and together with all substitutes for any of the foregoing (collectively, the "Equipment"); provided, that the term Equipment shall not include any of the foregoing described items that are the subject of purchase money financing permitted under the Credit Agreement the terms of which do not permit the Lien hereof; provided, further, that upon the satisfaction of any such financing, the items subject to such financing shall be deemed to be Equipment hereunder without any further action of any party;

(f) all "general intangibles", as such term is defined in the UCC, and, in any event including, without limitation, all manuals, blueprints, know-how, warranties and records in connection with the Equipment; all documents of title or documents representing the Inventory and all records, files and writings with respect thereto; any and all other rights, claims and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith, including, without limitation, all rights under any Contracts; all information, customer lists, identification of suppliers, data, plans, blueprints, specification designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like pertaining to operations by such Pledgor; all field repair data, sales data and other information relating to sales of products now or hereafter manufactured, distributed or franchised by such Pledgor; all accounting information pertaining to such Pledgor's operations or any of the Equipment, Inventory, Receivables or Intangibles (as hereinafter defined) and all media in which or on which any of the information or knowledge or data or records relating to such operations or any of the Equipment, Inventory, Receivables, Contracts or Intangibles may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; all rights and goodwill of such Pledgor; all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or assets now or hereafter held by such Pledgor; all causes of action, claims and warranties now or hereafter owned or acquired by such Pledgor; and any other property consisting of a general intangible under the UCC applicable

in such other location where such Pledgor maintains its records relating to such property, but excluding any of the foregoing (i) the terms of which would be violated if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from the applicable party to the grant of a security interest therein (collectively, the "Intangibles");

(g) all insurance policies held by such Pledgor or naming such Pledgor as insured, additional insured or loss payee (including, without limitation, casualty insurance, liability insurance, property insurance and business interruption insurance), all such insurance policies entered into after the date hereof other than insurance policies (or certificates of insurance evidencing such insurance policies) relating to health and welfare insurance and life insurance policies in which such Pledgor is not named as beneficiary (i.e., insurance policies that are not "Key Man" insurance policies) and all rights, claims and recoveries relating thereto (including all dividends, returned premiums and other rights to receive money in respect of any of the foregoing), but excluding any of the foregoing (i) the terms of which would be violated if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from the applicable party to the grant of a security interest therein (collectively, the "Insurance Policies");

(h) such Pledgor's right to receive the surplus funds, if any, which are payable to such Pledgor following the termination of any employee pension plan and the satisfaction of all liabilities of participants and beneficiaries under such plan in accordance with applicable law (collectively, the "Pension Plan Reversions");

(i) the issued and outstanding shares of capital stock of each Person described in Schedule I-A hereto and each other corporation hereafter acquired or formed by such Pledgor (the "Pledged Shares") (which are and shall remain at all times until this Agreement terminates, certificated shares), including the certificates representing the Pledged Shares and any interest of such Pledgor in the entries on the books of any financial intermediary pertaining to the Pledged Shares; provided that such Pledgor shall not be required to pledge shares possessing more than 65% of the voting power of all classes of capital stock entitled to vote of any Subsidiary which is a controlled foreign corporation (as defined in Section 957(a) of the Internal Revenue Code of 1986, as amended from time to time (the "Tax Code")) and, in any event, shall not be required to pledge the shares of stock of any Subsidiary otherwise required to be pledged pursuant to this Section 1(i) to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would trigger an increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code;

(j) subject to the proviso set forth in clause (i) above, all additional shares of capital stock of whatever class of any issuer of the Pledged Shares from time to time acquired by such Pledgor in any manner (which are and shall remain at all times until this Agreement terminates, certificated shares) (which shares shall be deemed to be part of the Pledged

Shares), including the certificates representing such additional shares and any interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such additional shares;

(k) all membership interests and/or partnership interests, as applicable, of each Person described in Schedule I-B hereto and each other limited liability company or partnership hereafter acquired or formed by such Pledgor, together with all rights, privileges, authority and powers of such Pledgor in and to each such Person or under the membership or partnership agreement of each such Person (the "Operative Agreements") (collectively, the "Initial Pledged Interests"), and the certificates, instruments and agreements, if any, representing the Initial Pledged Interests; provided that such Pledgor shall not be required to pledge interests possessing more than 65% of the voting power of all classes of equity interests entitled to vote of any Subsidiary which is a controlled foreign corporation (as defined in Section 957(a) of the Tax Code) and, in any event, shall not be required to pledge the interests of any Subsidiary otherwise required to be pledged pursuant to this Section 1(k) to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would trigger an increase in the gross income of a United States equityholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code;

(l) subject to the proviso set forth in clause (k) above, all options, warrants, rights, agreements, additional membership or partnership interests or other interests relating to each such Person described in clause (k) above or any interest in any such Person, including, without limitation, any right relating to the equity or membership or partnership interests in any such Person or under the Operative Agreement of any such Person (collectively, the "Additional Interests"; together with the Initial Pledged Interests, the "Pledged Interests"; the Pledged Interests and the Pledged Shares, collectively, the "Pledged Securities") from time to time acquired by such Pledgor in any manner and the certificates, instruments and agreements, if any, representing the Additional Interests;

(m) all intercompany notes described on Schedule II hereto (the "Intercompany Notes") and all certificates or instruments evidencing such Intercompany Notes and all proceeds thereof, all accessions thereto and substitutions therefor;

(n) all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes (collectively, "Distributions");

(o) without affecting the obligations of such Pledgor under any provision prohibiting such action hereunder or under the Credit Agreement, in the event of any consolidation or merger in which any Person listed on Schedule I-A or Schedule I-B hereto is not the

surviving entity, subject to the provisos set forth in clauses (i) and (k) above, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company or partnership owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from such consolidation or merger;

(p) patents issued or assigned to and all patent applications made by such Pledgor, including, without limitation, the patents and patent applications listed on Schedule III hereto, along with any and all (i) inventions and improvements described and claimed therein, (ii) reissues, divisions, continuations, extensions and continuations-in-part thereof, (iii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (iv) rights to sue for past, present and future infringements thereof (collectively, the "Patents");

(q) trademarks (including service marks), logos, federal and state trademark registrations and applications made by such Pledgor, common law trademarks and trade names owned by or assigned to such Pledgor and all registrations and applications for the foregoing, including, without limitation, the registrations and applications listed on Schedule IV hereto, along with any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Trademarks");

(r) copyrights owned by or assigned to such Pledgor, including, without limitation, the registrations and applications listed on Schedule V hereto, along with any and all (i) renewals and extensions thereof, (ii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Copyrights");

(s) license agreements and covenants not to sue with any other party with respect to any Patent, Trademark, or Copyright listed on Schedule VI hereto, along with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future breaches thereof, (iii) rights to sue for past, present and future breaches thereof and (iv) any other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights, but excluding any of the foregoing (i) the terms of which would be violated if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from the applicable party to the grant of a security interest therein (collectively, the "Licenses");

(t) the entire goodwill and all product lines of such Pledgor's business and other general intangibles, including, without limitation, know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulae connected with the use of and symbolized by the Trademarks of such Pledgor (collectively, the "Good Will");

(u) all financial accounts maintained with a financial institution (each, a "Financial Intermediary") and all investment property (as defined in the UCC) of such Pledgor, including, without limitation, (i) all moneys, financial assets (as defined in the UCC), checks, drafts, securities and instruments deposited or required to be deposited in such accounts, (ii) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed under subclause (i), and (iii) each consent or other agreement from time to time entered into by such Pledgor with any financial institution at which any of the financial accounts is maintained and all rights of such Pledgor under each such consent or agreement;

(v) any and all other property of such Pledgor;

(w) all "documents", as such term is defined in the UCC, including, without limitation, all receipts of such Pledgor covering, evidencing or representing Inventory or Equipment (collectively, the "Documents");

(x) all "instruments", as such term is defined in the UCC, including, without limitation, all promissory notes, drafts, bills of exchange or acceptances (collectively, the "Instruments"); and

(y) all "proceeds", as such term is defined in the UCC or under other relevant law, and in any event including, without limitation, any and all (i) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty or guaranty payable to Administrative Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral, (ii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any federal, state, local, foreign or other governmental or administrative (including self-regulatory) body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission or other similar dispute-resolving body including, without limitation, those governing the regulation and protection of the environment (each, a "Governmental Authority") (or any person acting on behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of the Pledged Collateral, (iv) products of the Pledged Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral (collectively, the "Proceeds").

The Pledged Securities, the Intercompany Notes, the Distributions and the Proceeds relating thereto are collectively referred to as the "Securities Collateral". The Patents, Trademarks,

Copyrights, Licenses, Good Will and the Proceeds relating thereto are collectively referred to as the "Intellectual Property Collateral". The property described in clause (u) above and the Proceeds relating thereto are collectively referred to as the "Financial Account Collateral". The Pledged Collateral other than the Securities Collateral, the Intellectual Property Collateral and the Financial Account Collateral is collectively referred to as the "General Collateral".

Section 2. Secured Obligations. This Agreement secures, and the Pledged Collateral is collateral security for, the payment and performance in full when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the filing of a petition in bankruptcy or the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of (i) all Obligations of the Pledgors now existing or hereafter arising under or in respect of the Credit Agreement and all Interest Rate Obligations of the Pledgors now existing or hereafter arising under or in respect of any Interest Rate Agreement (including, without limitation, the obligations of the Pledgors to pay principal, interest and all other charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the Obligations contained in the Credit Agreement and the obligations contained in any Interest Rate Agreement) and (ii) without duplication of the amounts described in clause (i), all obligations of the Pledgors now existing or hereafter arising under or in respect of this Agreement or any other Security Document, including, without limitation, all charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in this Agreement or in any other Security Document, in each case whether in the regular course of business or otherwise (the obligations described in clauses (i) and (ii), collectively, the "Secured Obligations").

Section 3. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or shall impose any obligation on Administrative Agent or any Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on Administrative Agent or any Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, any Interest Rate Agreement or any other Credit Document, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 3 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, any Interest Rate Agreement and the other Credit Documents.

Section 4. Perfection; Supplements; Further Assurances; Use of Pledged Collateral.

(a) Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral, to the extent not previously delivered to Administrative Agent, shall promptly upon receipt thereof by any Pledgor be delivered to and held by or on behalf of Administrative Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to Administrative Agent. Administrative Agent shall have the right, at any time upon the occurrence and during the

continuance of any Event of Default and without notice to any Pledgor, to endorse, assign or otherwise transfer to or to register in the name of Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, Administrative Agent shall have the right at any time in its reasonable discretion to exchange certificates representing or evidencing Pledged Securities for certificates of smaller or larger denominations.

(b) Perfection of Uncertificated Securities Collateral. If any issuer of Pledged Securities is organized in a jurisdiction which does not permit the use of certificates to evidence equity ownership, or if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, record such pledge on the equityholder register or the books of the issuer, use its best efforts to cause such issuer to execute and deliver to Administrative Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give Administrative Agent the right to transfer such Pledged Securities under the terms hereof and provide to Administrative Agent an opinion of counsel, in form and substance reasonably satisfactory to Administrative Agent, confirming such pledge.

