



100937664

Tab settings → → →

MRO  
1-6-99

To the Honorable Commissioner of Patents and Trademarks Send original documents or copy thereof.

1. Name of conveying party(ies):

Subaru of America, Inc.

- Individual(s)
- General Partnership
- Corporation-State New Jersey
- Other

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

3. Nature of conveyance:

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

Execution Date: December 23, 1998

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

The Industrial Bank of Japan Limited,  
Name: New York Branch

Internal Address: \_\_\_\_\_

Street Address: 1251 Avenue of the Americas

City: New York State: NY ZIP: 10020

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State New York

Other

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

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

A. Trademark Application No.(s)

See Schedule A attached

B. Trademark Registration No.(s)

See Schedule B attached

Additional numbers attached?  Yes  No

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

Name: Howard B. Barnaby

Internal Address Robin, Blecker & Daley

Street Address: 330 Madison Avenue

City: New York State: NY ZIP: 10017

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)

01/07/1999 TTON11 0000064 75087923

DO NOT USE THIS SPACE

01 FC:481 40.00 DP  
02 FC:482 275.00 DP

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.

Howard B. Barnaby

Name of Person Signing

Signature

January 4, 1999

Date

Total number of pages including cover sheet, attachments, and documents 37

TRADE MARK

REEL: 1837 FRAME: 0161

## SCHEDULE A

<b>PENDING TRADEMARK APPLICATIONS</b>		
<b>Trademark</b>	<b>Application Number</b>	<b>Filing Date</b>
ADIRONDACK	75/087,923	4/15/96
DRIVE	75/435,096	2/17/98
MASTER THE MOUNTAIN	75/280,170	4/23/97
QUALITY DRIVEN	75/544,428	8/28/98
SPORTS UTILITY TOUGH. CAR EASY	75/334,819	8/1/97
THE WORLD'S FIRST SPORT-UTILITY WAGON	75/145,553	8/5/96

## SCHEDULE B

<b>REGISTERED TRADEMARKS</b>		
<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>
ADDED SECURITY	1,492,576	6/14/88
AWD ALL WHEEL DESIGN	2,039,778	2/25/97
LOYALE	1,536,316	4/25/89
THE BEAUTY OF ALL WHEEL DRIVE	1,944,737	12/26/95
WHAT TO DRIVE	1,759,149	3/16/93
XT	1,375,749	2/17/85

**BORROWER INTELLECTUAL PROPERTY SECURITY AGREEMENT**

BORROWER INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") dated as of December 23, 1998, made by SUBARU OF AMERICA, INC., a New Jersey corporation (the "Borrower"), in favor of THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH, as collateral agent for the Agents and Lenders (as defined in the Credit Agreement defined below)(in such capacity, together with its successors and assigns in such capacity; the "Collateral Agent") on behalf of certain Agents and Lenders (as hereinafter defined).

## RECITALS:

WHEREAS, the Borrower has entered into a Credit Agreement dated as of December 23, 1998 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement") among the Borrower, the lenders identified therein (together with their respective successors and assigns, the "Lenders"), the Collateral Agent, The Industrial Bank of Japan, Limited, as Administrative Agent for such Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent"), and Deutsche Bank AG New York Branch, as Syndication Agent (in such capacity, together with its successors and assigns in such capacity, the "Syndication Agent", together with the Collateral Agent and the Administrative Agent, the "Agents") pursuant to which the Lenders have agreed to make loans to the Borrower from time to time in an aggregate principal amount not to exceed U.S. \$200,000,000; and

WHEREAS, as a condition precedent to the obligations of the Lenders to make Loans to the Borrower, the Lenders, the Collateral Agent, the Syndication Agent and the Administrative Agent require that the Borrower execute and deliver this Agreement, which is a material inducement to the Lenders, the Collateral Agent, the Syndication Agent and the Administrative Agent to enter into the Credit Agreement and for the Lenders to make the Loans thereunder;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby agrees as follows:

1. Defined Terms.

Unless otherwise defined herein, capitalized terms which are defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms shall have the following meanings:

"Copyright" has the meaning specified in Section 2 (c).

“Copyright License” has the meaning specified in Section 2(d).

“Dealership Agreements” means each Dealership Agreement and Standard Provisions, executed from time to time by and between Subaru of America, Inc. and various authorized Dealers of Subaru Products (as defined therein).

“Patents” has the meaning specified in Section 2(b).

“Patent License” has the meaning specified in Section 2(c).

“Secured Obligations” means the collective reference to the obligations of the Borrower, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with, the Credit Agreement, this Agreement, the Security Agreement, any Notes from time to time issued thereunder, any other Loan Document and any other document made, delivered or given in connection therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Agents or to the Lenders that are required to be paid by the Borrower pursuant to the terms of the Credit Agreement or the other Loan Documents) or otherwise, and in any event shall include all Obligations (as defined in the Credit Agreement).

“Trademarks” has the meaning specified in Section 2(a).

“Trademark License” has the meaning specified in Section 2(d).

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, the Borrower hereby grants, transfers, collaterally assigns and sets over to the Collateral Agent, for the ratable benefit of the Agents and the Lenders, a security interest in, general lien on and right of set-off of (the “Security Interests”), all of the following (collectively, the “Intellectual Property Collateral”), in each case whether now existing or hereafter arising and whether now owned or hereafter acquired:

(a) all of the Borrower’s right, title and interest, whether now owned or hereafter acquired, in and to all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and all designs and general intangibles of a like nature, and the goodwill associated therewith or symbolized thereby, and all other assets, rights and interests that uniquely embody such goodwill, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office (the “Patent and Trademark Office”) or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, and all extensions or renewals thereof (including without limitation each trademark, trade name, trade dress, registration and application identified in Schedule 1 attached hereto and incorporated herein by reference) and including all income, royalties,

damages and payments now and hereafter due and/or payable with respect thereto (including without limitation damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law) and all other rights of any kind whatsoever of Borrower accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark (collectively, the "Trademarks");

(b) all letters patent of the United States or any other country, including patents, design patents and utility models, and all registrations and recordings thereof, all applications for letters patent of the United States or any other country (including without limitation the patents, design patents and utility models identified on Schedule II attached hereto and incorporated herein by reference) and all reissues, extensions, divisions, continuations and continuations-in-part thereof, and the inventions disclosed or claimed therein, including the right to make, sell and/or use the inventions disclosed or claimed therein (collectively, the "Patents");

(c) all copyrights in any original work of authorship fixed in any tangible medium of expression, including, without limitation, all databases, source codes, object codes and manuals, whether published or unpublished, whether now or hereafter existing, and whether in the United States or any other country, and all applications, registrations, renewals, extensions and recordings relating thereto filed in the United States Copyright Office (the "Copyright Office") or in any other governmental office or agency in the United States or any other country or political subdivision thereof, in each case in which the Borrower has any right, title or interest, whether as author, assignee, transferee or otherwise (including without limitation the copyrights listed on Schedule III attached hereto and incorporated herein by reference, and all other rights which the Borrower presently has or hereafter acquires pursuant to any Copyright License relating to any such copyright, including, without limitation, copyright assignments, and exclusive and nonexclusive licenses, and (b) all right, title and interest of the Borrower in all physical materials embodying any work with respect to which the Borrower owns or holds rights in any Copyright or Copyright License (collectively, the "Copyrights");

