

FORM PTO-1618A  
Expires 06/30/98  
OMB 0651-0027

03-30-1999

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK



100997759

3-11-99

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks; Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # 1650 Frame # 0208

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger  Change of Name
- Other (Correction of a Registration No. (1,409,087 to 1,409,387) listed in a Security Agreement)

Effective Date  
Month Day Year  
\_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Name Cullman Ventures, Inc.

Execution Date  
Month Day Year  
3 8 99

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization New York

Receiving Party

Mark if additional names of receiving parties attached

Name First Union National Bank

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) One First Union Center, TW-10

Address (line 2) 301 S. College Street

Address (line 3) Charlotte

NC

28288-0608

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization \_\_\_\_\_

FOR OFFICE USE ONLY

40E

Public burden regarding for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0451-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK  
REEL: 1877 FRAME: 0001

FORM PTO-1618B  
Expires 06/30/99  
CPL 0251-0027

Page 2

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

| Trademark Application Number(s) |                      |                      | Registration Number(s)                 |                      |                      |
|---------------------------------|----------------------|----------------------|--|----------------------|----------------------|
| <input type="text"/>            | <input type="text"/> | <input type="text"/> | <input type="text" value="1,409,387"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/>            | <input type="text"/> | <input type="text"/> | <input type="text"/>                   | <input type="text"/> | <input type="text"/> |
| <input type="text"/>            | <input type="text"/> | <input type="text"/> | <input type="text"/>                   | <input type="text"/> | <input type="text"/> |

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes


No

**Statement and Signature**

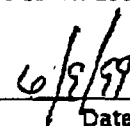
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

George R. McGuire

Name of Person Signing



Signature



Date Signed

10-30-97

TR.

11-06-1997

451-40-11 01/23/96  
183-7150

To the Honorable Commissioner of Patents and Trademarks

100565468

and original documents or copy thereof

1. Name of conveying party(ies):

Cullman Ventures, Inc.  
101 Merritt 7  
Norwalk, CT 06851

MRD 10-30-97

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

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

3. Nature of conveyance:

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

Execution Date: 10/28/97

Name: First Union National Bank, as Agent

Internal Address: One First Union Center, TW-10

Street Address: 301 S. College Street

City: Charlotte State: NC ZIP: 28202-4005

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

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

(Designatory must be a separate document from Assignment)

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

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

A. Trademark Application No.(s)

See attached list

B. Trademark registration No.(s)

See attached list

Additional numbers attached?  Yes  No

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

Name: Dean A. Warren, Esq.

Internal Address:

Kennedy Covington Lobdell & Hickman, L.L.P.

Street Address: 100 N. Tryon Street, Suite 4200

City: Charlotte State: NC ZIP: 28202-4005

6. Total number of applications and registrations involved:

127

7. Total fee: (37 CFR 3.41): \$ 3,190.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

Dean A. Warren

Name of Person Signing

*Dean A. Warren*

Signature

TRADEMARK

Date

REEL: 1877 FRAME: 0003

REEL: 1877 FRAME: 0003

## SECURITY INTEREST

WHEREAS, Cullman Ventures, Inc., a New York corporation having a place of business at 767 Third Avenue, New York, NY 10017 ("GRANTOR") has adopted, used and is using a mark "DATE CENTER" which is registered in the United States Patent and Trademark Office as Registration No. 1,409,387, dated September 16, 1986; and

WHEREAS, First Union National Bank a National Banking Association having a place of business at One First Union Center, TW-10, 301 S. College Street, Charlotte, NC 28288-0608 ("SECURED") is desirous of acquiring a security interest in said mark and the registration thereof;

WHEREAS, GRANTOR through a typographical error mistakenly granted SECURED a Security Interest in Registration No. 1,409,087, dated September 16, 1986, for the mark STRIPPGARD, acknowledgment of which has been recorded in the United States Patent and Trademark Office, a copy of the recorded document being annexed hereto as Exhibit A; and

WHEREAS, SECURED desires to release its Security Interest in the STRIPPGARD mark, registration and good will, and obtain a Security Interest in the DATE CENTER mark, registration and good will.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, GRANTOR does hereby grant SECURED a Security Interest in and to said DATE CENTER mark, together with the business symbolized by said DATE CENTER mark, and

the above-identified registration thereof, and SECURED does hereby release its Security Interest in said STRIPPGARD mark and the registration thereof.

Hilary Z. Lehy  
HILARY Z. LEHY  
Title Vice President & General Counsel

State of Connecticut )  
County of Fairfield ) ss.:

On this 8 day of March, 1999 before me personally appeared HILARY Z. LEHY, to me known to be the person in the foregoing instrument and she duly acknowledged to me the execution thereof.