(c) Financing Statements and Other Filings. Each Pledgor agrees that at any time and from time to time, it will execute and, at the sole cost and expense of the Pledgors file and refile, or permit Administrative Agent to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement), in form acceptable to Administrative Agent, in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office) as Administrative Agent may deem necessary or appropriate, upon reasonable advance written notice to Pledgor, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, first priority security interest (subject to Prior Liens) in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to Administrative Agent hereunder, as against third parties, with respect to any Pledged Collateral. Each Pledgor authorizes Administrative Agent to file any such financing or continuation statement or other document without the signature of such Pledgor where permitted by law.

(d) Perfection in Financial Accounts. In addition to any other actions required herein to be taken by any Pledgor, each applicable Pledgor shall promptly upon the request of Administrative Agent after the occurrence of an Event of Default cause each Financial Intermediary to execute and deliver to Administrative Agent a financial account consent agreement substantially in the form of Exhibit 2 hereto acknowledging the security interest and exclusive dominion and control of Administrative Agent in all Financial Account Collateral on deposit by such Pledgor with such Financial Intermediary.

(e) Motor Vehicles. At any time after the occurrence and during the continuance of an Event of Default, each Pledgor shall, upon the request of Administrative Agent, deliver to Administrative Agent originals of the certificates of title or ownership for the motor vehicles, and any other



Equipment covered by certificates of title or ownership owned by it, with Administrative Agent listed as lienholder.

(f) **Supplements; Further Assurances.** Each Pledgor agrees to do such further acts and things, and to execute and deliver to Administrative Agent such additional assignments, agreements, supplements, powers and instruments, as Administrative Agent may reasonably deem necessary or appropriate, wherever required or permitted by law, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to Administrative Agent hereunder, to carry into effect the purposes of this Agreement or better to assure and confirm unto Administrative Agent or permit Administrative Agent to exercise and enforce its respective rights, powers and remedies hereunder with respect to any Pledged Collateral. Without limiting the foregoing, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to Administrative Agent from time to time such lists, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments as reasonably requested by Administrative Agent. Administrative Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as Administrative Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or perfection of the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

(g) **Use and Pledge of Pledged Collateral.** Unless an Event of Default shall have occurred and be continuing, Administrative Agent shall from time to time execute and deliver, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, any and all instruments, certificates or other documents, in a form reasonably requested by such Pledgor, necessary or appropriate in the reasonable judgment of such Pledgor to enable such Pledgor to continue to exploit, license, use, enjoy and protect the Pledged Collateral in accordance with the terms of this Agreement. The Pledgors and Administrative Agent acknowledge that this Agreement is intended to grant to Administrative Agent for the benefit of the Secured Parties a security interest in and Lien upon the Pledged Collateral and shall not constitute or create a present assignment of any of the Pledged Collateral.

Section 5. **Representations, Warranties and Covenants.** Each Pledgor represents, warrants and covenants as follows:

(a) **Perfection Actions; Prior Liens.** Upon the completion of the deliveries, filings and other actions contemplated in Sections 4(a) through 4(d) hereof, the security interest granted to Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement in and to the Pledged Collateral will constitute a perfected security interest in the Securities Collateral, the Financial Account Collateral and such of the General Collateral as may be perfected by filing financing statements, superior and prior to the rights of all other

Persons therein other than with respect to (i) the Liens identified on Schedule 9.07 to the Credit Agreement relating to the items of Pledged Collateral identified on such annex, (ii) with respect to General Collateral acquired after the date hereof. Liens of the type described in clauses (g) and (h) of the definition of Permitted Liens and (iii) Subordinate Liens (as hereinafter defined) permitted hereunder which are created or authorized under any law or regulation of any applicable Governmental Authority and which are required under such law or regulation to be superior to the Lien and security interest created and evidenced hereby (the Liens described in this clause (iii), collectively, "the "Governmental Prior Liens"; together with the Liens described in clauses (i) and (ii) above, "Prior Liens").

(b) No Liens. Such Pledgor is as of the date hereof, and, as to Pledged Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole direct and beneficial owner of all Pledged Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than (i) Prior Liens, (ii) the Lien and security interest created by this Agreement and (iii) Subordinate Liens, and such Pledgor shall defend the Pledged Collateral pledged by it hereunder against all claims and demands of all Persons (other than Liens permitted hereunder) at any time claiming any interest therein adverse to Administrative Agent or any Secured Party. There is no agreement, and no Pledgor shall enter into any agreement or take any other action (other than with respect to purchase money financing permitted under the Credit Agreement), that would result in the imposition of any other Lien, restrict the transferability of any of the Pledged Collateral or otherwise impair or conflict with such Pledgors' obligations or the rights of Administrative Agent hereunder.

"Subordinate Liens" shall mean (A) with respect to the General Collateral, Liens of the type described in clauses (b), (c), (d), (e), (g), (h), (i), (k), (l), (m), (n), (o), (p), (q), (r) and (s) of the definition of Permitted Liens and (B) with respect to all other Pledged Collateral, Liens of the type described in clauses (b), (d) and (e) of the definition of Permitted Liens.

(c) Other Financing Statements. There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral other than financing statements relating to (i) Prior Liens that do not constitute Governmental Prior Liens, (ii) this Agreement and (iii) Subordinate Liens that do not constitute Governmental Prior Liens, and so long as any of the Secured Obligations remain unpaid or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit shall not have expired or been sooner terminated, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Pledged Collateral, except, in each case, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor pursuant to this Agreement and financing statements relating to Prior Liens or Subordinate Liens that in each such case do not constitute Governmental Prior Liens.

(d) Chief Executive Office; Inventory, Equipment and Records. The chief executive office and all Inventory and Equipment of such Pledgor are located at the addresses indicated next to its name on Annex A hereto. Such Pledgor shall not move its chief execu-

tive office or move any Inventory or Equipment to any location other than those listed on Annex B except to such new location as such Pledgor may establish in accordance with the last sentence of this Section 5(d). All tangible evidence of all Receivables, Pension Plan Reversions, Contracts, Intangibles and Insurance Policies of such Pledgor and the only original books of account and records of such Pledgor relating thereto are, and will continue to be, kept at such chief executive office, or at such new location for such chief executive office as such Pledgor may establish in accordance with the last sentence of this Section 5(d). All Receivables, Pension Plan Reversions, Contracts, Intangibles and Insurance Policies of such Pledgor are, and will continue to be, controlled and monitored (including, without limitation, for general accounting purposes) from such chief executive office location, or such new location as such Pledgor may establish in accordance with the last sentence of this Section 5(d). Such Pledgor shall not establish a new location for its chief executive office, move any Inventory or Equipment to any location other than those listed on Annex B or change its name, identity or structure until (i) it shall have given Administrative Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new location or name and providing such other information in connection therewith as Administrative Agent may reasonably request, and (ii) with respect to such new location or name, such Pledgor shall have taken all action reasonably satisfactory to Administrative Agent to maintain the perfection and priority of the security interest of Administrative Agent for the benefit of the Secured Parties in the Pledged Collateral intended to be granted hereby, including, without limitation, using best efforts (other than the expenditure of any material amount of money) to obtain waivers of landlord's or warehouseman's liens with respect to such new location, if applicable.

(e) Due Authorization and Issuance. All of the Pledged Shares have been, and to the extent hereafter issued will be upon such issuance, duly authorized, validly issued and fully paid and nonassessable. All of the Initial Pledged Interests have been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Initial Pledged Interests in exchange for or in connection with the issuance of the Initial Pledged Interests or any Pledgor's status as a partner or a member of any issuer of the Initial Pledged Interests.

(f) No Violations, etc. The pledge of the Pledged Securities pursuant to this Agreement does not violate Regulation T, U or X of the Federal Reserve Board.

(g) No Options, Warrants, etc. Except as permitted by the Credit Agreement, there are no options, warrants, calls, rights, commitments or agreements of any character to which such Pledgor is a party or by which it is bound obligating such Pledgor to issue, deliver or sell or cause to be issued, delivered or sold, additional Pledged Securities or obligating such Pledgor to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. Except as permitted by the Credit Agreement, there are no voting trusts or other agreements or understandings to which such Pledgor is a party with respect to the transfer, voting or exercise of any other right of the equity interests of any issuer of the Pledged Securities.

(h) No Claims. Such Pledgor owns or has rights to use all the Pledged Collateral pledged by it hereunder and all rights with respect to any of the foregoing necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Credit Documents. The use by such Pledgor of such Pledged Collateral and all such rights with respect to the foregoing do not infringe in any material respect on the rights of any Person. No written claim has been made and remains outstanding that such Pledgor's use of any Pledged Collateral does or may violate the rights of any third person in any material respect.

(i) Authorization, Enforceability. Such Pledgor has the requisite organizational power, authority and legal right to pledge and grant a security interest in all the Pledged Collateral pledged by it pursuant to this Agreement, and this Agreement constitutes the legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(j) No Conflicts, Consents, etc. Neither the execution and delivery of this Agreement by each Pledgor nor the consummation of the transactions herein contemplated nor the fulfillment of the terms hereof (i) violates any charter or by-laws or other organizational document of such Pledgor or any issuer of Pledged Securities, (ii) violates the terms of any agreement, indenture, mortgage, deed of trust, equipment lease, instrument or other document to which such Pledgor is a party, or by which it may be bound or to which any of its properties or assets may be subject, which violation or conflict would have a Material Adverse Effect, or a material adverse effect on the value of the Pledged Collateral or an adverse effect on the security interests hereunder, (iii) conflicts with any law, order, rule or regulation applicable to any such Pledgor of any Governmental Authority having jurisdiction over such Pledgor or its property, or (iv) results in or requires the creation or imposition of any Lien (other than the Lien contemplated hereby) upon or with respect to any of the property now owned or hereafter acquired by such Pledgor. Except with respect to the filing of financing statements under the UCC and notices thereunder, no consent of any party (including, without limitation, equityholders or creditors of such Pledgor or any account debtor under a Receivable) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other Person is required for (x) the pledge by such Pledgor of the Pledged Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance of this Agreement by such Pledgor, (y) the exercise by Administrative Agent of the rights provided for in this Agreement or (z) the exercise by Administrative Agent of the remedies in respect of the Pledged Collateral pursuant to this Agreement. In the event that Administrative Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of Administrative Agent, such Pledgor agrees to use its best efforts (other than the expenditure of any material amount of money) to assist and aid Administrative Agent to obtain

as soon as practicable any necessary approvals for the exercise of any such remedies, rights and powers.

(k) **Pledged Collateral.** All information set forth herein, including the schedules and annexes attached hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects taken as a whole. The Pledged Collateral described on the schedules attached hereto constitutes all of the material property of such type of Pledged Collateral owned or held by the Pledgors.