(d) All agreements, written or oral (i) providing for the grant by or to the Borrower of any right to use any Trademark (including without limitation the licenses listed on Schedule IV attached hereto and incorporated herein by reference), and the right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement) now or hereafter owned by the Borrower and now or hereafter covered by such licenses (collectively, the "Trademark Licenses"); (ii) providing for the grant by or to the Borrower of any right to manufacture, use or sell any invention covered by a Patent and all rights of the Borrower under such agreement (collectively, the "Patent Licenses"); and (iii) naming the Borrower as licensor or licensee, granting any right in or to any Copyright or copyright registration in the United States or any foreign country or any and all present and future agreements, including, without limitation, assignments and consents, as any such agreements may from time to time be amended or supplemented.

pursuant to which the Borrower now has or hereafter acquires any direct or beneficial interest in any Copyright, or is a licensor of rights to any third party with respect to any copyright, whether as a party to any such agreement or as an assignee of any rights under any such agreement excluding, however, non-exclusive computer software licenses (collectively, the "Copyright Licenses"; the Copyright Licenses, the Patent Licenses and the Trademark Licenses, collectively referred to as the "Licenses");

(e) all policies of insurance related to the foregoing; and

(f) all proceeds and products of any and all of the foregoing Intellectual Property Collateral.

In addition, the Borrower has executed in blank and delivered to the Collateral Agent at least three Assignments of Intellectual Property (each being called an "IP Assignment") in the form of Exhibit A hereto. The Borrower hereby irrevocably authorizes the Collateral Agent to complete as assignee and record with the Patent and Trademark Office and the Copyright Office, each IP Assignment but only upon the occurrence of an Event of Default that is continuing at the time of filing. From time to time upon request by the Collateral Agent, the Borrower shall execute and deliver to the Collateral Agent such further IP Assignments as the Collateral Agent may reasonably request.

3. Collateral Assignment. (a) [intentionally removed]

(b) [intentionally removed]

4. General Representations and Warranties. The Borrower hereby represents and warrants that:

(a) Binding Obligations. This Agreement has been duly executed and delivered by the Borrower and constitutes the legal, valid and binding obligations of the Borrower, enforceable against the Borrower and the Intellectual Property Collateral in accordance with its terms.

(b) No Proceedings. There is no action, proceeding or investigation to which the Borrower or any of its Subsidiaries or any of their respective properties may be subject, by or before any court or any arbitral, governmental or regulatory authority or agency, pending or (to the knowledge of the Borrower) threatened which, if adversely determined, could have, individually or in the aggregate, a material adverse effect on the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, or on the ability of the Borrower to perform its obligations under this Agreement, or which in any way draws into question the legality, validity, binding nature, enforceability, perfection or priority of this Agreement or of the liens granted hereby.

(c) No Authorization. No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other

Person is required either (i) for the grant by Borrower of the Security Interests granted hereby or for the execution, delivery or performance of this Agreement by the Borrower, or (ii) for the perfection of or the exercise by the Collateral Agent, on behalf of the Agents and Lenders, of its rights and remedies hereunder, except for the filing and recording of this Agreement with the Patent and Trademark Office, the Copyright Office and with the equivalent offices in any foreign jurisdiction, and the filings required by the Uniform Commercial Code of the State in which the Borrower maintains its chief executive office which shall be duly filed promptly following the execution of this Agreement.

(d) Licenses. Set forth on Schedule IV is a list of Licenses of the Borrower necessary for the conduct of its business as currently conducted or utilized and material in the Borrower's commercial operations, and such list is complete and accurate in all material respects as of the date hereof.

(e) No Impairment. The actions contemplated under or in connection with the Loan Documents will not impair the legal right of the Borrower to use any of the Intellectual Property Collateral, subject to the rights of the Collateral Agent as provided in this Agreement.

5. Other Representations and Warranties. The Borrower represents and warrants as to itself and the Intellectual Property Collateral as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Intellectual Property Collateral purported to be granted by it hereunder, free and clear of any Lien (which term includes, without limitation, any security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), covenant, or any other encumbrance), except for the Security Interests created or permitted by this Agreement or security interests created or permitted by the Credit Agreement or the other Loan Documents and certain Licenses and registered user agreements described on Schedule IV. To the best of the Borrower's knowledge (after due inquiry), no financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral purported to be granted by the Borrower hereunder is on file in any recording office, including, without limitation, the Patent and Trademark Office, the Copyright Office and the equivalent offices in any foreign jurisdiction, except such as may have been filed in favor of the Collateral Agent, for the ratable benefit of the Agents and the Lenders.

(b) All of the Intellectual Property Collateral, as listed on Schedules I, II, III and IV hereto, owned, held or used by the Borrower is valid subsisting, unexpired, enforceable and has not been abandoned. None of such Intellectual Property Collateral, other than the items listed on Schedule IV, is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or quest on the validity of any Intellectual Property Collateral.

(c) Set forth on Schedule I is a complete and accurate list of all Trademark and service mark registrations and all Trademark and service mark applications owned by the Borrower. Set forth on Schedule II is a complete and accurate list of all Patents and all Patent applications owned by the Borrower. Set forth in Schedule III is a complete and accurate list of



all Copyright registrations, Copyright applications for all works that are subject to copyright, owned by the Borrower that are material to the Borrower's business. With the exception of any Dealership Agreements in which the Borrower is a licensor of any Intellectual Property Collateral, and of any shrink wrap licenses granted in connection with the purchase of commercially available software, set forth in Schedule IV is a complete and accurate list of all Licenses owned by Borrower in which Borrower is (i) a licensor with respect to any Intellectual Property Collateral, or (ii) a licensee of any other person's Patents, trade names, Trademarks, service marks or Copyrights. The Borrower has made all necessary filings and recordings to protect and maintain its interest in the Intellectual Property Collateral as set forth in Schedules I, II and III, except for any filings or recordings relating to Intellectual Property Collateral, which, in the reasonable business judgment of the Borrower, individually or in the aggregate, are of no material economic value.

(d) Each Patent, Trademark or service mark registration and Copyright registration of the Borrower set forth in Schedules I, II and III is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, has not been abandoned and is valid, registrable and enforceable. Each Patent application, Trademark or service mark application and Copyright application is subsisting and has not been issued a final refusal. Each License of the Borrower identified in Schedule IV is valid, subsisting, unexpired, has not been adjudged invalid or unenforceable, in whole or in part, has not been abandoned and is valid and enforceable. Borrower is not aware of any uses of any item of Intellectual Property Collateral which could be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.

(e) To the best of the Borrower's knowledge (after due inquiry) no action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Intellectual Property Collateral, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property Collateral.

(f) It has notified the Collateral Agent in writing of all uses of any Intellectual Property Collateral prior to the Borrower's use, of which the Borrower is aware, which would lead to such item becoming invalid or unenforceable, including prior unauthorized uses by third parties and uses that were not supported by the goodwill of the business connected with such item.