Alexa K. Belew  
Notary public  
Commission Expires Jan 31, 2000

LAGMCGUIRE\CULLMAN\TMS\DATECENT.SEC

|                                  |                          |
|----------------------------------|--------------------------|
| SUCCESS NOTES (STYLIZED LETTERS) | Registration No. 1732920 |
| WEEK-ENDER                       | Registration No. 1648852 |
| WEEK-A-AT-GLANCE AND DESIGN      | Registration No. 1604599 |
| MONTH AT A GLANCE AND DESIGN     | Registration No. 1609051 |
| YEAR AT A GLANCE                 | Registration No. 1615663 |
| TIMELINE                         | Registration No. 1680270 |
| KEITH CLARK AND DESIGN           | Registration No. 1519776 |
| SPORTS TIME PIECE                | Registration No. 1495073 |
| SUCCESS HERITAGE COLLECTION      | Registration No. 1063455 |
| DB AND DESIGN                    | Registration No. 1431744 |
| STRIPPGUARD                      | Registration No. 1409087 |
| TIME TELLER                      | Registration No. 1381333 |
| TIME PIECE (STYLIZED LETTERS)    | Registration No. 1364459 |
| EVER READY                       | Registration No. 1354005 |
| BURKHART'S DAY COUNTER           | Registration No. 1344367 |
| DUO MINDER                       | Registration No. 1340667 |
| T506                             | Registration No. 1333146 |
| DATELINE                         | Registration No. 1347730 |
| TIMESSETTER                      | Registration No. 1347729 |
| SUCCESS (STYLIZED LETTER)        | Registration No. 1307999 |
| EATON (BLOCK LETTERS)            | Registration No. 1272646 |
| WEEK-AT-A GLANCE AND DESIGN      | Registration No. 1269782 |
| MONTH-AT A GLANCE AND DESIGN     | Registration No. 1269781 |
| DAY-AT A GLANCE AND DESIGN       | Registration No. 1269780 |
| KEITH CLARK                      | Registration No. 1236311 |
| EXECUTIVE DAY MINDER             | Registration No. 1213273 |
| SUCCESS (STYLIZED LETTERS)       | Registration No. 1144987 |
| EXECUTIVE BY-WEEKLY MINDER       | Registration No. 1153123 |
| BY-WEEKLY MINDER                 | Registration No. 1146140 |
| TIMEPIECE                        | Registration No. 1174137 |
| EXECUTIVE MONTHLY MINDER         | Registration No. 1130858 |
| EXECUTIVE WEEKLY MINDER          | Registration No. 1135127 |
| P AND DESIGN                     | Registration No. 1225478 |
| PHARMACY PLUS                    | Registration No. 1208854 |
| GUILFORD                         | Registration No. 1148898 |
| POCKETMINDER                     | Registration No. 1128278 |
| DAYMINDER                        | Registration No. 1094420 |
| APPOINTBOOK (STYLIZED LETTERS)   | Registration No. 1076411 |
| PLAN-A-MONTH                     | Registration No. 1058407 |
| THE CALCUMETRIC                  | Registration No. 1032997 |
| TALMANAC (STYLIZED LETTERS)      | Registration No. 962050  |
| HEINZ                            | Registration No. 922421  |
| POCKET OFFICE                    | Registration No. 915717  |
| TIME LINE                        | Registration No. 918515  |
| M AND DESIGN                     | Registration No. 941092  |
| WEEKLY-MINDER                    | Registration No. 910894  |
| PERPETUCAL (STYLIZED LETTERS)    | Registration No. 885481  |
| MONTHLY-MINDER                   | Registration No. 806952  |
| KC (STYLIZED LETTERS)            | Registration No. 611713  |
| THE YEAR IN BRIEF                | Registration No. 757792  |

860-310740.1

- 2 -

TRADEMARK  
REEL: 1650 FRAME: 0210TRADEMARK  
REEL: 1877 FRAME: 0006

|                                 |                         |
|---------------------------------|-------------------------|
| AT-A-GLANCE                     | Registration No. 714411 |
| DESIGN ONLY                     | Registration No. 695353 |
| MONTH AT A GLANCE AND DESIGN    | Registration No. 634044 |
| CALENDARER                      | Registration No. 608339 |
| TEARKLEEN (STYLIZED LETTERS)    | Registration No. 527073 |
| EATON'S BERKSHIRE AND DESIGN    | Registration No. 370206 |
| BERKSHIRE (STYLIZED LETTERS)    | Registration No. 366102 |
| EATON'S FINE LETTER PAPERS 1893 | Registration No. 351352 |
| WEEK AT A GLANCE AND DESIGN     | Registration No. 338598 |
| DAY AT A GLANCE AND DESIGN      | Registration No. 338509 |
| CORRASADLE                      | Registration No. 317107 |
| SUCCESS (STYLIZED LETTERS)      | Registration No. 287549 |

II. Pending Applications

|                                 |                           |
|---------------------------------|---------------------------|
| PARTY ROUND THE PLANET          | Application No. 75/349604 |
| MILLENNIUM AT-A-GLANCE & DESIGN | Application No. 75/348988 |
| DO-IT-YOURSELF-CALENDAR         | Application No. 75/342073 |
| HEARTLAND COLLECTION            | Application No. 75/320874 |
| DESIGN ONLY                     | Application No. 75/194040 |
| AT-A-GLANCE AND DESIGN          | Application No. 75/194039 |
| MY FIRST GLANCE                 | Application No. 75/186172 |
| CLASSIC SERPENTINE              | Application No. 75/112981 |
| AT-A-GLANCE                     | Application No. 75/112765 |
| CALENDARFOLIO                   | Application No. 75/307452 |
| TOTE-ALL                        | Application No. 75/307451 |
| TOTE-ALL                        | Application No. 75/304187 |
| YOUR LIFE, YOUR WAY             | Application No. 75/281668 |
| COVEY AT A GLANCE               | Application No. 75/269489 |
| HEARTLAND COLLECTION            | Application No. 75/194615 |
| HEARTLAND                       | Application No. 75/194499 |
| AT-A-GLANCE AND DESIGN          | Application No. 75/193982 |
| PROFESSIONAL ESSENTIALS         | Application No. 75/172936 |
| THINKITS                        | Application No. 75/155561 |
| ESSENTIALS                      | Application No. 75/136248 |
| AT A GLANCE AND DESIGN          | Application No. 75/116727 |
| GLANCE PLUS                     | Application No. 74/525272 |
| EON-1                           | Application No. 74/400760 |