(l) **Insurance.** No Pledgor shall take any action that impairs the rights of Administrative Agent or any Secured Party in the Pledged Collateral. Each Pledgor shall at all times keep the Inventory and Equipment insured, at such Pledgor's own expense, to Administrative Agent's reasonable satisfaction against fire, theft and all other risks to which the Pledged Collateral may be subject, in such amounts and with such deductibles as would be maintained by operators of businesses similar to the business of such Pledgor or as Administrative Agent may otherwise require. Each policy or certificate with respect to such insurance shall be endorsed to Administrative Agent's reasonable satisfaction for the benefit of Administrative Agent (including, without limitation, by naming Administrative Agent as an additional named insured and loss payee as Administrative Agent may request) and such policy or certificate shall be delivered to Administrative Agent. Each such policy shall state that it cannot be cancelled without 30 days' prior written notice to Administrative Agent. At least 30 days prior to the expiration of any such policy of insurance, each Pledgor shall deliver to Administrative Agent an extension or renewal policy or an insurance certificate evidencing renewal or extension of such policy. If any Pledgor shall fail to insure such Pledged Collateral to Administrative Agent's reasonable satisfaction, Administrative Agent shall have the right (but shall be under no obligation) to advance funds to procure or renew or extend such insurance, and such Pledgor agrees to reimburse Administrative Agent for all costs and expenses thereof, with interest on all such funds from the date advanced until paid in full at the highest rate then in effect under the Credit Agreement.

(m) **Insurance Proceeds.** Any proceeds of insurance received by any Pledgor shall be applied by it as provided in Section 2.10(a)(i) of the Credit Agreement. In the event that any Pledgor is permitted to and elects to apply such proceeds to the repair or replacement of any item of Pledged Collateral, such Pledgor shall upon its receipt of such proceeds from Administrative Agent promptly commence and diligently continue to perform such repair or promptly effect such replacement. Upon the occurrence and during the continuance of any Event of Default, Administrative Agent shall have the option to apply any proceeds of insurance received by any Pledgor in respect of the Pledged Collateral toward the payment of the Secured Obligations in accordance with Section 13 hereof or to continue to hold such proceeds as additional collateral to secure the performance by the Pledgors of the Secured Obligations.

(n) Payment of Taxes; Compliance with Laws; Claims. Except as otherwise not prohibited by the Credit Agreement, each Pledgor shall pay prior to the date on which material penalties would attach thereto all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Pledged Collateral. Each Pledgor shall comply with all laws, rules and regulations applicable to the Pledged Collateral the failure to comply with which would have a material adverse effect on the value or use of such Pledged Collateral or the Lien on such Pledged Collateral granted to Administrative Agent hereunder. Notwithstanding the foregoing, each Pledgor may at its own expense contest the amount or applicability of any of the obligations described in the preceding sentences by appropriate legal or administrative proceedings, prosecution of which operates to prevent the collection thereof and the sale or forfeiture of the Pledged Collateral or any part thereof to satisfy the same; provided, however, that in connection with such contest, such Pledgor shall (a) have made provision for the payment of such contested amount on such Pledgor's books if and to the extent required by GAAP.

Section 6. Special Provisions Concerning General Collateral.

(a) Special Representations and Warranties. As of the time when each of its Receivables arises, each Pledgor shall be deemed to have represented and warranted that such Receivable and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, (ii) represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein or out of an advance or a loan, (iii) will, in the case of a Receivable, except for the original or duplicate original invoice sent to a purchaser evidencing such purchaser's account, be the only original writings evidencing and embodying such obligation of the account debtor named therein, and (iv) are in material compliance and conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

(b) Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Receivable, in a manner consistent with prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon Administrative Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Receivables, including, without limitation, all documents evidencing Receivables and any books and records relating thereto to Administrative Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, Administrative Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Receivables to and for the use by any Person that has acquired or is contemplating acquisition of an interest

in the Receivables or Administrative Agent's security interest therein without the consent of any Pledgor; provided that each such Person executes an agreement in customary form to keep such materials confidential.

(c) Legend. Each Pledgor shall legend, at the request of Administrative Agent made at any time after the occurrence of any Event of Default and in form and manner reasonably satisfactory to Administrative Agent, the Receivables and the other books, records and documents of such Pledgor evidencing or pertaining to the Receivables with an appropriate reference to the fact that the Receivables have been assigned to Administrative Agent for the benefit of the Secured Parties and that Administrative Agent has a security interest therein.

(d) Modification of Terms, etc. No Pledgor shall rescind or cancel any indebtedness evidenced by any Receivable or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such indebtedness except in the ordinary course of business consistent with prudent business practice or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Receivable or interest therein except in the ordinary course of business consistent with prudent business practice without the prior written consent of Administrative Agent. Each Pledgor shall timely fulfill all obligations on its part to be fulfilled under or in connection with the Receivables.

(e) Collection. Each Pledgor shall cause to be collected from the account debtor of each of the Receivables, as and when due (including, without limitation, Receivables that are delinquent, such Receivables to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Receivable, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable, except that any Pledgor may, with respect to a Receivable, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise and (ii) such extensions of time to pay amounts due in respect of Receivables and such other modifications of payment terms or settlements in respect of Receivables as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time. The costs and expenses (including, without limitation, attorneys' fees) of collection, in any case, whether incurred by any Pledgor, Administrative Agent or any Secured Party, shall be paid by the Pledgors.

(f) Instruments. Each Pledgor shall deliver to Administrative Agent, within five days after receipt thereof by such Pledgor, any Instrument evidencing Receivables which is in the principal amount of \$100,000 or more. Any Instrument delivered to Administrative Agent pursuant to this Section 6(f) shall be appropriately endorsed (if applicable) to the order of Administrative Agent, as agent for the Secured Parties, and shall be held by Administrative Agent as further security hereunder; provided, however, that so long as no Default shall have occurred and be continuing, Administrative Agent shall, promptly upon request of such Pledgor, make appropriate arrangements for making any Instrument pledged by such Pledgor available to such Pledgor for purposes of presenta-

tion, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by Administrative Agent, against trust receipt or like document).

(g) Cash Collateral. Upon the occurrence and during the continuance of any Event of Default, if Administrative Agent so directs, each Pledgor shall cause all payments on account of the Receivables to be held by Administrative Agent as cash collateral in accordance with subsection 9(f) hereof. Without notice to or assent by any Pledgor, Administrative Agent may apply any or all amounts then or thereafter held as cash collateral in the manner provided in Section 11. The costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by Administrative Agent or any Secured Party, shall be paid by the Pledgors.

(h) Maintenance of Equipment. Each Pledgor shall cause the Equipment to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and to the extent consistent with current business practice in accordance with any manufacturer's manual, and shall forthwith, or in the case of any loss or damage which (individually or in the aggregate) exceeds \$100,000 to any of the Equipment (of which prompt notice shall be given to Administrative Agent) as quickly as commercially practicable after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable in the conduct of such Pledgor's business.

(i) Warehouse Receipts Non-Negotiable. If any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Inventory, the applicable Pledgor shall not permit such warehouse receipt or receipt in the nature thereof to be "negotiable" (as such term is used in Section 7-104 of the UCC or under other relevant law).

(j) Consents to Security Interest. To the extent that any property material to the business or operations of any Pledgor would constitute Pledged Collateral hereunder but for the exclusions contained in Section 1 with respect to consents of third parties, such Pledgor shall use its best efforts (other than the expenditure of any material amount of money) to cause the applicable party to deliver the consent contemplated in Section 1.

(k) Fair Labor Standards Act. Any goods now or hereafter produced by each Pledgor included in the Pledged Collateral have been and will be produced in substantial compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

#### Section 7. Special Provisions Concerning Securities Collateral.

(a) Pledge of Additional Securities. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any Person, accept the same in trust for the benefit of Administrative Agent and promptly (and in any event within five Business Days) deliver to Administrative Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 3 hereto (each, a "Pledge Amendment"), and the certificates and other documents required under subsections 4(a) and 4(b) in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional property. Each Pledgor hereby authorizes Administrative



Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to Administrative Agent shall for all purposes hereunder be considered Pledged Collateral.

(b) Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing:

(A) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes of this Agreement or any other Credit Document; provided, however, that no Pledgor shall in any event exercise such rights in any manner which may have an adverse effect on the value of the Pledged Collateral or the security intended to be provided by this Agreement.

(B) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien of this Agreement, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to Administrative Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of Administrative Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(C) Administrative Agent shall not exercise any such voting or other rights, shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to such voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 7(b)(i)(A) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof.

(ii) Upon the occurrence and during the continuance of any Event of Default:

(A) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 7(b)(i)(A) hereof without any action or the giving of any notice shall cease, and all such rights shall thereupon become vested in Administrative Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof

shall cease and all such rights shall thereupon become vested in Administrative Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

(iii) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to Administrative Agent appropriate instruments as Administrative Agent may reasonably request in order to permit Administrative Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 7(b)(ii)(A) hereof and to receive all Distributions which it may be entitled to receive under Section 7(b)(ii)(B) hereof.

(iv) All Distributions which are received by any Pledgor contrary to the provisions of Section 7(b)(ii)(B) hereof shall be received in trust for the benefit of Administrative Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) No New Securities. Each Pledgor shall cause each issuer of the Pledged Securities not to issue any stock or other securities or equity interests in addition to or in substitution for the Pledged Securities issued by such issuer, except to Pledgor.

(d) Operative Agreements. Each Pledgor has delivered to Administrative Agent true, correct and complete copies of the Operative Agreements, if any. The Operative Agreements, if any, are in full force and effect, have not as of the date hereof been amended or modified, and there is no existing default by any party thereunder or any event which, with the giving of notice of passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to Administrative Agent a copy of any notice of default given or received by it under any Operative Agreement within ten (10) days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Operative Agreement or make any amendment or modification to any Operative Agreement which may have a material adverse effect on the value of the Pledged Interests or the security intended to be provided by this Agreement.

(e) Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation of any other material provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. No Pledged Securities pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Operative Agreements and certificates, if any, delivered to Administrative Agent) which evidence any Pledged Securities of such Debtor.

#### Section 8. Special Provisions Concerning Intellectual Property Collateral.

(a) Grant of License. For the purpose of enabling Administrative Agent, during the continuance of an Event of Default, to exercise rights and remedies under Section 12 hereof at such time

as Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to Administrative Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof, subject to reasonable quality control standards established by such Pledgor with respect to the Trademarks.

(b) Registrations. Except pursuant to licenses and other user agreements entered into by any Pledgor in the ordinary course of business, that are listed in Schedule VI hereto, on and as of the date hereof (i) each Pledgor owns and possesses the right to use, and has not authorized or enabled any other Person to use, any Copyright, Patent or Trademark listed in said Schedules III, IV and V, and (ii) all registrations listed in said Schedules III, IV and V are valid and in full force and effect.

(c) No Violations or Proceedings. To each Pledgor's knowledge, on and as of the date hereof, (i) except as set forth in Schedule VI hereto, such Pledgor has no knowledge of any violation by others of any right of such Pledgor with respect to any Copyright, Patent or Trademark listed in Schedules III, IV and V hereto, respectively, pledged by it under the name of such Pledgor, (ii) such Pledgor has not received written notice that such Pledgor is infringing in any material respect upon any Copyright, Patent or Trademark of any other Person and (iii) no proceedings have been instituted or are pending against such Pledgor or, to such Pledgor's knowledge, threatened, and no claim against such Pledgor has been received by such Pledgor, alleging any such violation, except as may be set forth in said Schedule VI.