(g) It has not granted any release, covenant not to sue, or non-assertion assurance to any third person, nor allowed any shop right to arise with respect to any third Person, with respect to any part of the Intellectual Property Collateral.

(h) It has protected its Intellectual Property Collateral with markings or as otherwise required by statute.

(i) Except as disclosed to the Agents and Lenders in writing prior to the date of this Agreement, the Borrower has no knowledge of the existence of any right under any Patent, Trademark, license agreement, trade name, trade secret, know-how, confidential research,

development and commercial information, or other proprietary information held by any other Person that would preclude the Borrower from carrying on, or materially interfere with, the ability of the Borrower to carry on its business as currently carried on, and the Borrower has no knowledge of any possible claim to the contrary.

(j) To the best of the Borrower's knowledge, the Borrower has used consistent standards of quality in the provision of each service provided under any Intellectual Property Collateral, and has taken all steps necessary to ensure that all licensed users of any Intellectual Property Collateral use such consistent standards of quality.

(k) To the best of the Borrower's knowledge (after due inquiry), no claim has been made (and, as to Intellectual Property Collateral with respect to which the Borrower is a licensor, no claim has been made against the third party licensee), and the Borrower has no knowledge of any claim that is likely to be made, that the use by the Borrower of any Intellectual Property Collateral may be likely to violate the rights of any Person.

6. Covenants. The Borrower covenants and agrees with the Collateral Agent, the other Agents and the Lenders that, from and after the date of this Agreement until the Secured Obligations are paid in full and the Commitments have expired or been terminated:

(a) The Borrower (either itself or through licensees) will, except with respect to any Trademark that the Borrower shall reasonably determine is of no material economic value to it, (i) continue to use each Trademark on each and every trademark class of goods or services applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force and effect and free from any claim of abandonment for non-use, (ii) maintain as in the past at least the same quality of products and services offered under such Trademark, (iii) employ such Trademark only with the appropriate notice of registration, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Agent, for the ratable benefit of the Agents and Lenders, shall obtain a perfected, first priority security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(b) The Borrower will not, except with respect to any Patent that the Borrower shall reasonably determine is of no material economic value to it, do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated.

(c) The Borrower (either itself or through licensees) will, except with respect to any Copyright that the Borrower shall reasonably determine is of no material economic value to it, for each work covered by a Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve the Borrower's rights under all applicable copyright laws.

(d) The Borrower will notify the Agents and the Lenders within 15 Domestic Business Days if it knows, or has reason to know, that any Intellectual Property Collateral or any application or registration relating to any thereof may become abandoned, lost or dedicated, or of

any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal or similar office in any country) regarding the Borrower's ownership of any Intellectual Property Collateral or its right to register the same or to keep and maintain the same, except with respect to any Intellectual Property Collateral, which, individually or in the aggregate, in the reasonable business judgment of the Borrower, is of no material economic value.

(e) Whenever the Borrower, either by itself or through any agent, employee, attorney, licensee or designee, shall file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or shall file an application for registration of any Copyright with the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, the Borrower shall report such filing to the Collateral Agent within 15 Domestic Business Days.

(f) The Borrower agrees that, should it have or obtain an ownership interest in any United States or foreign trademarks, tradenames, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, trademark or service mark applications, trademark or service mark registrations, patents, design patents, utilizing models, patent applications, Copyrights, work of authorship, Copyright registration, Copyright application or license, which is not now a part of the Intellectual Property Collateral: (i) the provisions of this Agreement shall automatically apply to such item, and such item shall automatically become part of the Intellectual Property Collateral; and (ii) the Borrower shall, within three months after acquiring or becoming aware of such ownership interest, (A) give written notice thereof to the Collateral Agent and (B) prepare, execute and file in the Patent and Trademark Office, the Copyright Office or, upon the Collateral Agent's request, in the equivalent agencies in any foreign jurisdiction, within the requisite time period, all documents that are known by the Borrower to be necessary or that the Collateral Agent, on behalf of the Agents and Lenders, requests in order to perfect the Security Interests therein. The Borrower hereby irrevocably authorizes the Collateral Agent, on behalf of the Lenders, to execute and file such document or documents in the name of the Borrower if the Borrower fails to do so.

(g) The Borrower agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable in the Collateral Agent's determination, or that the Collateral Agent may request, in order to (i) continue, perfect and protect any Security Interests granted or purported to be granted hereby, (ii) upon the Collateral Agent's request, to further grant and perfect the Collateral Agent's (for the ratable benefit of the Agents and Lenders) Security Interests in and collaterally assigns to the Collateral Agent, for the ratable benefit of the Agents and Lenders, as security for the repayment and satisfaction of the Secured Obligations, all Intellectual Property Collateral located in any foreign jurisdiction, and (iii) enable the Collateral Agent, for the ratable benefit of the Agents and Lenders, to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, Borrower will execute and file (with the appropriate

governmental offices, authorities, agencies and regulatory bodies in the United States and, upon the Collateral Agent's request, any applicable foreign jurisdiction) such supplements to this Agreement and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including executed IP Assignments, with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as the Collateral Agent may request, in order to perfect and preserve the Security Interests granted hereby.

(h) The Borrower agrees: (i) to take all necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof or in any court, to maintain each Trademark, Trademark License, Patent, Patent License, Copyright or Copyright License, now or hereafter included in the Intellectual Property Collateral, except with respect to any Intellectual Property Collateral, which, individually or in the aggregate, in the reasonable business judgment of the Borrower, is of no material economic value, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition and infringement proceedings; (ii) to bear any expenses incurred in connection with such activities; and (iii) not to abandon any material pending application with respect to any of the Intellectual Property Collateral, without the prior written consent of the Required Lenders, except with respect to any Intellectual Property Collateral, which, individually or in the aggregate, in the reasonable business judgment of the Borrower, is of no material economic value.

(i) In the event that any item of Intellectual Property Collateral is infringed, misappropriated or diluted by a third party, the Borrower shall promptly notify the Collateral Agent and the Lenders after it learns thereof and, at the Borrower's sole expense, shall, unless the Borrower shall reasonably determine that such Intellectual Property Collateral is of no material economic value to the Borrower, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as the Borrower shall reasonably deem appropriate under the circumstances to protect such Patent, Patent License, Trademark, Trademark License, Copyright or Copyright License.

(j) Upon and during the continuance of an Event of Default and at the reasonable request of the Collateral Agent, the Borrower shall use its reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all of the Borrower's rights, title and interest thereunder to the Collateral Agent or its designee.

## 7. Further Assurances.

(a) The Borrower hereby authorizes the Collateral Agent, on behalf of the Lenders, upon the occurrence and during the continuation of an Event of Default, to file, where permitted by law, one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Intellectual Property Collateral without the signature of the Borrower. A carbon, photographic or other reproduction of this Agreement or any financing

statement covering the Intellectual Property Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) The Borrower will furnish to the Collateral Agent, from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Collateral Agent may request, all in reasonable detail.