TRADEMARK  
REEL: 1650 FRAME: 0211

TRADEMARK  
REEL: 1877 FRAME: 0007

## SECURITY AGREEMENT

This SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified, this "Agreement"), dated as of October 28, 1997 by and among CULLMAN VENTURES, INC., a corporation organized under the laws of New York (the "Borrower"), the Subsidiaries of the Borrower identified on the signature pages hereto and on the signature pages to any Security Agreement Supplement hereto in the form of Annex II attached hereto, (collectively, the "Grantors" and collectively with the Borrower, the "Grantors") and FIRST UNION NATIONAL BANK, as collateral agent (in such capacity, the "Collateral Agent") for the ratable benefit of the Creditors (as hereinafter defined).

## STATEMENT OF PURPOSE

Pursuant to a Credit Agreement dated as of October 28, 1997 (as amended, restated, supplemented or otherwise modified, the "Credit Agreement"), by and among the Borrower, the Lenders who are or may become party thereto (collectively, the "Lenders"), First Union National Bank, as agent (in such capacity, the "Agent") and The Bank of New York, as documentation agent (in such capacity, the "Documentation Agent"), such Lenders have agreed to make certain Extensions of Credit (as defined in the Credit Agreement) to the Borrower pursuant to the terms thereof.

In addition, pursuant to three (3) separate Note Agreements, each dated as of December 15, 1994, between the Borrower and each of The Travelers Insurance Company ("Travelers"), The Travelers Indemnity Company ("Travelers Indemnity") and Jefferson-Pilot Life Insurance Company ("Jefferson-Pilot"), as amended by that certain First Amendment Agreement dated as of August 15, 1996, among the Borrower, Travelers, Travelers Indemnity and Jefferson-Pilot, and as further amended by that certain Second Amendment Agreement dated as of October 28, 1997 among the Borrower, Travelers, Travelers Indemnity and Jefferson Pilot (collectively, as amended, restated, supplemented or otherwise modified, the "Note Agreements"), the Borrower has issued its \$25,000,000 original aggregate principal amount of 10.36% Senior Notes due December 15, 2005 (the "Senior Notes").

To induce (i) the Lenders and the Agent to enter into the Credit Agreement, and as a condition to the making of any Extensions of Credit thereunder and (ii) the Noteholders (as hereinafter defined) to further modify and amend the Note Agreements the Creditors require that each of the Grantors grant a continuing security interest in and to the Collateral (as hereinafter defined) to secure the Secured Obligations (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

408781.3

TRADEMARK  
REEL: 1650 FRAME: 0212TRADEMARK  
REEL: 1877 FRAME: 0008



**SECTION 1. Definitions.** Capitalized terms used and not otherwise defined in this Agreement, including the preambles and recitals hereof, shall have the meaning assigned thereto in the Credit Agreement and the Note Agreements, respectively. In the event of a conflict between the definitions of capitalized terms, the capitalized terms herein shall have the meanings assigned thereto in the Credit Agreement. The following additional terms, when used in this Agreement, shall have the following meanings:

**"Account Debtor"** means any Person who is or may become obligated to any Grantor under, with respect to, or on account of, an Account.

**"Accounts"** means all "accounts" (as defined in the UCC) of any Grantor, including without limitation all present or future accounts receivable, all rights to payment for goods sold or leased or to be sold or leased or for services rendered or to be rendered, whether or not earned by performance, all rights in any merchandise or goods which any of the same may represent, all notes receivable, book debts, notes, bills, drafts, acceptances, choses in action, contract rights, instruments and documents and all sums of money due or to become due thereon and all proceeds thereof and all rights, title, security interests and guarantees with respect to each of the foregoing.

**"Applicable Law"** means all applicable provisions of constitutions, statutes, laws, rules, treaties, regulations and orders of all Governmental Authorities and all orders and decrees of all courts and arbitrators.

**"Bank Obligations"** shall mean Obligations as defined in the Credit Agreement.

**"Collateral"** shall have the meaning given thereto in Section 2(a) hereof.

**"Collateral Account"** means a cash collateral account established by the Grantors with the Collateral Agent, in the name and under the exclusive dominion and control of the Collateral Agent, pursuant to Section 6 hereof.

**"Copyright License"** means any written agreement now or hereafter in existence granting to any Grantor any right to use any Copyright, to the extent assignable.

**"Copyrights"** means, collectively, all of the following of any Grantor: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, including, without limitation, any thereof referred to on Schedule II hereto, (b) all renewals of any of the foregoing, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

**"Creditors"** means, collectively, the Lenders, the Agent and the Noteholders.

"Documents" means all "documents" (as defined in the UCC) or other receipts of any Grantor covering, evidencing or representing goods.