(d) Protection of Administrative Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify Administrative Agent of (A) any adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any proceeding in any federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property Collateral, its right to register the Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property Collateral necessary for the operation of such Pledgor's business, (iii) not permit to lapse or become abandoned any Intellectual Property Collateral necessary for the operation of such Pledgor's business, and not settle or compromise any pending or future litigation or administrative proceeding with respect to the Intellectual Property Collateral necessary for the operation of such Pledgor's business, in each case, without the consent of Administrative Agent, which consent will not be unreasonably withheld, delayed or conditioned, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify Administrative Agent in writing of any event which may reasonably be expected to materially adversely affect the value or utility of any material Intellectual Property Collateral or any portion thereof necessary for the operation of such Pledgor's business, the ability of such Pledgor or Administrative Agent to dispose of any material Intellectual Property Collateral or any material portion thereof or the rights and remedies of Administrative Agent in relation

thereto, including, without limitation, a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof, (v) not license the Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that materially adversely affects (A) the right to receive payments thereunder or in any manner that would materially impair the value of the Intellectual Property Collateral, other than in the ordinary course of business, or (B) the Lien on the Intellectual Property Collateral intended to be granted to Administrative Agent for the benefit of the Secured Parties, without the consent of Administrative Agent, (vi) until Administrative Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vii) furnish to Administrative Agent from time to time upon reasonable request statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as Administrative Agent may from time to time reasonably request, all in reasonable detail.

(e) After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit have expired or been sooner terminated (i) obtain any rights to any additional Intellectual Property Collateral or (ii) become entitled to the benefit of any additional Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any such item enumerated in clause (i) or (ii) with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement and be subject to the Lien created by this Agreement without further action by any party other than actions required to perfect such Lien. Upon the reasonable request of Administrative Agent, each Pledgor shall promptly provide to Administrative Agent written notice of any of the foregoing. Each Pledgor agrees, promptly following a request by Administrative Agent, to confirm the attachment of the Lien created by this Agreement to any rights described in clauses (i) and (ii) above if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement by execution of an instrument in form reasonably acceptable to Administrative Agent.

(f) Modifications. Each Pledgor authorizes Administrative Agent to modify this Agreement by amending Schedules III, IV, V and VI hereto to include any future Intellectual Property Collateral of such Pledgor, including, without limitation, any of the items listed in Section 8(e).

(g) Applications. Each Pledgor shall file and prosecute diligently all applications for the Patents, the Trademarks or the Copyrights now or hereafter pending that would be necessary to the business of such Pledgor to which any such applications pertain, and shall do all reasonable acts necessary to preserve and maintain all rights in the Intellectual Property Collateral necessary for the operation of such Pledgor's business. Any and all costs and expenses incurred in connection with any such actions shall be borne by the Pledgors. No Pledgor shall unreasonably abandon any right to file a Patent, Trademark or Copyright application, or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright necessary for the operation of such Pledgor's business without the consent of Administrative Agent.

(h) Litigation.

(i) Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions for infringement, counterfeiting, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Intellectual Property Collateral. Each Pledgor shall promptly notify Administrative Agent in writing as to the commencement and prosecution of any such actions, or written threat thereof relating to the Intellectual Property Collateral, and shall provide to Administrative Agent such information with respect thereto as may be reasonably requested by Administrative Agent. Each Pledgor shall indemnify and hold harmless each Secured Party for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, expenses or disbursements (including attorneys' fees and expenses) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of such suits, proceedings or other actions.

(ii) Upon the occurrence and during the continuance of any Event of Default, Administrative Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, Administrative Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the request of Administrative Agent, do any and all lawful acts and execute any and all documents reasonably requested by Administrative Agent in aid of such enforcement and the Pledgors shall promptly, upon demand, reimburse and indemnify Administrative Agent, as the case may be, for all costs and expenses (including reasonable fees and expenses of counsel) incurred by Administrative Agent in the exercise of its rights under this Section 8(h). In the event that Administrative Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the request of Administrative Agent, to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, counterfeiting or other diminution in value of any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement unless such Pledgor has determined that such Intellectual Property Collateral that is the subject of any pending or contemplated infringement or enforcement action or proceeding does not contain or represent any value or utility (other than of an immaterial nature), consistent with prudent business practice.

**Section 9. Special Provisions Concerning Financial Accounts.** Each Pledgor shall comply with the following covenants and makes the following representations and warranties, provided that each Pledgor shall be required to comply with the provisions of subsections (a) through (d) below only from and after the date that Administrative Agent requests such Pledgor to take the actions required by Section 4(d) hereof.

(a) Financial Accounts. Each Pledgor shall notify each Financial Intermediary that any Financial Account Collateral maintained with such Financial Intermediary by such Pledgor is under the exclusive dominion and control of Administrative Agent and that all moneys, instruments,

securities and other property deposited with such Financial Intermediary are to be held by such Financial Intermediary for the benefit of Administrative Agent. Each Pledgor shall, within one Business Day of actual receipt thereof, deposit any payment received by it into a financial account that is subject to a financial account consent agreement substantially in the form of Exhibit 2 hereto or into the Concentration Account referred to in subsection (b) below. In addition, all Persons that owe money to any Pledgor shall be directed to remit their payments to a financial account that is subject to a financial account consent agreement substantially in the form of Exhibit 2 hereto. If any Pledgor is unable to obtain such an agreement from any Financial Intermediary, then such Pledgor shall terminate all financial accounts maintained with such Financial Intermediary and transfer all moneys, instruments, securities and other property deposited therein to another financial account maintained with a Financial Intermediary that has executed such an agreement. Each Pledgor hereby represents and warrants that it does not now maintain, and will not in the future maintain, any other financial account with any Financial Intermediary or any other banking or financial institution other than the accounts set forth on Schedule VII; provided, however, that any Pledgor may establish and maintain additional financial accounts with any Financial Intermediary or any new Financial Intermediary if (i) in the case of an existing Financial Intermediary, such Pledgor, the Financial Intermediary and Administrative Agent shall have entered into an amendment to the relevant financial account consent letter to include such new financial account under such financial account consent letter, such amendment to be in form and substance reasonably satisfactory to Administrative Agent, and (ii) in the case of a new Financial Intermediary, (A) the applicable Pledgor shall have given Administrative Agent 30 days' prior written notice of its intention to establish a new financial account with a new Financial Intermediary, (B) such new Financial Intermediary shall be reasonably acceptable to Administrative Agent and (C) such new Financial Intermediary shall enter into a financial account consent agreement substantially in the form of Exhibit 2 hereto.

(b) Concentration Account. The Pledgors will establish a concentration account or sub-account (the "Concentration Account") with Administrative Agent into which all Financial Account Collateral of the Pledgors in excess of \$2,000,000 in the aggregate shall be deposited by 12:00 p.m. New York time on each Business Day, subject to the provisions of subsection (c) below. Each Pledgor hereby agrees that the Concentration Account is under the exclusive dominion and control of Administrative Agent and all moneys, instruments, securities and other property received in the Concentration Account are to be held for the benefit of Administrative Agent on behalf of the Secured Parties. Each Pledgor hereby transfers to Administrative Agent the exclusive dominion and control over the Concentration Account. Notwithstanding the foregoing, Administrative Agent shall be permitted to designate a Lender that agrees to be a collateral sub-agent for Administrative Agent to be the Financial Intermediary for the Concentration Account.

(c) Dispositions from Concentration Account. Until an Event of Default shall have occurred and be continuing, each Pledgor is hereby authorized by Administrative Agent to direct on any Business Day the disposition into one or more financial accounts that is subject to a financial account consent agreement substantially in the form of Exhibit 2 hereto any and all moneys, instruments, securities and other property deposited in the Concentration Account for use by such Pledgor in a manner permitted by the Credit Agreement. Administrative Agent shall make such disposition by 2:00 p.m. New York time on each such date.

(d) Revocation of Withdrawal Right. Upon the occurrence and during the continuance of any Event of Default, the authorization of the Pledgors under subsection (c) above shall be revoked and all deposits maintained in the Concentration Account or with a Financial Intermediary, and any additional moneys, instruments, securities and other property subsequently maintained with a Financial Intermediary, shall be transferred to a collateral account or sub-account maintained by Administrative Agent (or a Lender that agrees to be a collateral sub-agent for Administrative Agent) in its name as collateral agent for the Secured Parties (the "Collateral Account"). All such deposits in any such Collateral Account shall constitute "Pledged Collateral" for all purposes of this Agreement and shall be held by Administrative Agent as Pledged Collateral for the Secured Obligations or applied to the payment of the Secured Obligations in accordance with Section 13 of this Agreement. The costs and expenses (including reasonable attorney's fees) of collection, whether incurred by any Pledgor or Administrative Agent (or any sub-agent), shall be borne by the Pledgors.

(e) Deposits to Collateral Account. Each Pledgor shall deposit into the Collateral Account from time to time (i) the cash proceeds (including pursuant to any disposition thereof) of any of the Pledged Collateral, (ii) the cash proceeds of any Taking or Destruction or loss of title with respect to any Real Property that is subject to a Mortgage (including proceeds of casualty events and proceeds of insurance covering the Pledged Collateral or any Real Property that is subject to a Mortgage), (iii) any cash in respect of any Pledged Collateral which the Administrative Agent is entitled to pursuant to subsection 6(g) or subsection 7(b)(ii) hereof and (iv) any additional amounts that such Pledgor desires to pledge to Administrative Agent for the benefit of the Secured Parties as additional collateral security hereunder or which such Pledgor is required to pledge as additional collateral security hereunder pursuant to the Credit Documents.

(f) Application of Amounts in Collateral Account. The balance from time to time in the Collateral Account shall constitute part of the Pledged Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. So long as no Event of Default has occurred and is continuing or will result therefrom, Administrative Agent shall remit the collected balance outstanding to the credit of the Collateral Account to or upon the order of the respective Pledgor, in periodic installments, if applicable, upon submission of reasonable evidence that such amount is to be applied as permitted by Section 2.10(a) of the Credit Agreement; provided that any amounts deposited in the Collateral Account in respect of prepayments or reductions of Loans or Commitments under Section 2.10(a) of the Credit Agreement which are to be applied to LIBOR Loans as provided in the penultimate sentence of Section 2.10(b) of the Credit Agreement shall be held by Administrative Agent until the end of the respective Interest Periods of such LIBOR Loans at which time, whether or not an Event of Default has occurred, Administrative Agent shall cause such monies to be applied to such LIBOR Loans. However, at any time following the occurrence and during the continuance of an Event of Default, Administrative Agent may (and, if instructed by the Lenders as specified in the Credit Agreement, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 13 hereof. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein.

(g) Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in such Permitted Investments as the respective Pledgor (or, after the occurrence and during the continuance of an Event of Default, Administrative Agent) shall determine, which Permitted Investments shall be held in the name and be under the control of Administrative Agent (or any sub-agent); provided, however, that at any time after the occurrence and during the continuance of an Event of Default, Administrative Agent may (and, if instructed by the Lenders as specified in the Credit Agreement, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Permitted Investments and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 13 hereof.