(c) The Borrower agrees that should any of its Subsidiaries (whether now or hereafter existing) obtain any ownership interest in any United States or foreign intellectual property of a nature that would be Intellectual Property Collateral hereunder if owned by the Borrower, the Borrower shall cause such Subsidiary to transfer and assign all such entities' ownership interests therein to the Borrower or to SII, whereupon such intellectual property shall become Intellectual Property Collateral under this Agreement (or the SII Intellectual Property Security Agreement, as the case may be) and the provisions of subsection (a) of this Section 7 and Section 19 (and the comparable provisions of the SII Intellectual Property Security Agreement, as the case may be) shall be applicable thereto.

(d) The Borrower shall not do any act or omit to do any act whereby any of the Intellectual Property Collateral may become dedicated or abandoned, except where such dedication or abandonment (i) will not have a material adverse effect on the business, properties, operations, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries, either individually or taken as a whole, and (ii) is in the ordinary course of the Borrower's business. The Borrower agrees to notify the Agents and the Lenders, within 15 days, in writing if it learns that any of the Intellectual Property Collateral may become abandoned or dedicated or of any adverse determination or any development (including without limitation the institution of any proceeding in any court or arbitration tribunal or in the Patent and Trademark Office, the Copyright Office or in the equivalent agencies of any foreign jurisdiction, or any court) regarding any part of the Intellectual Property Collateral.

(e) The Borrower agrees to maintain the quality of any and all products in connection with which the Intellectual Property Collateral is used, consistent with the quality standards established by the Borrower for said products as of the date of this Agreement.

(f) The Borrower shall protect its products with markings or such other measures as are required by statute.

8. Grant of License to Use Patent, Trademark and Copyright Collateral. For the purpose of enabling the Collateral Agent to exercise rights and remedies hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, the Borrower hereby grants to the Collateral Agent a non-exclusive license (exercisable without payment of royalty or other compensation to the Borrower) to use, license or sublicense any of the Intellectual Property Collateral, now owned or hereafter acquired by the Borrower, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored. Such license shall be irrevocable and shall be transferrable to the Collateral Agent or any transferee of the Collateral Agent upon

the exercise of the Collateral Agent's remedies pursuant to this Agreement, except that such license shall terminate in accordance with Section 24 hereof if, prior to the Intellectual Property Collateral Termination Date, there shall have been no exercise of the Collateral Agent's remedies under this Agreement. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, for any purpose appropriate in connection with the exercise of remedies hereunder, only upon the occurrence and during the continuance of an Event of Default, provided that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Borrower notwithstanding any subsequent cure or waiver of an Event of Default.

9. Transfers and Other Liens. Borrower agrees that, except as permitted by the Credit Agreement, it shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Intellectual Property Collateral, except that the Borrower may license the Intellectual Property Collateral (i) in the ordinary course of the Borrower's business, provided that such license is necessary or desirable in the conduct of the Borrower's business, or (ii) in connection with a sale of assets in compliance with the Credit Agreement, provided that such license shall be on terms which will maximize the gain to the Borrower resulting from the granting of such license. The Collateral Agent, for the ratable benefit of the Agents and Lenders, shall execute any documents that the Borrower may reasonably request in order to permit the Borrower to exercise its right hereunder to license the Intellectual Property Collateral, provided that the Collateral Agent shall not be required to do anything that may, in the reasonable discretion of the Collateral Agent, adversely affect the validity of the Security Interests or the assignment of the Intellectual Property Collateral located in any foreign jurisdiction;

(b) create or suffer to exist any Lien, security interest or other charge or encumbrance upon or with respect to any of the Intellectual Property Collateral except for the Security Interests created by this Agreement; or

(c) take any other action in connection with any of the Intellectual Property Collateral that would impair the value of the interest or rights of the Borrower in any of the Intellectual Property Collateral or that would impair the interest or rights of the Collateral Agent for the ratable benefit of the Agents and Lenders.

10. Collateral Agent Appointed Attorney-in-Fact. Without limiting any other provision of this Agreement, upon the occurrence and during the continuance of an Event of Default, the Borrower hereby irrevocably appoints the Collateral Agent, for the ratable benefit of the Agents and Lenders, as the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time in the Collateral Agent's discretion, and with full power of substitution, to take any action and to execute any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings that the Agent may deem necessary or desirable for the collection of any of the Intellectual Property Collateral or otherwise to enforce the rights of the Collateral Agent, for the ratable benefit of the Agents and Lenders, with respect to any of the Intellectual Property Collateral; and

(d) to execute, in connection with the sale provided in Section 13 hereof, any endorsement, assignments, or other instruments of conveyance or transfer with respect to the Intellectual Property Collateral.

The Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

11. Collateral Agent May Perform.

(a) If the Borrower fails to perform or comply with any of its agreements contained in this Agreement, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Borrower under Section 14 hereof to the fullest extent permitted by applicable law. The expenses of the Collateral Agent incurred in connection with such performance or compliance shall constitute Secured Obligations secured hereby, and if not paid when due shall bear interest until paid in full at a rate per annum equal to the Base Rate in effect from time to time for the first two Domestic Business Days and thereafter at a rate per annum equal to 3.00% plus the higher of (x) the Base Rate as in effect from time to time and (y) the highest interest rate in effect from time to time for Loans of any type under the Credit Agreement. Such interest shall be payable by the Borrower to the Collateral Agent on demand and shall constitute Secured Obligations secured hereby.

(b) The Collateral Agent or its designated representatives shall have the right at any time and from time to time to inspect the Borrower's premises and to examine the Borrowers' books, records and operations relating to the Intellectual Property Collateral.

12. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect the Agents', and the Lenders' interests in the Intellectual Property Collateral and shall not impose any duty upon the Collateral Agent or any other Agent or any Lender to exercise any such powers. Each of the Collateral Agent, the other Agents and the Lenders shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither they nor any of their respective officers, directors,

employees, attorneys or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

13. **Remedies.** If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Agents and Lenders, may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC and all other rights and remedies under all other applicable laws. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith complete and file any IP Assignment, collect, receive, appropriate and realize upon the Intellectual Property Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Intellectual Property Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent, any other Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent, any other Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Intellectual Property Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived or released. The Borrower further agrees, at the Collateral Agent's request, to assemble the Intellectual Property Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at the Borrower's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Intellectual Property Collateral or in any way relating to the Intellectual Property Collateral or the rights of the Collateral Agent, the other Agents and the Lenders arising out of the exercise by the Collateral Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as the Collateral Agent may elect, and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the UCC, need the Collateral Agent account for the surplus, if any, to the Borrower. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands it may acquire against any Agent or any Lender arising out of the exercise by the Collateral Agent or any Lender of any of its rights hereunder. If any notice of a proposed sale or other disposition of the Intellectual Property Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 15 days before such sale or other disposition. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Intellectual Property Collateral are insufficient to pay the Secured Obligations and the fees and disbursements of any attorneys employed by any Agent or any Lender to collect such deficiency.