"Equipment" means all "equipment" (as defined in the UCC) of any Grantor and all other machinery, furniture, equipment and goods (other than Inventory) and all other tangible assets of any Grantor used or bought for use primarily in the business of such Grantor, including all accessions, additions, attachments, improvements, alterations, modifications, substitutions, repairs and replacements thereto and therefor.

"Event of Default" means any Event of Default under the Credit Agreement or the Note Agreements.

"Financing Statements" shall mean the Uniform Commercial Code Form UCC-1 Financing Statements executed by any Grantor with respect to the Collateral and to be filed in the jurisdictions set forth in the Perfection Certificate.

"Fixtures" shall mean all "fixtures" (as defined in the UCC) of any Grantor.

"General Intangibles" means all "general intangibles" (as defined in the UCC) of any Grantor, including, without limitation, all rights to indemnification, and all rights, title and interest which such Grantor may now or hereafter have in or under all contracts (other than contracts described in the definition of Accounts), agreements, permits, licenses, causes of action, franchises, tax refund claims, customer lists, Intellectual Property, license royalties, goodwill, trade secrets, data bases, business records, and all other intangible property of every kind and nature.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

"Governmental Authority" means any nation, province, state or political subdivision thereof and any government or any Person exercising executive, legislative, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Instruments" means all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC) of any Grantor, including, without limitation, instruments, chattel paper and letters of credit evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances.

"Intellectual Property" means, collectively, all of the following of any Grantor: (a) all systems software and applications software, including, without limitation, screen displays and formats, program structures, sequence and organization, all documentation for such software, including, without limitation, user manuals, flowcharts, programmer's notes, functional

specifications, and operations manuals, all formulas, processes, ideas and know-how embodied in any of the foregoing, and all program materials, flowcharts, notes and outlines created in connection with any of the foregoing, whether or not patentable or copyrightable, (b) concepts, discoveries, improvements and ideas, (c) any useful information relating to the items described in clause (a) or (b), including know-how, technology, engineering drawings, reports, design information, trade secrets, practices, laboratory notebooks, specifications, test procedures, maintenance manuals, research, development, manufacturing, marketing, merchandising, selling, purchasing and accounting, (d) Patents, Copyrights, Trademarks, Patent Licenses, Trademark Licenses, Copyright Licenses, and (e) other licenses to use any of the items described in the foregoing clauses (a), (b), (c) and (d) or any other similar items of such Grantor necessary for the conduct of its business.

"Intercreditor Agreement" means the Intercreditor and Collateral Agency Agreement dated as of even date herewith between the Agent, on behalf of itself and the Lenders, the Noteholders and the Collateral Agent as modified or supplemented from time to time, the terms of which are incorporated herein by reference.

"Inventory" means all "inventory" (as defined in the UCC) of any Grantor, including without limitation, all raw materials, inventory and other materials and supplies, work-in-process, finished goods, all accessions thereto, documents therefor and any products made or processed therefrom and all substances, if any, commingled therewith or added thereto.

"Loan Documents" shall mean, collectively, (i) the Credit Agreement, all Notes (as defined in the Credit Agreement), the Applications (as defined in the Credit Agreement), all Hedging Agreements (as defined in the Credit Agreement) and all other documents executed and delivered by any Grantor to or in favor of the Agent or the Lenders in connection with any such document, (ii) the Note Agreements, the Senior Notes, and all other documents executed and delivered by any Grantor to the Noteholders in connection with any such document and (iii) the Collateral Documents (as defined in the Intercreditor Agreement).

"Majority Creditors" shall have the meaning assigned thereto in the Intercreditor Agreement.

"Noteholder Obligations" shall mean all indebtedness, interest (including interest accruing after the filing of any bankruptcy or similar petition), premium, if any, expenses, costs, liabilities and obligations of any Grantor to the Noteholders arising under the Note Agreements, the Senior Notes, or any other document executed in connection therewith, in each case, including all renewals, extensions or modifications thereof and all fees (including reasonable attorneys' fees), costs, expenses, commissions and charges incurred by the Noteholders in connection with the preparation, administration, collection or enforcement thereof.

"Noteholders" shall mean, collectively, Travelers, Travelers Indemnity and Jefferson-Pilot.

**"Patent License"** means any written agreement now or hereafter in existence granting to any Grantor any right to use any invention on which a Patent is in existence, to the extent assignable.

**"Patents"** means, collectively, all of the following of any Grantor: (a) all patents and patent applications including all patentable inventions, (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (c) all income, royalties, damages or payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

**"Perfection Certificate"** means a certificate dated as of even date herewith, setting forth the corporate names, chief executive office or principal place of business in each state and other current locations of each Grantor and such other information as the Collateral Agent deems pertinent to the perfection of security interests, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Collateral Agent, and duly certified by the chief executive, chief financial officer or other officer of each Grantor so authorized to act and reasonably acceptable to the Collateral Agent.

**"Permitted Liens"** means all liens and encumbrances respecting the Collateral permitted pursuant to the terms of the Credit Agreement, the Note Agreements and the Collateral Documents.

**"Person"** means any individual, corporation, partnership, association, trust, business trust, joint venture, limited liability company, joint stock company, pool, syndicate, sole proprietorship, unincorporated organization, Governmental Authority or any other form of entity or group thereof.

**"Proceeds"** means all proceeds (as defined by the UCC) of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral, including, without limitation, all claims of any Grantor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral and the following types of property acquired with cash proceeds: Accounts, Inventory, Documents, Fixtures, Instruments, General Intangibles, Equipment and Vehicles.