(h) Cover for Letter of Credit Liabilities. Amounts deposited into the Collateral Account as cover for liabilities in respect of Letters of Credit under the Credit Agreement pursuant to Section 10 thereof shall be held by Administrative Agent in a separate sub-account (designated "Letter of Credit Liabilities Sub-Account") and, notwithstanding any other provision of this Agreement to the contrary, all amounts held in such sub-account shall constitute collateral security first for the liabilities in respect of Letters of Credit outstanding from time to time and second as collateral security for the other Secured Obligations hereunder until such time as all Letters of Credit shall have been terminated and all of the liabilities in respect of Letters of Credit have been paid in full.

Section 10. Transfers and Other Liens. No Pledgor shall (a) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as permitted by the Credit Agreement, (b) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral pledged by it hereunder other than (i) Prior Liens, (ii) the Lien and security interest granted to Administrative Agent under this Agreement and (iii) Subordinate Liens or (c) except as permitted by the Credit Agreement, permit any issuer of the Pledged Securities to merge, consolidate or change its legal form, unless all of the outstanding equity interests of the surviving or resulting entity are, upon such merger or consolidation, subject to the provisos set forth in the applicable granting clauses in Section 1 hereof, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other entity that was merged into or consolidated with such issuer.

Section 11. Reasonable Care. Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which Administrative Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither Administrative Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not Administrative Agent or any other Secured Party has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any Person with respect to any Pledged Collateral.



Section 12. Remedies upon Default; Obtaining the Pledged Collateral upon Event of Default. (a) If any Event of Default shall have occurred and be continuing, then and in every such case, Administrative Agent may:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral, including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables and Contracts) constituting part of the Pledged Collateral to make any payment required by the terms of such instrument or agreement directly to Administrative Agent, and in connection with any of the foregoing, compromising, settling, extending the time for payment and making other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in a separate account and pay the same promptly to Administrative Agent;

(iii) Sell, assign or otherwise liquidate, or direct any Pledgor to sell, assign or otherwise liquidate, any or all investments made in whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment or liquidation;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to Administrative Agent at any place or places so designated by Administrative Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by Administrative Agent and there delivered to Administrative Agent, (B) store and keep any Pledged Collateral so delivered to Administrative Agent at such place or places pending further action by Administrative Agent; and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral is of the essence of this Agreement;

(v) Withdraw all moneys, instruments, securities and other property in any financial account of any Pledgor for application to the Secured Obligations as provided in Section 13 hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Section 13 hereof; and

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral.

Upon application to a court of equity having jurisdiction, Administrative Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation.

(b) Remedies; Disposition of the Pledged Collateral.

(i) Upon the occurrence and during the continuance of any Event of Default, Administrative Agent may from time to time exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC, and Administrative Agent may also in its sole discretion, without notice except as specified below, sell, assign or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Administrative Agent may deem commercially reasonable. Administrative Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Pledged Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Pledged Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Administrative Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against Administrative Agent arising by reason of the fact that the price at which any Pledged Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if Administrative Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

(ii) Each Pledgor acknowledges and agrees that, to the extent notice of sale shall be required by law, ten days' notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed,

after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

(c) Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with Administrative Agent's taking possession or Administrative Agent's disposition of any of the Pledged Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of Administrative Agent's rights hereunder, and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Administrative Agent shall not be liable for any incorrect or improper payment made pursuant to this Section 12 in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

(d) Certain Sales of Pledged Collateral. Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any foreign Governmental Authority, Administrative Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such foreign Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of such sale being a sale made in accordance with such requirements, and that, except as may be required by applicable law, Administrative Agent shall have no obligation to engage in public sales.

(e) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, Administrative Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral, to limit purchasers to Persons who will agree, among other things, to acquire such Securities Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to Administrative Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that no such private sale shall be deemed to have been made in a commercially unreasonable manner solely by reason of such sale being a private sale and that Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral for the period of time necessary to

permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(f) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the request of Administrative Agent, for the benefit of Administrative Agent, cause any registration, qualification under or compliance with any federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its best efforts to cause such registration to be effected (and be kept effective) and will use its best efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral, including, without limitation, registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with any other government requirements. Each Pledgor shall cause Administrative Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to Administrative Agent such number of prospectuses, offering circulars or other documents incident thereto as Administrative Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify Administrative Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading, other than with respect to information provided solely by the Administrative Agent or the Lenders.

(g) If Administrative Agent determines to exercise its right to sell any or all of the Securities Collateral, upon written request, the applicable Pledgor shall from time to time furnish to Administrative Agent all such information as Administrative Agent may reasonably request in order to determine the number of securities included in the Securities Collateral which may be sold by Administrative Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

Section 13. Application of Proceeds. The proceeds received by Administrative Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by Administrative Agent of its remedies as a secured creditor as provided in Section 12 hereof shall be applied, together with any other sums then held by Administrative Agent pursuant to this Agreement, promptly by Administrative Agent as follows:

First, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization, including, without limitation, compensation to Administrative Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by Administrative Agent in connection therewith, together with interest on each such

amount at the highest rate then in effect under the Credit Agreement from and after the date such amount is due, owing or unpaid until paid in full;

Second, to the payment of all other costs and expenses of such sale, collection or other realization, including, without limitation, compensation to the Lenders and their agents and counsel and all costs, liabilities and advances made or incurred by the Lenders in connection therewith, together with interest on each such amount at the highest rate then in effect under the Credit Agreement from and after the date such amount is due, owing or unpaid until paid in full;

Third, without duplication of amounts applied pursuant to clauses First and Second above, to the indefeasible payment in full in cash, pro rata, of (i) interest, principal and other amounts constituting Secured Obligations (other than Interest Rate Obligations) in accordance with the terms of the Credit Agreement and (ii) the Interest Rate Obligations in accordance with the terms of the Interest Rate Agreements; and

Fourth, the balance, if any, to the Person lawfully entitled thereto (including the Pledgors or their respective successors or assigns).

In the event that any such proceeds are insufficient to pay in full the items described in clauses First through Third of this Section 13, the Pledgors shall remain liable for any deficiency.

Section 14. Expenses. Each Pledgor will upon demand pay to Administrative Agent the amount of any and all expenses, including the reasonable fees and expenses of its counsel and the fees and expenses of any experts and agents which Administrative Agent may incur in connection with (a) the collection of the Secured Obligations, (b) the enforcement and administration of this Agreement, (c) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Administrative Agent or any Secured Party hereunder or (e) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts payable by any Pledgor under this Section 14 shall be due upon demand and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 14 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder.

Section 15. No Waiver; Cumulative Remedies. (a) No failure on the part of Administrative Agent to exercise, no course of dealing with respect to, and no delay on the part of Administrative Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall Administrative Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(b) In the event that Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and

such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to Administrative Agent, then and in every such case, the Pledgors, Administrative Agent and each Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of Administrative Agent and the Secured Parties shall continue as if no such proceeding had been instituted.

Section 16. Administrative Agent. Administrative Agent has been appointed as collateral agent pursuant to the Credit Agreement. The actions of Administrative Agent hereunder are subject to the provisions of the Credit Agreement. Administrative Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of Pledged Collateral), in accordance with this Agreement and the Credit Agreement. Administrative Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. Administrative Agent may resign and a successor Administrative Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent under this Agreement, and the retiring Administrative Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Administrative Agent.

Section 17. Administrative Agent May Perform; Administrative Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to do any act or thing that it has covenanted to do hereunder (after giving effect to any applicable grace period provided for herein or in the Credit Agreement) or if any warranty on the part of any Pledgor contained herein shall be breached, Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by Administrative Agent shall be paid by the Pledgors promptly upon demand therefor, with interest at the highest rate then in effect under the Credit Agreement during the period from and including the date on which such funds were so expended to the date of repayment. Each Pledgor's obligations under this Section 17 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement, any Interest Rate Agreement and the other Credit Documents. Each Pledgor hereby appoints Administrative Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in Administrative Agent's discretion to take any action and to execute any instrument consistent with the terms of this Agreement and the other Credit Documents which Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 18. [Intentionally Omitted].

Section 19. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by Administrative Agent. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by any Pledgor from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Credit Document, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

Section 20. Termination; Release. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated, this Agreement shall terminate. Upon termination of this Agreement or any release of Pledged Collateral in accordance with the provisions of the Credit Agreement, Administrative Agent shall, upon the request and at the sole cost and expense of the Pledgors, forthwith assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by Administrative Agent, such of the Pledged Collateral to be released (in the case of a release) as may be in possession of Administrative Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination of this Agreement or the release of such Pledged Collateral, as the case may be.

Section 21. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to Administrative Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 21; provided that notices to Administrative Agent shall not be effective until received by Administrative Agent.

Section 22. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of Administrative Agent hereunder, to the benefit of Administrative Agent and the other Secured Parties and each of their respective successors, transferees and assigns; no other Persons (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Lender may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such

Lender, herein or otherwise, subject however, to the provisions of the Credit Agreement and any applicable Interest Rate Agreement. Each Affiliate of the Borrower which from time to time after the initial date of this Agreement is required under the Credit Agreement to pledge any assets to Administrative Agent for the benefit of the Secured Parties may become a party hereto upon execution and delivery to Administrative Agent of a joinder agreement substantially in the form attached hereto as Exhibit 4, and upon such execution and delivery shall be deemed to be a "Guarantor" and a "Pledgor" for all purposes hereunder.

Section 23. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR PLEDGED COLLATERAL, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 24. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR DESIGNATES AND APPOINTS ARDSHIEL, INC., WITH AN ADDRESS AT 230 PARK AVENUE, SUITE 2527, NEW YORK, NEW YORK 10169 AND SUCH OTHER PERSONS AS MAY HEREAFTER BE SELECTED BY SUCH PLEDGOR IRREVOCABLY AGREEING IN WRITING TO SO SERVE, AS ITS AGENT TO RECEIVE ON ITS BEHALF, SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY SUCH PLEDGOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO EACH PLEDGOR AT THE ADDRESS OF THE BORROWER PROVIDED FOR IN THE CREDIT AGREEMENT EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS AND ADMINISTRATIVE AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM



ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 25. Severability of Provisions. 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 or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 26. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

Section 27. Headings. The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 28. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor or any other Credit Party;

(ii) any lack of validity or enforceability of the Credit Agreement, any Interest Rate Agreement, any Letter of Credit or any other Credit Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any Interest Rate Agreement, any Letter of Credit or any other Credit Document, or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect of this Agreement, any Interest Rate Agreement or any other Credit Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 19 hereof; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

Section 29. Administrative Agent's Right to Sever Indebtedness. (a) Each Pledgor acknowledges that (i) the Pledged Collateral may not constitute the sole source of security for the payment and performance of the Secured Obligations provided by such Pledgor and that the Secured Obligations may also be secured by other types of property of such Pledgor in other jurisdictions (all such property, collectively, the "Collateral"), (ii) the number of such jurisdictions and the nature of the transaction of which this instrument is a part are such that it would have been impracticable for the parties to allocate to each item of Collateral a specific loan amount and to execute in respect of such item a separate credit agreement and (iii) each Pledgor intends that Administrative Agent have the same rights with respect to the Pledged Collateral, in any judicial proceeding relating to the exercise of any right or remedy hereunder or otherwise, that Administrative Agent would have had if each item of Collateral had been pledged or encumbered pursuant to a separate credit agreement and security instrument. In furtherance of such intent, each Pledgor agrees to the greatest extent permitted by law that Administrative Agent may at any time by notice (an "Allocation Notice") to such Pledgor allocate a portion of the Secured Obligations (the "Allocated Indebtedness") to all or a specified portion of the Pledged Collateral and sever from the remaining Secured Obligations the Allocated Indebtedness. From and after the giving of an Allocation Notice with respect to any of the Pledged Collateral, the Secured Obligations hereunder shall be limited to the extent set forth in the Allocation Notice and (as so limited) shall, for all purposes, be construed as a separate credit obligation of such Pledgor unrelated to the other transactions contemplated by the Credit Agreement, any Interest Rate Agreement, any other Credit Document or any document related to any thereof. To the extent that the proceeds of any judicial proceeding relating to the exercise of any right or remedy hereunder of the Pledged Collateral shall exceed the Allocated Indebtedness, such proceeds shall belong to such Pledgor and shall not be available hereunder to satisfy any Secured Obligations of such Pledgor other than the Allocated Indebtedness. In any action or proceeding to exercise any right or remedy under this Agreement which is commenced after the giving by Administrative Agent of an Allocation Notice, the Allocation Notice shall be conclusive proof of the limits of the Secured Obligations hereby secured, and such Pledgor may introduce, by way of defense or counterclaim, evidence thereof in any such action or proceeding. Notwithstanding any provision of this Section 29, the proceeds received by Administrative Agent pursuant to this Agreement shall be applied by Administrative Agent in accordance with the provisions of Section 13 hereof.