The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Intellectual Property Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Except as set forth in the preceding sentence, the Collateral Agent shall have no duty or liability to preserve rights pertaining to the Intellectual Property Collateral and shall be relieved of all responsibility for the Intellectual Property Collateral upon surrendering it to the Borrower or in accordance with the Borrower's instructions. Neither the Collateral Agent nor any other Agent nor any Lender, nor any of their respective directors, officers, employees, attorneys or agents shall be liable for failure to demand, collect or realize upon all or any part of the Intellectual Property Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Intellectual Property Collateral upon the request of the Borrower or any other Person or to take any other action whatsoever with regard to the Intellectual Property Collateral or any part thereof. The powers conferred on the Agents and the Lenders hereunder are solely to protect the Agents' and the Lenders' interests in the Intellectual Property Collateral and shall not impose any duty upon the Collateral Agent or any Lender to exercise any such powers. The Collateral Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees, attorneys or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

14. Indemnity and Expenses.

The Borrower agrees to pay, and to save the Collateral Agent, the other Agents and the Lenders and each of their respective officers, directors, employees, attorneys or agents harmless from, any and all liabilities, costs and expenses (including, without limitation, all legal fees and expenses) (i) with respect to, or resulting from, any failure (by any Person other than the Agents or Lenders) to comply or delay in complying with any law, rule, regulation, order or judgment applicable to any of the Intellectual Property Collateral, (ii) in connection with the administration, negotiation, preparation, execution and delivery of this Agreement, the perfection of the Security Interests granted hereby and any waiver of or amendment or supplement to any of the provisions of this Agreement, and any preservation or exercise of any of the rights or benefits of this Agreement, (iii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral, (iv) the exercise or enforcement of any of the rights of the Agents or Lenders, (v) in connection with any and all liabilities, costs and expenses (including, without limitation, all legal fees and expenses) in connection with any claims made by third parties relating to the Intellectual Property Collateral, including, without limitation, any claims for infringement of Patent, infringement of Trademark or infringement of Copyright, as the case may be, or (vi) the failure by the Borrower to perform or observe any of the provisions hereof otherwise in connection with any of the transactions contemplated by this Agreement.

15. Absolute Rights and Obligations. All rights of the Agents and the Lenders in the Security Interests granted hereunder, and each of the Secured Obligations, shall be absolute, irrevocable and unconditional irrespective of:

(a) any lack of validity or enforceability of the Credit Agreement, the Notes, the Guarantee, any other Loan Document or any other agreement or instrument relating to any of the foregoing;

(b) 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 departure from, the Credit Agreement, any Security Document or any other Loan Document, including, but not limited to, (i) an increase or decrease in the Secured Obligations and (ii) an amendment of any Security Document or Loan Document to permit the Collateral Agent or the Agents or Lenders or any one or more of them to extend further or additional credit to the Borrower in any form including credit by way of loan, purchase of assets, guarantee or otherwise, which credit shall thereupon be and become subject to the Credit Agreement, the Security Documents and the other Loan Documents as a Secured Obligation;

(c) any taking and holding of collateral or guarantees (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Documents) for all or any of the Secured Obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver, subordination, termination or release of any such collateral or guarantees, or any non-perfection of any such collateral, or any consent to departure from any such guarantee;

(d) any manner of application of collateral, or proceeds thereof, securing payment or enforcement of all or any of the Secured Obligations, or the manner of sale of any such collateral;

(e) any consent by the Agents and Lenders to the change, restructure or termination of the corporate structure or existence of the Borrower and any corresponding restructure of the Secured Obligations, or any other restructure or refinancing of the Secured Obligations or any portion thereof,

(f) any modification, compromise, settlement or release by the Agents and Lenders, by operation of law or otherwise, collection or other liquidation of the Secured Obligations or the liability of the Borrower for, or any collateral for the Secured Obligations (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Documents); or

(g) any other circumstance (including without limitation any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The granting of the Security Interests in the Intellectual Property Collateral shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by any Lenders, upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

16. Waiver. The Borrower hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Agreement and any requirement that any of the Agents or Lenders protect, secure, perfect or insure any Security Interest or any Intellectual Property Collateral subject thereto or exhaust any right or take any action against the Borrower or any other Person or any collateral securing payment of the Secured Obligations (including without limitation any collateral pledged as security for the Secured Obligations under the other Security Documents).

17. Amendments, Etc.

(a) No amendment or waiver of any provision of this Agreement nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Collateral Agent (with the approval of the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

18. Continuing Security Interests; Assignments Under the Credit Agreement; Release of Intellectual Property Collateral.

(a) This Agreement shall create continuing Security Interests in the Intellectual Property Collateral and shall (i) remain in full force and effect until terminated in accordance with the provisions of Section 24 hereof, (ii) be binding upon the Borrower, its successors and assigns, provided, however, that the Borrower shall not make any assignment hereof without the prior consent of the Agents and all of the Lenders, and (iii) inure, together with the rights and remedies of the Agents and the Lenders hereunder, to the ratable benefit of the Agents and Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), any Lender may assign to one or more Persons, or grant to one or more Persons participations in or to, all or any part of its rights and obligations under the Credit Agreement, subject to Section 9.5 of the Credit Agreement, and such assignee or participant will thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

19. Additional Intellectual Property Collateral. If the Borrower shall acquire or hold any additional Trademarks, Trademark Licenses, Copyrights, Copyright Licenses, Patents or Patent Licenses not listed on Schedules I, II, III or IV hereto (any such Trademarks, Trademark Licenses, Copyrights, Copyright Licenses, Patents or Patent Licenses being referred to herein as the "Additional Intellectual Property Collateral"), the Borrower shall deliver to the Collateral Agent for the benefit of the Lenders (i) a revised Schedule I, II, III or IV hereto, as applicable, reflecting the ownership and pledge of such Additional Intellectual Property Collateral and (ii) an Intellectual Property Security Agreement Supplement in the form of Exhibit B hereto with respect to such Additional Intellectual Property Collateral duly completed and signed by the Borrower. The Borrower shall comply with the requirements of this Section 19 with respect to any Additional Intellectual Property Collateral concurrently with the report to the Collateral Agent with respect to such Additional Intellectual Property Collateral pursuant to Section 6(e) or (f), as the case may be. The schedules attached to each Intellectual Property Security Agreement Supplement shall be incorporated into and become a part of and supplement

Schedules I, II, III and IV hereto, and the Collateral Agent may attach such supplements to such Schedules, and each reference to such Schedules shall mean and be a reference to such Schedules as supplemented pursuant hereto.

20. Entire Agreement. This Agreement, together with the Credit Agreement, the Notes, the Security Documents and other Loan Documents, constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Neither this Agreement nor any portion or provision hereof may be changed, altered, modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than by an agreement, in writing signed by the parties hereto.

21. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Borrower and shall inure to the benefit of the Collateral Agent, the Administrative Agent, the Syndication Agent and the Lenders and their respective successors and assigns.

22. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by executing any such counterpart.