**"Secured Obligations"** means, collectively, the Bank Obligations and the Noteholder Obligations.

"Security Interests" means the security interests granted pursuant to Section 2, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to the provisions of this Agreement.

"Trademark License" means any written agreement now or hereafter in existence granting to any Grantor any right to use any Trademark, to the extent assignable.

"Trademarks" means, collectively, all of the following of any Grantor: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office (excluding any application filed on the basis of intent to use unless and until an amendment to allege use or a statement of use is filed with and accepted by the United States Patent and Trademark Office), or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision of any thereof, including without limitation any thereof referred to on Schedule I hereto, (b) all reissues, extensions and renewals of any of the foregoing, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of North Carolina; provided that, if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interests in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than North Carolina, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"Vehicles" means all cars, trucks, trailers, construction and earth moving equipment of any Grantor and other vehicles covered by a certificate of title law of any state, and all tires and other appurtenances to any of the foregoing.

**SECTION 2. The Security Interests.**

(a) In order to secure the Credit Agreement and the Note Agreements in accordance with the terms thereof, and to secure the payment and performance of all of the Secured Obligations, each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Creditors, a continuing security interest in and to all of such Grantor's estate, right, title and interest in and to all of the following property, whether now or hereafter owned or acquired by such Grantor or in which such Grantor may now or hereafter have or acquire any estate right,

title or interest, and wherever located (collectively, along with any other property of such Grantor which may from time to time secure the Secured Obligations, the "Collateral"):

- (i) Accounts;
- (ii) Inventory;
- (iii) Documents;
- (iv) Equipment;
- (v) Fixtures;
- (vi) Instruments;
- (vii) General Intangibles;
- (viii) Vehicles;

(ix) The Collateral Account, all cash deposited therein from time to time and other monies and property of any kind of any Grantor in the possession or under the control of the Collateral Agent or any Creditor;

(x) All books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) of such Grantor pertaining to any of the Collateral;

(xi) All other goods and personal property of such Grantor, whether tangible or intangible; and

(xii) All products and Proceeds of all or any of the Collateral described in clauses (i) through (xi) above.

Notwithstanding the foregoing, the Collateral shall not include rights under contracts to which a Grantor is a party which are not assignable.

(b) The Security Interests are granted as security only and shall not subject the Collateral Agent or any Creditor to, or transfer to the Collateral Agent or any Creditor, or in any way affect or modify, any obligation or liability of any Grantor with respect to any of the Collateral or any transaction in connection therewith.

**SECTION 3. Representations and Warranties.** Each Grantor represents and warrants as follows:

(a) Each Grantor has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement, and to grant the Security Interests in the Collateral pursuant to this Agreement.

(b) This Agreement has been duly executed and delivered by the duly authorized officers of such Grantor and constitutes the legal, valid and binding obligation of such Grantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal debtor relief laws affecting the enforcement of creditors' rights generally and the availability of equitable remedies.

(c) The execution, delivery and performance by such Grantor of this Agreement does not and will not, by the passage of time, the giving of notice or otherwise, (i) require any Governmental Approval that has not been obtained or violate any Applicable Law relating to such Grantor, (ii) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of such Grantor or any indenture, agreement or other instrument to which such Grantor is a party or by which any of its properties may be bound (including, without limitation, the Senior Notes) or any Governmental Approval relating to such Grantor, or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Grantor other than Liens arising under the Loan Documents.

(d) Other than filing UCC Financing Statements, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder or creditor of such Grantor), is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(e) Except as set forth on Schedule 7.1(u) to the Credit Agreement, there are no actions, suits or proceedings pending nor, to the knowledge of such Grantor, threatened in any court or before any arbitrator of any kind or before or by any Governmental Authority (i) against or affecting such Grantor or any of its respective properties that would if adversely determined be reasonably likely to have a Material Adverse Effect, or (ii) with respect to this Agreement or any of the other Loan Documents.

(f) Each Grantor has good and marketable title to all of its Collateral, free and clear of any Liens other than the Permitted Liens.

(g) No Grantor has performed any acts that would prevent or hinder the Collateral Agent from enforcing any of the terms of this Agreement. Other than financing statements or other similar or equivalent documents or instruments with respect to Permitted Liens, no financing statement, mortgage, security agreement or similar or equivalent document or

instrument covering all or any part of the Collateral is on file or of record in any jurisdiction. No Collateral is in the possession of any Person (other than such Grantor) asserting any claim thereto or security interest therein, except that the Collateral Agent or its designee may have possession of Collateral as contemplated hereby.

(h) All of the information set forth in the Perfection Certificate is true and correct as of the date hereof.

(i) Upon the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Collateral Agent possession of all originals of all negotiable Instruments, Documents and chattel paper constituting Collateral currently owned or held by such Grantor, if any (duly endorsed in blank, if requested by the Collateral Agent).

(j) With respect to any owned or registered Intellectual Property of each Grantor:

(i) such Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(ii) such Intellectual Property is valid and enforceable;

(iii) such Grantor has made all reasonably necessary filings and recordations to protect its interest in such Intellectual Property, including, without limitation, recordations of all of its interests in the Patents and Trademarks in the United States Patent and Trademark Office and its claims to the Copyrights in the United States Copyright Office;

(iv) such Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property and no claim has been made that the use of such Intellectual Property in connection with such Grantor's business does or may violate the asserted rights of any third party; and

(v) such Grantor has performed all acts and has paid all required governmental fees and taxes to maintain such Intellectual Property in full force and effect.