(b) Each Pledgor hereby waives to the greatest extent permitted under law the right to a discharge of any of the Secured Obligations under any statute or rule of law now or hereafter in effect which provides that the exercise of any particular right or remedy as provided for herein (by judicial proceedings or otherwise) constitutes the exclusive means for satisfaction of the Secured Obligations or which makes unavailable any further judgment or any other right or remedy provided for herein because Administrative Agent elected to proceed with the exercise of such initial right or remedy or because of any failure by Administrative Agent to comply with laws that prescribe conditions to the entitlement to such subsequent judgment or the availability of such subsequent right or remedy. In the event that, notwithstanding the foregoing waiver, any court shall for any reason hold that such subsequent judgment or action is not available to Administrative Agent, no Pledgor shall (i) introduce in any other jurisdiction any judgment so holding as a defense to enforcement against such Pledgor of any remedy in the Credit Agreement, any Interest Rate Agreement or any other Credit Document or (ii) seek to have such judgment recognized or entered in any other jurisdiction,

and any such judgment shall in all events be limited in application only to the state or jurisdiction where rendered and only with respect to the collateral referred to in such judgment.

(c) In the event any instrument in addition to the Allocation Notice is necessary to effectuate the provisions of this Section 29, including, without limitation, any amendment to this Agreement, any substitute promissory note or affidavit or certificate of any kind, Administrative Agent may execute and deliver such instrument as the attorney-in-fact of any Pledgor. Such power of attorney is coupled with an interest and is irrevocable.

(d) Notwithstanding anything set forth herein to the contrary, the provisions of this Section 29 shall be effective only to the maximum extent permitted by law.

Section 30. Future Advances. This Agreement shall secure the payment of any amounts advanced from time to time pursuant to the Credit Agreement.

IN WITNESS WHEREOF, the Pledgors and Administrative Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

ATRIUM COMPANIES, INC.,  
as Borrower

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM CORPORATION,  
as a Guarantor

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM DOOR AND WINDOW COMPANY -  
WEST COAST, as a Guarantor

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM DOOR AND WINDOW COMPANY OF  
THE NORTHEAST, as a Guarantor

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM DOOR AND WINDOW COMPANY OF  
NEW YORK, as a Guarantor

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM DOOR AND WINDOW COMPANY OF  
ARIZONA, as a Guarantor

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

ATRIUM DOOR AND WINDOW COMPANY OF  
NEW ENGLAND, as a Guarantor Inc.,

By: Randall S Fojtasek  
Name: **Randall S. Fojtasek**  
Title: **President and C.E.O.**

DOOR HOLDINGS, INC.,  
as a Guarantor

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

R.G. DARBY COMPANY, INC.,  
as a Guarantor

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

ATRIUM DOOR AND WINDOW COMPANY OF  
NEW YORK, as a Guarantor

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

ATRIUM DOOR AND WINDOW COMPANY OF  
ARIZONA, as a Guarantor

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

ATRIUM DOOR AND WINDOW COMPANY OF  
NEW ENGLAND, as a Guarantor

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

DOOR HOLDINGS, INC.,  
as a Guarantor

By: Cliff Darby  
Name: Cliff Darby  
Title: President

R.G. DARBY COMPANY, INC.,  
as a Guarantor

By: Cliff Darby  
Name: CLIFF DARBY, PRESIDENT  
Title: R.G. DARBY CO., INC.

TOTAL TRIM, INC.,  
as a Guarantor

By: 

Name: **CLIFF DARBY, PRESIDENT**  
Title: **TOTAL TRIM, INC.**

WING INDUSTRIES HOLDINGS, INC.,  
as a Guarantor

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

Name:  
Title:

WING INDUSTRIES, INC.,  
as a Guarantor

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

Name:  
Title:

BANKBOSTON, N.A.,  
as Administrative Agent

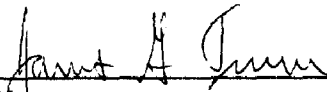
By: \_\_\_\_\_

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Title:

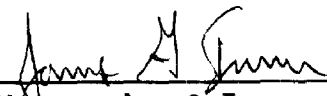
TOTAL TRIM, INC..  
as a Guarantor

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

WING INDUSTRIES HOLDINGS, INC..  
as a Guarantor

By:  \_\_\_\_\_  
Name: **James G. Turner**  
Title: **Secretary**

WING INDUSTRIES, INC.,  
as a Guarantor

By:  \_\_\_\_\_  
Name: **James G. Turner**  
Title: **Vice President**

BANKBOSTON, N.A..  
as Administrative Agent

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



TOTAL TRIM, INC.,  
as a Guarantor

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

WING INDUSTRIES HOLDINGS, INC.,  
as a Guarantor

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

WING INDUSTRIES, INC.,  
as a Guarantor

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

BANKBOSTON, N.A.,  
as Administrative Agent

By: Marie Audrey  
Name: MARIE C. AUDREY  
Title: VICE PRESIDENT

SCHEDULE I-A

Pledged Shares

1. Pledgor: Atrium Corporation

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Atrium Companies, Inc.	Common	2	100	100%

2. Pledgor: Atrium Companies, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Atrium Door and Window Company - West Coast (f/k/a H-R Window Supply, Inc.)	Common	3	100	100%
Atrium Door and Window Company of the Northeast (f/k/a Bishop Manufacturing Company, Incorporated)	Common	1	150	100%
Atrium Door and Window Company of New York (f/k/a/ Bishop Manufacturing Co. of New York, Inc.)	Common	3	1,000	100%
Atrium Door and Window Company of Arizona	Common	001	1,000	100%
Door Holdings, Inc.	Common	[ ]	[ ]	100%
Wing Industries Holdings, Inc.	Common	[ ]	[ ]	100%

3. Pledgor: Atrium Door and Window Company - West Coast

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

4. Pledgor: Atrium Door and Window Company of the Northeast

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Atrium Door and Window Company of New England (f/k/a Bishop Manufacturing Company of New England, Inc.)	Common	1	800	100%
	Common	3	200	

5. Pledgor: Atrium Door and Window Company of New York

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

6. Pledgor: Atrium Door and Window Company of Arizona

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

7. Pledgor: Atrium Door and Window Company of New England

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

8. Pledgor: Door Holdings, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
R. G. Darby Company	Common	8	875	100%
Total Trim, Inc.	Common	7	1,000	100%

9. Pledgor: R. G. Darby Company, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

10. Pledgor: Total Trim, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

11. Pledgor: Wing Industries Holdings, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Wing Industries, Inc.	Common	00600	2,000	100%

12. Pledgor: Wing Industries, Inc.

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				



SCHEDULE I-B

Initial Pledged Interests

1. Pledgor: Atrium Corporation

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

2. Pledgor: Atrium Companies, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

3. Pledgor: Atrium Door and Window Company - West Coast

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

4. Pledgor: Atrium Door and Window Company of the Northeast

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

5. Pledgor: Atrium Door and Window Company of New York

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

6. Pledgor: Atrium Door and Window Company of Arizona

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

7. Pledgor: Atrium Door and Window Company of New England

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

8. Pledgor: Door Holdings, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF <u>ISSUER</u>
NONE				

9. Pledgor: R. G. Darby Company, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

10. Pledgor: Total Trim, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

11. Pledgor: Wing Industries Holdings, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

12. Pledgor: Wing Industries, Inc.

<u>ISSUER</u>	<u>TYPE OF INTEREST</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
NONE				

SCHEDULE II

Intercompany Notes

1. Pledgor: Atrium Corporation

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

2. Pledgor: Atrium Companies, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Corporation	\$25,000,000	October 2, 1998		
Atrium Corporation	All amounts advanced	October 2, 1998	N/A	Demand
Atrium Door and Window Company - West Coast	All amounts advanced	October 2, 1998	N/A	Demand
Atrium Door and Window Company of the Northwest	All amounts advanced	October 2, 1998	N/A	Demand
Atrium Door and Window Company of New York	All amounts advanced	October 2, 1998	N/A	Demand
Atrium Door and Window Company of Arizona	All amounts advanced	October , 1998	N/A	Demand
Atrium Door and Window Company of New England	All amounts advanced	October 2, 1998	N/A	Demand
Door Holdings, Inc.	All amounts advanced	October 2, 1998	N/A	Demand
R. G. Darby Company, Inc.	All amounts advanced	October 2, 1998	N/A	Demand
Total Trim, Inc.	All amounts advanced	October 2, 1998	N/A	Demand
Wing Industries Holdings, Inc.	All amounts advanced	October 2, 1998	N/A	Demand
Wing Industries, Inc.	All amounts advanced	October 2, 1998	N/A	Demand



3. Pledgor: Atrium Door and Window Company - West Coast

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

4. Pledgor: Atrium Door and Window Company of the Northeast

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

5. Pledgor: Atrium Door and Window Company of New York

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

6. Pledgor: Atrium Door and Window Company of Arizona

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

7. Pledgor: Atrium Door and Window Company of New England

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

8. Pledgor: Door Holdings, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand
R. G. Darby Company, Inc. (successor by merger with Darby Acquisition, Inc.) and Total Trim, Inc. (successor by merger with T. T. Acquisition, Inc.)	Intercompany Note			

9. Pledgor: R. G. Darby Company, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

10. Pledgor: Total Trim, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

11. Pledgor: Wing Industries Holdings, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

12. Pledgor: Wing Industries, Inc.

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
Atrium Companies, Inc.	All amounts advanced	October 2, 1998	N/A	Demand

SCHEDULE III

Patents

I. Atrium Entities

Door Handle (design patent), Registration No. D 345,901, issued April 12, 1994, registered in the name of Atrium Companies, Inc., a US corporation. Assigned to Bankers Trust Company, as Collateral Agent, pursuant to the Assignment of Security Interest in United States Trademarks and Patents.