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

24. Termination. This Agreement and all obligations of the Borrower hereunder shall terminate on the date that the Secured Obligations are indefeasibly paid in full, together with all accrued and unpaid interest thereon, and the Commitments have expired or been terminated (the "Intellectual Property Collateral Termination Date"), at which time the Liens and rights granted to the Collateral Agent for the benefit of the Agents and Lenders hereunder shall automatically terminate and no longer be in effect, and the Intellectual Property Collateral shall automatically be released from the Liens created hereby, except that, if and to the extent that the payment of the Secured Obligations arises by reason of the exercise by the Collateral Agent of remedies in any Intellectual Property Collateral, the Collateral Agent or its transferee shall continue to enjoy all rights in the Intellectual Property Collateral acquired as a consequence of such exercise. Upon such termination of this Agreement, the Collateral Agent shall, at the sole expense of the Borrower, reassign and redeliver to Borrower any Intellectual Property Collateral then held by or for the Collateral Agent in which remedies have not been exercised and execute and deliver to the Borrower such documents as Borrower shall reasonably request and take such further actions as may be necessary to effect the same and as shall be reasonably acceptable to the Collateral Agent.

25. Remedies Cumulative. All remedies hereunder are cumulative and are not exclusive of any other rights and remedies of the Collateral Agent, any Agent or any Lender provided by law or under the Credit Agreement, the Security Documents or any other Loan Document, or other applicable agreements or instruments. The making of the Loans to the Borrower pursuant to the Credit Agreement shall be conclusively presumed to have been made or extended, respectively, in reliance upon the Borrower's grant of Security Interests in the Intellectual Property Collateral pursuant to the terms hereof.

26. Notices. The Borrower will, promptly upon learning of the following, advise the Collateral Agent and the Lenders, in reasonable detail, at their respective addresses set forth in the Credit Agreement, (i) of any Lien (other than Liens created hereby or permitted under the Credit Agreement) on, or claim asserted against, any of the Intellectual Property Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Intellectual Property Collateral or any material portion thereof or on the validity, perfection or priority of the Liens created hereunder.

27. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

28. **JURISDICTION. THE BORROWER HEREBY AGREES THAT:**

(a) **ANY SUIT, ACTION OR PROCEEDING AGAINST THE BORROWER WITH RESPECT TO THIS AGREEMENT, THE LOANS, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, OR IN ANY STATE OR FEDERAL COURT SITTING IN OR OTHERWISE HAVING JURISDICTION OVER THE STATE OF NEW JERSEY (COLLECTIVELY, THE "SUBJECT COURTS"), AS THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE SYNDICATION AGENT OR ANY LENDER MAY FLECT IN ITS SOLE DISCRETION, AND THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF EACH OF THE SUBJECT COURTS FOR THE PURPOSE OF ANY SUCH SUIT, ACTION, PROCEEDING OR JUDGMENT.**

(b) **EACH OF THE BORROWER, EACH AGENT AND EACH LENDER HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING IN RESPECT OF THIS AGREEMENT, OR ANY OTHER LOAN DOCUMENTS. THE BORROWER HEREBY WAIVES ANY OBJECTION TO THE LAYING OF VENUE IN ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY OF THE SUBJECT COURTS, AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING IN ANY OF THE SUBJECT COURTS HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

(c) THE BORROWER HEREBY CONSENTS TO SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING IN ANY OF THE SUBJECT COURTS BY CERTIFIED MAIL AT THE ADDRESS TO WHICH NOTICES ARE TO BE GIVEN TO THE BORROWER. IN ADDITION, THE BORROWER HEREBY IRREVOCABLY APPOINTS CT CORPORATION (THE "NEW YORK PROCESS AGENT"), CURRENTLY HAVING AN OFFICE AT 1633 BROADWAY, NEW YORK, NEW YORK 10019, ATTENTION: KIT H. RASEMAN AS ITS AGENT AND ATTORNEY-IN-FACT FOR RECEIPT OF ALL WRITS, SUMMONSES AND OTHER PROCESS IN ANY SUIT, ACTION OR PROCEEDING IN THE STATE OR FEDERAL COURTS IN THE STATE OF NEW YORK, AND UPON ANY FAILURE OF SUCH PROCESS AGENT TO ACT AS SUCH, THE BORROWER WILL APPOINT A DIFFERENT PROCESS AGENT IN THE STATE OF NEW YORK ACCEPTABLE TO THE COLLATERAL AGENT. AS A COURTESY TO THE BORROWER, EACH AGENT AND LENDER AGREES THAT, WHEN PROCESS IS SERVED ON BEHALF OF SUCH AGENT OR LENDER UPON THE NEW YORK PROCESS AGENT, A DUPLICATE COPY OF THE PROCESS SO SERVED WILL BE MAILED TO THE BORROWER AT ITS ADDRESS FOR NOTICES AS SPECIFIED IN THE CREDIT AGREEMENT; PROVIDED HOWEVER, THAT ANY FAILURE BY ANY AGENT OR LENDER TO SEND SUCH DUPLICATE COPY, OR A FAILURE OF THE BORROWER TO RECEIVE SUCH DUPLICATE COPY, SHALL HAVE NO EFFECT ON THE VALIDITY, EFFECTIVENESS OR COMPLETION OF THE SERVICE OR DELIVERY OF SUCH PROCESS. IN ADDITION, THE BORROWER AGREES THAT THE FAILURE OF SUCH PROCESS AGENT TO NOTIFY THE BORROWER OF THE EXISTENCE OR CONTENTS OF ANY WRIT, SUMMONS OR OTHER PROCESS SHALL NOT INVALIDATE THE EFFECTIVENESS OF THE SERVICE OR DELIVERY OF SUCH PROCESS. THE BORROWER AGREES THAT ITS SUBMISSION TO JURISDICTION AND ITS CONSENT TO SERVICE OF PROCESS BY MAIL ARE MADE FOR THE EXPRESS BENEFIT OF THE AGENTS AND THE LENDERS. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE SYNDICATION AGENT OR ANY LENDER TO SERVE ANY SUCH WRITS, PROCESS OR SUMMONSES IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW OR TO BRING PROCEEDINGS AGAINST THE BORROWER OR ITS PROPERTIES IN ANY COMPETENT COURT OF ANY OTHER JURISDICTION OR JURISDICTIONS, AND IN SUCH MANNER, AS MAY BE PERMITTED BY APPLICABLE LAW.

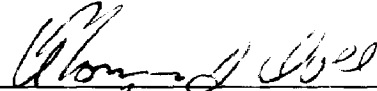
(d) TO THE EXTENT THAT THE BORROWER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY, ON THE BASIS OF SOVEREIGNTY OR OTHERWISE, FROM SUIT, FROM THE JURISDICTION OF ANY COURT, FROM SERVICE OF PROCESS, FROM ATTACHMENT PRIOR TO JUDGMENT, FROM ATTACHMENT IN AID OF EXECUTION OF A JUDGMENT, FROM EXECUTION, FROM JUDGMENT, FROM SET-OFF, OR FROM ANY OTHER LEGAL OR EQUITABLE PROCESS OR REMEDY, THE BORROWER HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY AND AGREES NOT TO ACCEPT THE BENEFITS OR ATTRIBUTION OF SUCH IMMUNITY.