(k) The Financing Statements naming each Grantor as Debtor are in appropriate form and when filed in the offices specified in the Perfection Certificate, the Security Interests will constitute valid and perfected security interests in the Collateral of such Grantor, prior to all other Liens and rights of others therein except for the Permitted Liens (to the extent that a security interest therein may be perfected by filing pursuant to the UCC) and all filings and other actions necessary to perfect and protect such Security Interests have been or will be duly taken.

(l) The Inventory, Fixtures, Equipment and Vehicles are insured in accordance with the requirements hereof and of the Credit Agreement and the Note Agreements.



(m) All Inventory, if any, has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

**SECTION 4. Further Assurances; Covenants.**

**(a) General.**

(i) No Grantor shall change the location of its chief executive office or principal place of business in any state unless it shall have given the Collateral Agent thirty (30) days prior written notice thereof, executed and delivered to the Collateral Agent all financing statements and financing statement amendments which the Collateral Agent may request in connection therewith and delivered evidence of perfection with respect thereto in accordance with Section 4(a)(vii). No Grantor shall change the locations where it keeps or holds any Collateral (other than portable equipment of immaterial value) or any records relating thereto from the applicable location described in the Perfection Certificate unless such Grantor shall have given the Collateral Agent ten (10) days prior written notice of such change of location, executed and delivered to the Collateral Agent all financing statements and financing statement amendments which the Collateral Agent may request in connection therewith and, if requested by the Collateral Agent, delivered an opinion of counsel with respect thereto in accordance with Section 4(a)(vii) hereof; provided, however, that such Grantor may keep Collateral at, or in transit to, any location described in the Perfection Certificate. No Grantor shall in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected.

(ii) No Grantor shall change its name, identity or corporate structure in any manner unless it shall have given the Collateral Agent thirty (30) days prior written notice thereof, executed and delivered to the Collateral Agent all financing statements and financing statement amendments which the Collateral Agent may request in connection therewith, and delivered an opinion of counsel with respect thereto in accordance with Section 4(a)(vii) hereof.

(iii) The Grantors shall maintain the Collateral Agent's Lien on the Collateral as a first priority perfected Lien thereon. Each Grantor will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including, without limitation, any filings of financing or continuation statements under the UCC and any filings with the United States Patent and Trademark Office and United States Copyright Office) that from time to time may be necessary, or that the Collateral Agent may reasonably request, in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the Security Interests or to enable the Collateral Agent and the Creditors to obtain the full benefits of this Agreement, or to enable the Collateral Agent to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. Prior to the irrevocable payment in full of the

Secured Obligations, each Grantor hereby authorizes the Collateral Agent, upon the failure of such Grantor to so do within three (3) Business Days after receipt of notice from the Collateral Agent, to execute and file financing statements, financing statement amendments or continuation statements without such Grantor's signature appearing thereon. Each Grantor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Grantors shall pay the costs of, or incidental to, any recording or filing of the Financing Statements and any other financing statements, financing statement amendments or continuation statements concerning the Collateral.

(iv) If any Collateral exceeding in value \$1,000,000 in the aggregate is at any time in the possession or control of any warehouseman, bailee (other than a carrier transporting Inventory to a purchaser in the ordinary course of business), or any Grantor's agents or processors, such Grantor shall notify in writing such warehouseman, bailee, agent or processor of the Security Interests created hereby, shall obtain such warehouseman's, bailee's, agent's or processor's agreement in writing to hold all such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions, and shall cause such warehouseman, bailee, agent or processor to issue and deliver to the Collateral Agent warehouse receipts, bills of lading or any similar documents relating to such Collateral in the Collateral Agent's name and in form and substance acceptable to the Collateral Agent.

(v) Each Grantor will maintain insurance (including business interruption coverage) with responsible insurance companies against such risks and in such amounts as are customarily maintained by similar businesses and as may be required by Applicable Law. In addition, each Grantor will cause the Collateral Agent, for the ratable benefit of the Creditors, to be named as loss payee on each insurance policy covering risks relating to any of its Inventory, Fixtures, Equipment and Vehicles, as reasonably requested by the Collateral Agent. Each Grantor will deliver to the Collateral Agent, upon reasonable request of the Collateral Agent, the insurance policies for such insurance. Each such insurance policy shall provide that all insurance proceeds shall be adjusted with and payable to the Collateral Agent and provide that no cancellation or termination thereof shall be effective until at least thirty (30) days have elapsed after receipt by the Collateral Agent of written notice thereof.

(vi) Each Grantor will, promptly upon request, provide to the Collateral Agent all information and evidence the Collateral Agent may reasonably request concerning the Collateral, and in particular the Accounts, to enable the Collateral Agent to enforce the provisions of this Agreement.

(vii) Prior to each date on which any Grantor proposes to take any action contemplated by Section 4(a)(i) or Section 4 (a)(ii) hereof, such Grantor shall, upon reasonable request by the Collateral Agent, cause to be delivered to the Collateral Agent and the Creditors, at the sole cost and expense of the Grantors, an opinion of counsel.

in form and content reasonably satisfactory to the Collateral Agent, to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests and priority thereof against all creditors of and purchasers from each Grantor have been filed in each filing office necessary or desirable for such purposes and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

(viii) Each Grantor will comply in all material respects with all Applicable Laws and maintain in full force and effect all Governmental Approvals, in each case applicable to the Collateral or any part thereof or to the operation of such Grantor's business.