II. Door Entities

NONE

III. Wing Entities

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Door Panel	Des. 323,401	January 21, 1992
Paneled Light Transmissive Member	5,487,245	January 10, 1996

SCHEDULE IV

Trademarks

I. Atrium Entities

Since Atrium Companies, Inc., and its predecessors in interest, including without limitation Fojtasek Companies, Inc., and Moulding Products, Inc., first began using the following marks in interstate commerce, they have done so continuously in interstate commerce: THE ATRIUM LOCK, PRISM and PARAGON.

Registered Trademarks

1	A.Mark:	<b>AARDVARK</b>		
	Goods:	Vinyl windows		
	Country:	United States		
	Reg. No.:	1,956,834	Reg. Date:	02-13-96
	Serial No.:	74/513,739	Filing Date:	04-18-94
2	B.Mark:	<b>APPLAUSE</b>		
	Goods:	Vinyl windows		
	Country:	United States		
	Reg. No.:	1,925,477	Reg. Date:	10-10-95
	Serial No.:	74/586,414	Filing Date:	10-17-94
3	C.Mark:	<b>TRIUMPH</b>		
	Goods:	Vinyl windows		
	Country:	United States		
	Reg. No.:	1,925,476	Reg. Date:	10-10-95

Serial No.:	74/586,413	Filing Date:	10-17-94
<b>Pending Applications</b>			
A. Mark:	<b>AARDVARK - THE FIRST NAME IN VINYL WINDOWS</b>		
Goods:	Vinyl windows		
Country:	United States		
Serial No.:	75/310,636	Filing Date:	06-17-97
B. Mark:	<b>TRADITIONS</b>		
Goods:	Vinyl windows		
Country:	United States		
Serial No.:	75/314,283	Filing Date:	06-24-97
C. Mark:	<b>THE ATRIUM DOOR</b>		
Goods:	Non-metal doors		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
D. Mark:	<b>ATRIUM</b>		
Goods:	Non-metal doors and windows		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
E. Mark:	<b>THE FRENCH CLASSIC</b>		
Goods:	Doors and transoms		
Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98
F. Mark:	<b>MASTerview</b>		
Goods:	Aluminum doors and windows		



Country:	United States		
Serial No.:	Pending	Filing Date:	07-30-98

II. Door Entities

**R. G. DARBY  
TOTAL TRIM**

III. Wing Entities

**Trademark (Unregistered) Goods/Services**

Avalon	Glass Bifold Doors
BevelLite	French Style & Decorative Glass Doors & Windows
BrassLite	French Style Glass Doors
Carmelle	Wood Passage and Bifold Doors
Chantilly	Glass Bifold Doors
Classic	Fashion Windows
Classique	Wood Passage and Bifold Doors
Clermont	Wood Passage and Bifold Doors
Colonial	Wood Passage and Bifold Doors
Colonist	Wood Passage and Bifold Doors
Courtney	Glass Bifold Doors
Coventry	Wood Passage and Bifold Doors
Daisy	Fashion Windows
DeVille	Glass Bifold Doors
Florentine	Glass Bifold Doors
Hampton	Glass Bifold Doors
Heritage Glass	Glass Bifold Doors
Hummingbird	Fashion Windows
Imperial	Glass Bifold Doors
International Wing Logo	Logo
Jamison	Glass Bifold Doors
LaDoor	French Style Glass Doors
Lite Reflections	Mirrored Wall Decor
Lily Blossoms	Glass Bifold Doors

Magnolia	Glass Bifold Doors
Magnolia	Fashion Windows
Monticello	Mirror Bifold Doors
Mystic	Glass Bifold Doors
Natchez	Glass Bifold Doors
Nob Hill	Glass Bifold Doors
OneLite LaDoor	Glass Passage Doors
Orleans	Glass Bifold Doors
Premier	Glass Bifold Doors
Rosebud	Fashion Windows
Starburst	Fashion Windows
Starlite	Fashion Windows
Sunlite	Fashion Windows
Tamary	Glass Bifold Doors
Tara	Glass Bifold Doors
Villa	Glass Bifold Doors
Wild Rose	Glass Bifold Doors
Wing	Mail Order, Catalog Services & General Use
Wildflower	Fashion Windows
WoodLite	French Style Glass Doors

**Trademarks (Registered)**

<b><u>Trademark</u></b>	<b><u>Goods/ Services</u></b>	<b><u>Registration Number</u></b>	<b><u>Registration Date</u></b>	
Museum	Non-metal doors	2,105,433	October 14, 1997	6
Globe Logo	Non-metal doors, windows, window shutters and window frames; mail order catalog services	2,138,783	February 24, 1998	7
La Door	Non-metal doors	2,138,789	February 24, 1998	8
Rosemont	Non-metal doors	2,181,803	August 18, 1998	9
Wing	Non-metal doors, windows window shutters and window frames; mail order	2,138,773	February 24, 1998	10

catalog services

- **The following Registered Trademark is not being preserved because the Company has abandoned its use**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	
Stylized W and Design	1,617,649	October 16, 1990	11

- **Trademarks (Registered - U.K.)**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	
WING	1,426,074	May 22, 1990	12

SCHEDULE V

Copyrights

I. Atrium Entities

Gentek, as Seller, published advertising brochures and other literature, representative examples of which were provided to Parent with copyright notices. Such copyrights were not recorded at the time of the Gentek Asset Purchase Agreement.

II. Door Entities

NONE

III. Wing Entities

- Copyrights (Unregistered)

<u>Title</u>	<u>Description</u>
Interior Innovations	Catalog of Products
Wing Offers a Full Spectrum of Interior Products	Catalog of Products
[No Title]	Catalog of Doors and Windows

- Copyrights (Registered)

<u>Title</u>	<u>Registration Number</u>	<u>Registration Date</u>
Wood Bifold Doors You Can Install	VA109183	September 9, 1982

## SCHEDULE VI

### Licenses

#### I. Atrium Entities

1. MAC-PAC OPEN Concurrent User Schedule, dated June 26, 1997, between Proquire LLC and Atrium Companies, Inc.
2. GETPAID Software License Agreement, dated December 15, 1997, between GETPAID Software and Atrium Companies, Inc.
3. H-R Trademark License Agreement, dated as of July 1, 1997, by and between Gentek Building Products, Inc., a Delaware corporation, as Licensor, and Atrium Door and Window Company - West Coast (formerly H-R Window Supply, Inc.), a Texas corporation, as Licensee
4. Gentek Trademark License Agreement, dated as of July 1, 1997, by and between Atrium Door and Window Company - West Coast (formerly H-R Window Supply, Inc.) a Texas corporation, as Licensor, and Gentek Building Products, Inc., a Delaware corporation, as Licensee
5. Software License Agreement with Industrial Engineering Software Brokers, Inc. (software used in glass optimizer)

#### II. Door Entities

[NONE]

#### III. Wing Entities

1. Software lease between Wing Industries, Inc. and Softech Financial, a division of Bankers Leasing Association, Inc. dated as of July 9, 1997.
2. Software license agreement between Symix Computer Systems, Inc. and Wing Industries, Inc. dated as of June 30, 1997.

3. Software license agreement between CAPS Logistics, Inc. and Wing Industries, Inc. dated as of June 30, 1997.

STM/100003.2

VI-2

TRADEMARK  
REEL: 1804 FRAME: 0442

ANNEX A

Locations of Pledgors

<u>Pledgor</u>	<u>Chief Executive Office</u>	<u>Tax ID Number</u>	<u>Other Locations</u>
Atrium Companies, Inc.	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	DE/75-2642488	1841 E. Craig Road, Suite A North Las Vegas, NV 89030  1223 Tappan Circle Carrollton, TX 75006  120-130 East Watkins Street Phoenix, AZ 85004  9001 Ambassador Row Dallas, TX 75247  U.S. Highway 69 North Woodville, TX 75979  1215D Industrial Drive New Braunfels, TX 78130  402 and 404 Highway 78 Wylie, TX 75098  2100, 2101 and 2101-A East Union Bower Road Irving, TX 75061  10 Parker Street Clinton, MA 01510  286-288 Knowlton Street Bridgeport, CT 06603  3065 South 43 <sup>rd</sup> Avenue Phoenix, AZ 85009
Atrium Door and Window Company of the Northeast	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	CT/06-0735384	305 Knowlton Street Bridgeport, CT 06603
Atrium Door and Window Company of New York	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	CT/06-1351269	54 Central Drive Farmingdale, NY 11735
Atrium Door and Window Company - West Coast	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	TX/75-2382008	780 W. Layton Avenue Salt Lake City, UT 84104

<u>Pledgor</u>	<u>Chief Executive Office</u>	<u>Tax ID Number</u>	<u>Other Locations</u>
			5455 E. LaPalma Avenue, Suite A Anaheim, CA 92807
			33556 Central Avenue Union City, CA 94587
			123830 N.E. Airport Way, Bldg. 4 Portland, OR 97320
Atrium Door and Window Company of Arizona	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	DE/74-2872044	39755 Berkley Drive Palm Desert, CA 92211
			13410 and 13470 W. Foxfire Drive Surprise, AZ 85374
Wing Industries, Inc.	Wing Industries Factory 6202 Industrial Drive Greenville, Texas 75402	TX/75-0664562	6120 Highway 66 Greenville, TX 75402
			Chicago HCD & Distribution Facility 6415 Muirfield Drive Hanover Park, IL 60103
			Allentown Prchung Facility 7384 Penn Drive Allentown, PA 18106
			Cleveland Prchung Facility 6835 Cochran Road Solon, OH 44139
			Mt. Pleasant Door Manufacturing Facility 2718 South Jefferson Mt. Pleasant, TX 75455
			5808 Long Creek Park Drive, Suite H Charlotte, NC 28269
R.G. Darby Company, Inc.	3110 Kendall Drive Florence, Al. 35630	AL/63-0921046	None
Total Trim, Inc.	3110 Kendall Drive Florence, Al. 35630	AL/63-1078042	None
Door Holdings, Inc.	3110 Kendall Drive Florence, Al. 35630	DE/13-3982824	None



<u>Pledgor</u>	<u>Chief Executive Office</u>	<u>Tax ID Number</u>	<u>Other Locations</u>
Atrium Door and Window Company of New England	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	CT/06-1251035	10 Parker Street Clinton, MA 01510
Atrium Corporation	Suite 1200 W 1341 West Mockingbird Lane Dallas, Texas 75247	DE/75-2677561	None
Wing Industries Holdings, Inc.	Wing Industries Factory 6202 Industrial Drive Greenville, Texas 75402	DE/13-3965160	None

EXHIBIT 1

Form of Issuer Acknowledgment

The undersigned hereby (i) acknowledges receipt of a copy of the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"; capitalized terms used herein but not defined herein have the meanings given such terms in the Agreement), dated as of October 2, 1998, among Atrium Companies, Inc. (the "Borrower"), the Guarantors from time to time party thereto and BankBoston, as collateral agent ("Administrative Agent"), (ii) agrees promptly to note on its books the security interests granted and confirmed under the Agreement, (iii) agrees that it will comply with instructions of Administrative Agent with respect to the applicable Securities Collateral without further consent by applicable Pledgor, (iv) agrees to notify Administrative Agent upon obtaining knowledge of any interest in favor of any Person in the applicable Securities Collateral that is adverse to the interest of Administrative Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Agreement in connection with the registration of any Securities Collateral thereunder in the name of Administrative Agent or its nominee or the exercise of voting rights by Administrative Agent or its nominee.