(e) This Agreement relates to a financial transaction in which the specification of U.S. Dollars and payment in New York City is of the essence, and the obligations of the Borrower to make payment to (or for the account of) the Collateral Agent in U.S. Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that such tender or recovery results in the effective receipt by the Collateral Agent, in New York City of the full amount of U.S. Dollars payable to the Collateral Agent under this Agreement. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in U.S. Dollars into another currency (in this clause (g) called the "judgment currency"), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Collateral Agent could purchase such U.S. Dollars in New York City with the judgment currency on the Domestic Business Day next preceding the day on which such judgment is rendered. The obligation of the Borrower in respect of any such sum due from it to the Collateral Agent hereunder shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Domestic Business Day following receipt by the Collateral Agent of any sum adjudged to be due hereunder in the judgment currency the Collateral Agent may in accordance with normal banking procedures purchase and transfer U.S. Dollars to New York City with the amount of the judgment currency so adjudged to be due; and the Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify the Collateral Agent against, and to pay the Collateral Agent on demand, in U.S. Dollars, the amount (if any) by which the sum originally due to the Collateral Agent in U.S. Dollars hereunder exceeds the amount of the U.S. Dollars so purchased and transferred.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have duly executed this Borrower Intellectual Property Security Agreement on the day and year first written above.

SUBARU OF AMERICA, INC., as  
Borrower

By   
Name: *Thomas F. Dell*  
Title: *VP + C.F.O.*

THE INDUSTRIAL BANK OF JAPAN,  
LIMITED, NEW YORK BRANCH, as  
Collateral Agent on behalf of the Agents and  
Lenders

By   
Name: **TAKASHI ITO**  
Title: **JOINT GENERAL MANAGER**



## EXHIBIT A

### ASSIGNMENT OF INTELLECTUAL PROPERTY

ASSIGNMENT OF INTELLECTUAL PROPERTY (this "Agreement") dated as of December 22, 1998, made by SUBARU OF AMERICA, Inc., a New Jersey corporation (the "Assignor"), in favor of THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH, as collateral agent for the Agents and Lenders (as defined in the Credit Agreement defined below) (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent") on behalf of certain Agents and Lenders (as hereinafter defined).

#### RECITALS

WHEREAS, the Assignor has entered into a Credit Agreement dated as of December 22, 1998 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement") among the Assignor, the lenders identified therein (together with their respective successors and assigns, the "Lenders"), the Collateral Agent, The Industrial Bank of Japan, Limited, as Administrative Agent for such Lenders (in such capacity, together with its successors and assigns, the "Administrative Agent"), and Deutsche Bank AG New York Branch, as Syndication Agent (in such capacity, together with its successors and assigns, the "Syndication Agent", together with the Collateral Agent and the Administrative Agent, the "Agents") pursuant to which the Lenders have agreed to make loans to the Assignor from time to time in an aggregate principal amount not to exceed U.S. \$200,000,000;

WHEREAS, as a condition precedent to the obligations of the Lenders to make Loans to the Assignor, the Lenders, the Collateral Agent, the Syndication Agent and the Administrative Agent require that the Assignor execute and deliver this Agreement, which is a material inducement to the Lenders, the Collateral Agent, the Syndication Agent and the Administrative Agent to enter into the Credit Agreement and for the Lenders to make the Loans thereunder;

WHEREAS, the Assignor has entered into an Intellectual Property Security Agreement (as amended, modified, supplemented or restated and in effect from time to time, the "IP Security Agreement") dated as of December 22, 1998 pursuant to which the Assignor has granted to the Collateral Agent, for the ratable benefit of the Agents and Lenders, a security interest in the Trademarks, Patents, Copyrights and Licenses defined below in order to secure its obligations under the Credit Agreement; and

WHEREAS, the Assignor (a) has adopted and used and is using each of the trademarks and service marks (the "Trademarks") identified on Annex I hereto, and is the owner of the registrations of and pending registration applications for such Trademarks in the United States Patent and Trademark Office identified on Annex I hereto, (b) is the owner of all of the patents, patent applications and patentable inventions (the "Patents") identified on Annex II hereto, (c) is the owner of all copyrights, works of authorship, copyright registrations and

copyright applications (the "Copyrights") identified on Annex III hereto, and (d) is a party to and has rights under the licenses and license agreements (the "Licenses"; the Licences, the Trademarks, the Patents and the Copyrights being sometimes collectively referred to as the "Intellectual Property Collateral") listed on Annex IV hereto; and

WHEREAS, the Collateral Agent, for the ratable benefit of the Agents and Lenders, desires to acquire the Intellectual Property Collateral and the registrations thereof and registration applications therefor, as applicable, in connection with the exercise of its remedies after the occurrence of an Event of Default under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Collateral Agent all right, title and interest in and to the Intellectual Property Collateral together with (i) the registrations of and registration applications therefor, as applicable, (ii) the goodwill of the business symbolized by and associated with the Intellectual Property Collateral and the registrations thereof, (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Intellectual Property Collateral or the registrations thereof or such associated goodwill, and (iv) all rights of the Assignor to enforce all Licenses.

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

This Agreement is intended to and shall take effect as a sealed instrument at such time as the Collateral Agent shall complete this instrument by signing its acceptance of this Agreement below.

[Signature page follows.]

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

**SUBARU OF AMERICA, INC.**, as Assignor

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

**THE INDUSTRIAL BANK OF JAPAN,  
LIMITED, NEW YORK BRANCH,** as  
Collateral Agent

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

ANNEX I

Trademark Registrations

Trademark  
or  
Service Mark

United States Patent  
and Trademark Office  
Registration No.

Registration Date

Trademark Applications

Trademark  
or  
Service Mark

United States Patent  
and Trademark Office  
Serial No.

Filing Date

ANNEX II

Patent Registrations

[Description of Patent]	United States Patent and Trademark Office <u>Registration No.</u>	<u>Registration Date</u>
-------------------------	---	--------------------------

Patent Applications

[Description of Patent]	United States Patent and Trademark Office <u>Serial No.</u>	<u>Filing Date</u>
-------------------------	---	--------------------

ANNEX III

Copyright Registrations

<u>Copyright</u>	United States Copyright Office <u>Registration No.</u>	<u>Registration Date</u>
------------------	--	--------------------------

Copyright Applications

<u>Copyright</u>	United States Copyright Office <u>Registration No.</u>	<u>Filing Date</u>
------------------	--	--------------------

ANNEX IV

Licenses

## EXHIBIT B

### INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

#### THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT

SUPPLEMENT (this "Supplement"), dated as of \_\_\_\_\_, \_\_\_\_ is made by and between SUBARU OF AMERICA, INC., a New Jersey corporation (the "Borrower"), and THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH, as collateral agent for certain Agents and Lenders (in such capacity, together with its successors and assigns in such capacity, "Collateral Agent") pursuant to the Credit Agreement dated as of December 22, 1998 (as amended, modified, supplemented or replaced and in effect from time to time, the "Credit Agreement") among the Borrower, certain lenders from time to time parties thereto, THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH as the Administrative Agents, the Collateral Agent, and DEUTSCHE BANK AG NEW YORK BRANCH, as syndication agent (the "Syndication Agent", together with the Administrative Agent and the Collateral Agent, the "Agents"). All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Intellectual Property Security Agreement (as defined below).