(ix) Each Grantor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (A) the validity thereof is being contested in good faith by appropriate proceedings and (B) such charge is adequately reserved against on such Grantor's books in accordance with GAAP.

(x) No Grantor shall:

(1) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except (x) as permitted by the Credit Agreement and the Note Agreements and (y) the disposal of Collateral in the ordinary course of business; or

(2) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure indebtedness of any Person or entity, except as permitted by the Credit Agreement and the Note Agreements.

(xi) Each Grantor will, upon request by the Collateral Agent, deliver to the Collateral Agent possession of all originals of all negotiable Instruments, Documents and chattel paper constituting Collateral currently owned or held by such Grantor, if any (duly endorsed in blank, if requested by the Collateral Agent).

(xii) After the occurrence of an Event of Default, from time to time upon request by the Collateral Agent, each Grantor shall, at its cost and expense, cause to be delivered to the Collateral Agent on behalf of the Creditors, written evidence reasonably satisfactory to the Collateral Agent, as to the enforceability of the Loan Documents and the Lien of the Collateral Agent and Creditors on the Collateral and other property of such Grantor and such other matters relating to the transactions contemplated hereby as the Collateral Agent may reasonably request.

(b) Accounts, Etc.

(i) Each Grantor shall use all reasonable efforts to cause to be collected from its Account Debtors, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and to apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The costs and expenses (including, without limitation, attorneys' fees), of collection of Accounts incurred by such Grantor or the Collateral Agent shall be borne by such Grantor.

(ii) Upon the occurrence and during the continuance of any Event of Default, upon request of the Collateral Agent, each Grantor will promptly notify (and each Grantor hereby authorizes the Collateral Agent so to notify) each Account Debtor in respect of any Account that such Account has been assigned to the Collateral Agent hereunder and that any payments due or to become due in respect of such Account are to be made directly to the Collateral Agent or its designee.

(iii) Each Grantor will perform and comply in all material respects with all of its obligations in respect of Accounts and General Intangibles and the exercise by the Collateral Agent of any of its rights hereunder shall not release such Grantor from any of its duties or obligations.

(iv) Other than in the ordinary course of business as generally conducted by the Grantors over a period of time, no Grantor will (A) amend, modify, terminate or waive any provision of any agreement giving rise to an Account in any manner which could reasonably be expected to adversely affect the value of such Account as Collateral, (B) fail to exercise promptly and diligently each and every material right which it may have under each agreement giving rise to an Account (other than any right of termination) or (C) fail to deliver to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any agreement giving rise to an Account.

(v) Other than in the ordinary course of business as generally conducted by each Grantor over a period of time, such Grantor will not grant any extension of the time of payment of any of the Accounts with a face amount in excess of \$500,000 or compromise, compound or settle the same for less than the full amount thereof, release, wholly or partially, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon.

(vi) Upon the Collateral Agent's request, each Grantor shall deliver an Accounts Aging Report to the Collateral Agent which report shall, unless otherwise indicated thereon, constitute a representation by such Grantor with respect to the Accounts listed thereon that: (A) such Accounts are genuine, are in all respects what

they purport to be, are not evidenced by a judgment and are only evidenced by one, if any, executed original instrument, agreement, contract, or document and by invoices issued in respect thereof, (B) such Accounts represent undisputed, bona fide transactions completed in accordance with the terms and provisions contained in any documents related thereto, (C) the amounts of the face value shown, and any invoices and statements delivered to the Collateral Agent with respect to any Account are actually and absolutely owing to such Grantor and are not contingent for any reason, (D) there are no setoffs, counterclaims or disputes existing or asserted with respect to such Accounts, and such Grantor has not made any agreement with any Account Debtor thereunder for any deduction therefrom, (E) there are no facts, events, or occurrences which in any way impair in any material respect the validity or enforceability of any such Account or tend to reduce the amount payable thereunder from the amount of the invoice face value shown on any Accounts Aging Report and on all contracts, invoices and statements delivered to the Collateral Agent with respect thereto, (F) such Grantor has no knowledge that any Account Debtor under any such Account did not have the capacity to contract at the time any contract or other document giving rise to the Account was executed, (G) the goods giving rise to such Accounts are not, and were not at the time of the sale thereof, subject to any Lien except Permitted Liens, (H) such Grantor has no knowledge of any fact or circumstance which would impair the validity or collectability of any such Account, (I) no security interest in such Accounts has been granted to any Person other than that granted to the Collateral Agent pursuant hereto and (J) each invoice or other evidence of payment obligation furnished to Account Debtors with respect to such Accounts is issued in such Grantor's company name.