[NAME OF ISSUER]

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

Note: This form should be signed by each issuer of uncertificated Securities Collateral.

EXHIBIT 2

Form of Financial Account Consent Agreement

[Name of Pledgor]  
[Address of Pledgor]

[Date]

[Name and  
address of  
Financial Institution]

Ladies and Gentlemen:

We refer to account numbers \_\_\_\_\_ and \_\_\_\_\_ (the "Financial Accounts") maintained with [Name of Financial Institution] (the "Financial Institution") by [Name of Pledgor] (the "Company") and into which certain moneys, instruments, securities and other property are or may be deposited from time to time. The Company has granted to BankBoston, N.A., as Administrative Agent ("Administrative Agent") for the benefit of the Secured Parties under, and as defined in, the Security Agreement, dated as of October 2, 1998, among Atrium Companies, Inc. (the "Borrower"), certain guarantors party thereto and Administrative Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), a security interest in the Financial Account Collateral (as defined in the Agreement), including, without limitation, all moneys, instruments, securities and other property deposited therein and all certificates or other instruments, if any, representing or evidencing the Financial Accounts. It is a condition to the continued maintenance of the Financial Accounts with the Financial Institution that the Financial Institution agrees to this letter agreement.

The parties hereto agree as follows:

1. The Financial Institution hereby confirms that the Company has established with it the Financial Accounts. The Financial Institution agrees that from and after the date hereof the Financial Accounts shall be under the exclusive dominion and control of Administrative Agent and all moneys, instruments, securities and other property of the Company received in connection therewith, whether or not deposited in the Financial Accounts, shall be held solely for the benefit of Administrative Agent. [Except as otherwise provided herein,] the Financial Accounts shall be subject to written instructions only from Administrative Agent.

2. The Financial Institution agrees to do the following:

(a) follow its usual operating procedures for the handling of any remittance received in the Financial Accounts that contains restrictive endorsements, irregularities, such as a variance between the written and numerical amounts, undated or postdated items, missing signature and incorrect payee;

(b) endorse and process all eligible checks and other remittance items not covered by subparagraph (a) above and deposit such checks and other remittance items in the Financial Accounts; and

(c) maintain a record of all checks and other remittance items received in the Financial Accounts and, in addition to providing the Company with photostats, vouchers and enclosures of checks and other remittance items received on a daily basis, as well as a monthly statement, furnish to Administrative Agent, free of any service charge payable by Administrative Agent, its regular Lender statement with respect to the Financial Accounts, with the words "BankBoston, N.A., as Administrative Agent, Re: Atrium Companies, Inc." included thereon so that there is no confusion as to ownership of the Financial Accounts and so that Administrative Agent is able to properly identify the Financial Accounts.

3. [The Financial Institution hereby agrees that no later than 12:00 p.m. on each business day on which transactions may be made with respect to the Financial Accounts, without further notice or instruction of any kind, to transfer (by wire transfer) the total of all immediately available funds or credits in each Financial Account to the concentration account, account no. \_\_\_\_\_, ABA # \_\_\_\_\_, reference: Atrium Companies, Inc. (the "Concentration Account") maintained by the Company with Administrative Agent at its office located at 100 Federal Street, Mail Stop 01-08-05, Boston, Massachusetts 02110.]

[Administrative Agent hereby instructs the Financial Institution to follow the instructions of the Company with respect to the disposition of any and all moneys, instruments, securities and other property deposited in the Financial Accounts as directed by the Company unless and until the Financial Institution has received written instructions to the contrary from Administrative Agent, in which case the Financial Institution agrees to follow such instructions from Administrative Agent.]a

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\* Note: The first paragraph in this section is only for Financial Institutions that have collection accounts for receivables of the Company, and the second paragraph is only for Financial Institutions that maintain disbursement accounts of the Company. The disbursement accounts are the accounts where the Pledgors may keep their Financial Account Collateral that is not subject to the daily sweep requirement of Section 9(b) of the Agreement. Any funds in excess of such amount will have to be swept into the

Footnote continued on next page.

The Financial Institution hereby agrees that Administrative Agent will be entitled to all rights and remedies to which a person in control of "financial assets" (within the meaning of Section 8-102(a)(9) of the Uniform Commercial Code as in effect in the State of New York (the "UCC")) is entitled pursuant to Part 5 of Article 8 of the UCC and Article 9 of the UCC, and [ , subject to the provisions of the immediately preceding paragraph,] the Financial Institution agrees to follow the instructions of Administrative Agent with respect to the disposition of any and all moneys, instruments, securities, and other property deposited in the Financial Accounts.

Without limiting the foregoing, if at any time the Financial Institution shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) issued by Administrative Agent and relating to the Financial Accounts, the Financial Institution shall comply with such entitlement order without further consent of the Borrower, the Company or any other person. The Financial Institution hereby agrees that it shall be a "securities intermediary" within the meaning of Section 8-102(a)(14) of the UCC and that the Financial Accounts shall be maintained as "securities accounts" (as such term is defined in Section 8-501(a) of the UCC) to the extent that any "investment property" (as defined in Section 9-115 of the UCC) is maintained in or in respect of the Financial Accounts and that each item of investment property credited to a Financial Account shall be treated as a financial asset. The Financial Institution further agrees that all securities or other investment property underlying any financial assets credited to any Financial Account shall be registered in the name of the Financial Institution, endorsed to it or in blank or credited to another securities account maintained in its name.

4. Except for the claims and interest of Administrative Agent, the Company and the Financial Institution in the Financial Accounts, the Financial Institution acknowledges that it does not know of any claim to, or interest in, the Financial Accounts or in any financial asset credited thereto. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Financial Accounts or in any financial asset carried therein, the Financial Institution will promptly notify Administrative Agent, the Borrower and the Company thereof.

5. Except with respect to the right of offset relating to its fees for administering the Financial Accounts and items deposited in and credited to the account which are not honored by the institution on which such item is drawn, the Financial Institution waives and agrees not to assert, claim or endeavor to exercise, and by executing this letter agreement bars and estops itself from asserting, claiming or exercising, and the Financial Institution acknowledges that it has not heretofore received a notice from any other party asserting, claiming or exercising, any right of setoff, banker's lien or other purported form of claim with respect to the Financial Accounts and funds from time to time therein. Except as set forth above, the Financial Institution shall have no rights in the Financial

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Footnote continued from previous page.

concentration account by the Pledgors.

Accounts or the funds therein. To the extent that it may ever have any such other rights, the Financial Institution hereby expressly subordinates all such rights to all rights of Administrative Agent.

6. The Financial Institution shall not be liable for any action taken or omitted by it with respect to the Financial Accounts on the instructions of Administrative Agent, and the Financial Institution shall not have any duty or responsibility to ascertain whether any such instructions are consistent with the Agreement or the other credit documents relating thereto. The Financial Institution may rely on any certificate, statement, request, agreement or other instrument it believes in good faith to be genuine and to have been signed or presented by or on behalf of Administrative Agent. In maintaining the Financial Accounts hereunder, the Financial Institution may consult with counsel and shall be fully protected with respect to any action taken or omitted by it in good faith on advice of counsel and shall have no liability hereunder except for its bad faith, willful misconduct or gross negligence with respect to its obligations hereunder.

7. The Company agrees to indemnify the Financial Institution against and save the Financial Institution harmless from any and all claims, liabilities, reasonable costs and expenses, including reasonable out-of-pocket fees and expenses of counsel, for anything done or omitted by you in good faith in connection with this letter agreement, including reasonable costs and expenses of defending itself against any claim or liability; provided, that the Financial Institution shall not have the right to be indemnified hereunder for its bad faith, gross negligence or willful misconduct.

8. The Financial Institution may terminate this letter agreement only upon thirty days' prior written notice to that effect to the Company and Administrative Agent and by canceling the Financial Accounts maintained with it and transferring all funds, if any, in such Financial Accounts to Administrative Agent. After any such termination, the Financial Institution shall nonetheless remain obligated promptly to transfer to Administrative Agent at its address anything from time to time received in respect of the Financial Accounts.

9. This letter agreement shall be binding upon the parties hereto and their respective successors and assigns. This letter agreement may be executed in counterparts, each of which will be deemed an original and all of which taken together shall constitute one and the same instrument.

THE "SECURITIES INTERMEDIARY'S JURISDICTION" WITHIN THE MEAN-  
ING OF SECTION 8-110(E) OF THE UCC IS AND SHALL CONTINUE TO BE THE STATE OF  
NEW YORK. THIS LETTER AGREEMENT SHALL BE GOVERNED BY THE LAWS OF the  
STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW)  
ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY  
JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Very truly yours,

[NAME OF PLEDGOR]

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

BankBoston, N.A.,  
as Administrative Agent

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

Acknowledged and agreed to  
as of the date first above written.

[FINANCIAL INSTITUTION]

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

EXHIBIT 3

Form of Securities Pledge Amendment

PLEDGE AMENDMENT

This Pledge Amendment, dated \_\_\_\_\_, is delivered pursuant to Section 7 of the Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement, dated as of October 2, 1998, among the undersigned, certain other Pledgors and BankBoston, N.A., as Administrative Agent (the "Agreement"; capitalized terms used herein and not defined shall have the meanings assigned to them in the Agreement) and that the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

\_\_\_\_\_  
as Pledgor

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

Pledged Securities

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
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Intercompany Notes

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY] DATE]</u>
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EXHIBIT 4

Form of Joinder Agreement

[Name of New Pledgor]  
[Address of New Pledgor]

[Date]

BankBoston, N.A.,  
as Administrative Agent  
100 Federal Street  
Mail Stop 01-08-05  
Boston, Massachusetts 02110  
Attention: Marie C. Duprey

Ladies and Gentlemen:

Reference is made to the Security Agreement (the "Agreement"), dated as of October 2, 1998, made by Atrium Companies, Inc. (the "Borrower"), each of the Guarantors listed on the signature pages thereto or from time to time party thereto by execution of a joinder agreement and BankBoston, N.A., as administrative agent for the Secured Parties. Capitalized terms used herein but not otherwise defined herein have the meanings given such terms in the Agreement.

This letter supplements the Agreement and is delivered by the undersigned, \_\_\_\_\_ (the "New Pledgor"), pursuant to Section 22 of the Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Agreement to the same extent that it would have been bound if it had been a signatory to the Agreement on the execution date of the Agreement. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Agreement.

Attached hereto are supplements to each of the schedules and annexes to the Agreement with respect to the New Pledgor. Such supplements shall be deemed to be part of the Agreement.

This agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.