WHEREAS, the Borrower is required under the terms of the Credit Agreement and that certain Borrower Intellectual Property Security Agreement dated as of December 22, 1998 by the Borrower in favor of the Collateral Agent for the ratable benefit of the Agents and the Lenders (as amended, supplemented and in effect from time to time, the "Borrower Intellectual Property Security Agreement") to cause certain intellectual property owned by it and listed on Schedules I, II, III and IV to this Supplement (the "Additional Intellectual Property Collateral") to become subject to the Borrower Intellectual Property Security Agreement; and

WHEREAS, a material part of the consideration given in connection with and as an inducement to the execution and delivery of the Credit Agreement by the Agents and the Lenders was the obligation of the Borrower to grant a Security Interest in the assets described herein to the Collateral Agent for the ratable benefit of the Agents and Lenders, whether then owned and not required to be subject to a pledge or subsequently acquired or created; and

WHEREAS, the Collateral Agent and the Lenders have required the Borrower to grant to the Collateral Agent, for the ratable benefit of the Agents and Lenders, a Security Interest in the Additional Intellectual Property Collateral in accordance with the terms of the Credit Agreement and the Borrower Intellectual Property Security Agreement;

NOW, THEREFORE, the Borrower hereby agrees as follows with the Collateral Agent, for the ratable benefit of the Agents and Lenders:

1. The Borrower hereby affirms and acknowledges the grant of a Security Interest in the Additional Intellectual Property Collateral contained in the Borrower Intellectual Property Security Agreement and hereby grants to the Agent, for the ratable benefit of the Agents



and Lenders, a first priority lien and Security Interest in the Additional Intellectual Property Collateral listed on Schedules I, II, III and IV and all proceeds thereof.

2. The Borrower hereby acknowledges, agrees and confirms that, by its execution of this Supplement, the Additional Intellectual Property Collateral constitutes "Intellectual Property Collateral" under and is subject to the Borrower Intellectual Property Security Agreement. Each of the representations and warranties with respect to Intellectual Property Collateral contained in the Borrower Intellectual Property Security Agreements is hereby made by the Borrower with respect to the Additional Intellectual Property Collateral. Revised Schedules I, II, III and IV to the Borrower Intellectual Property Security Agreement reflecting the Additional Intellectual Property Collateral are being delivered herewith to the Collateral Agent.

3. This Supplement forms a part of the Borrower Intellectual Property Security Agreement.

**IN WITNESS WHEREOF**, the Borrower has caused this Supplement to be duly executed by its authorized officer as of the day and year first above written.

**SUBARU OF AMERICA, INC.**

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

Acknowledged and accepted:

**THE INDUSTRIAL BANK OF JAPAN, LIMITED,  
NEW YORK BRANCH,**  
as Collateral Agent for the Agents and Lenders

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

**SCHEDULE I**  
**Trademarks**

<b>REGISTERED TRADEMARKS</b>		
<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>
ADDED SECURITY	1,492,576	6/14/88
AWD ALL WHEEL DESIGN	2,039,778	2/25/97
LOYALE	1,536,316	4/25/89
THE BEAUTY OF ALL WHEEL DRIVE	1,944,737	12/26/95
WHAT TO DRIVE	1,759,149	3/16/93
XT	1,375,749	12/17/85

<b>PENDING TRADEMARK APPLICATIONS</b>		
<b>Trademark</b>	<b>Application Number</b>	<b>Filing Date</b>
ADIRONDACK	75/087,923	4/15/96
DRIVE	75/435,096	2/17/98
MASTER THE MOUNTAIN	75/280,170	4/23/97
QUALITY DRIVEN	75/544,428	8/28/98
SPORTS UTILITY TOUGH, CAR EASY	75/334,819	8/1/97
THE WORLD'S FIRST SPORT-UTILITY WAGON	75/145,553	8/5/96

**SCHEDULE II**  
**Patents**

None

SCHEDULE III  
Copyrights

REGISTERED COPYRIGHTS		
Copyright	Registration Number	Registration Date
Getting Dirty: The Basics of Off-Road Driving	TX790433	10/27/81
U.S. Sports Team cycling decal	VA286892	12/1/98
U.S.S.T., U.S. Ski Team decals	VA281770	6/11/87
U.S. Sports Team decal kit	VA266801	6/11/87
Certified Subaru technician emblem/gear design	VA225420	3/24/92

## SCHEDULE IV

### Licenses

1. Distributorship Agreement, dated January 25, 1969, by and between Subaru of America, Inc. and Fuji Heavy Industries Ltd., as modified by that certain Memorandum, dated January 25, 1969, that certain Letter Agreement, dated November 7, 1977, that certain Agreement, dated June 14, 1988, that certain Sublicensing Agreement, dated November 1, 1985, that certain Licensing Agreement, dated November 1, 1988, and that certain Supplemental Agreement, dated June 6, 1989.
2. License Agreement, dated as of January 1, 1998, by and between Subaru of America, Inc. and Subaru Investment, Inc.
3. Agreement, dated as of January 15, 1975, by and between Subaru of America, Inc. and Subaru Distributors Corporation, as modified by that certain Letter Agreement, dated October 28, 1975, that certain Amendment, dated July 22, 1976, that certain Amendment to the Agreement, dated October 29, 1976, that certain Letter Agreement, dated September 3, 1980, that certain Letter Agreement, dated as of November 3, 1981, that certain that certain Letter Agreement, dated July 1, 1983, that certain Amendment, dated September 13, 1984, that certain Letter Agreement, dated November 14, 1984, that certain Amendment, dated September 24, 1985, that certain Quota Waiver Amendment, dated March 22, 1988, that certain Letter Agreement, dated as of May 6, 1988, that certain Letter Agreement, dated December 8, 1989, that certain Memorandum of Understanding, dated September 14, 1990, and that certain Letter Agreement, dated April 30, 1991.
4. Agreement, dated as of January 14, 1971, by and between Subaru of America, Inc. and Subaru of New England, Inc., as modified by that certain Amendment to the Agreement, dated October 29, 1976, that certain Letter Agreement, dated August 26, 1971, that certain Letter Agreement, dated as of January 24, 1972, that certain Agreement, dated March 22, 1973, that certain Amendment, dated August 1, 1980, that certain Letter Agreement, dated September 25, 1981, that certain Amendment, dated August 1, 1982, that certain Amendment, dated November 29, 1983, that certain Amendment, dated July 18, 1985, that certain Amendment, dated November 12, 1986, and that certain Amendment, dated December 8, 1987, that certain Quota Waiver Amendment, dated March 22, 1988, that certain Agreement, dated June 21, 1988, that certain Memorandum of Understanding, dated October 22, 1990, and that certain Amendment, dated as of November 7, 1996.
5. Computer Resources and Facility Management Services Agreement, dated February 27, 1992, by and between Subaru of America, Inc. and Unisys Government Systems, Inc.
6. Each Dealership Agreement and Standard Provisions, executed from time to time by and between Subaru of America, Inc. and various authorized Dealers of Subaru Products (as defined therein).