(c) Inventory, Etc. At the request of the Collateral Agent, each Grantor shall deliver to the Collateral Agent a schedule of Inventory. Unless otherwise indicated in writing by such Grantor, each schedule of Inventory delivered by such Grantor to the Collateral Agent shall constitute a representation with respect to the Inventory listed thereon or referred to therein that: (A) all such Inventory is located at places of business listed in the Perfection Certificate or as to which such Grantor has complied with the provisions of Section 4(a)(i) hereof or on the premises identified on the then current schedule of Inventory or is Inventory in transit from one such location to another such location; (B) no such Inventory is subject to any Lien whatsoever except for Permitted Liens; (C) no such Inventory in aggregate value exceeding \$1,000,000 at any time is, nor shall at any time or times be, kept, stored or maintained with a bailee, warehouseman, carrier or similar party (other than a carrier delivering Inventory to a purchaser in the ordinary course of such Grantor's business) unless the Collateral Agent has given its prior written consent and such Grantor has complied with the provisions of Section 4 (a)(iv) hereof.

(d) Equipment, Etc. Each Grantor will maintain each item of Equipment in the same condition, repair and working order as when acquired, ordinary wear and tear excepted, and in accordance with any manufacturer's manual, and will as quickly as practicable provide all maintenance, service and repairs necessary for such purpose and will

promptly furnish to the Collateral Agent a statement respecting any material loss or damage to any of the Equipment.

(e) Intellectual Property.

(i) Each Grantor shall notify the Collateral Agent promptly (a) of its acquisition after the Closing Date of any Patent, Patent License, Trademark or Trademark License and (b) if it knows 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 or any court) regarding such Grantor's ownership of any Patent or Trademark, its right to register the same, or to keep and maintain the same. In the event that any Patent, Patent License, Trademark or Trademark License is infringed, misappropriated or diluted by a third party to the extent that it could have a Material Adverse Effect, such Grantor shall, (1) notify the Collateral Agent promptly after it learns thereof and, (2) unless such Grantor and the Collateral Agent shall jointly determine that any such action would be of immaterial economic value or otherwise inappropriate, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as may be appropriate under the circumstances to protect such Patent, Patent License, Trademark or Trademark License. In no event shall any Grantor, either itself or through any agent, employee or licensee, 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, unless simultaneously therewith it informs the Collateral Agent, and, promptly upon the issuance of such patent or Trademark, executes and delivers any and all agreements, instrument, documents and papers the Collateral Agent may reasonably request to evidence the Security Interests in such Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby. Each Grantor hereby constitutes the Collateral Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power, being coupled with an interest, shall be irrevocable until the Secured Obligations have been indefeasibly paid in full and satisfied:

(ii) Each Grantor shall: (a) preserve and maintain in all material respects rights in the Intellectual Property (including, without limitation, the payment of all required fees and taxes to maintain such Intellectual Property in full force and effect); and (b) upon and after the occurrence of an Event of Default, use its best efforts to obtain any consents, waivers or agreements necessary to enable the Collateral Agent to exercise its remedies with respect to the Intellectual Property. No Grantor shall abandon any right to file a Copyright, Patent or Trademark application that is material to the business of such Grantor nor shall such Grantor abandon any such material pending Copyright, Patent or Trademark application, or Copyright, Copyright License, Patent,

Patent License, Trademark or Trademark License without the prior written consent of the Collateral Agent.

(iii) Each Grantor hereby assigns, transfers and conveys to the Collateral Agent, effective upon the occurrence and during the continuance of any Event of Default, the nonexclusive right and license to use all Intellectual Property owned or used by such Grantor, together with any goodwill associated therewith, all to the extent necessary to enable the Collateral Agent to realize on the Collateral (including, without limitation, completing production of, advertising for sale and selling the Collateral) and any successor or assign to enjoy the benefits of the Collateral. This right and license shall inure to the benefit of all successors, assigns and transferees of the Collateral Agent and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and license is granted free of charge, without requirement that any monetary payment whatsoever be made to such Grantor by the Collateral Agent.

(iv) With respect to any trademark for which an intent to use application has been filed with the United States Patent and Trademark Office by a Grantor, upon the commencement of actual use by such Grantor of such trademark in interstate commerce in connection with the goods or services covered by such application, Grantor shall promptly file an amendment to allege use or a statement of use with the United States Patent and Trademark Office in connection with such trademark application and, upon acceptance by the United States Patent and Trademark Office of such amendment or statement, such trademark shall then and thereafter be considered a "Trademark" within the definition of such term as set forth in Section 1 hereof.

(f) Vehicles. With the exception of Vehicles disposed of in accordance with the terms of the Credit Agreement and the Note Agreements, each Grantor will maintain each of its Vehicles in good operating condition, ordinary wear and tear excepted, and will provide all maintenance, service and repairs necessary for such purpose. Upon the request of the Collateral Agent during the continuance of an Event of Default, all applications for certificates of title or ownership indicating the Collateral Agent's first priority Lien on the Vehicle covered by such certificate, and any other necessary documentation, shall be filed in each office in each jurisdiction which the Collateral Agent shall deem advisable to perfect its Liens on the Vehicles. Prior thereto, each certificate of title or ownership relating to each Vehicle shall be maintained by the applicable Grantor in accordance with Applicable Law to reflect the ownership interest of such Grantor.

(g) Fixtures. Upon the request of the Collateral Agent from time to time during the continuance of an Event of Default, each Grantor shall file financing statements in the applicable jurisdictions necessary to perfect the Collateral Agent's security interest in any Fixtures of such Grantor.

(h) Indemnification. The Grantors agree to pay, and to save the Collateral Agent and the Creditors harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) (i) with respect to, or resulting from, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, complying with any Applicable Law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Agreement; provided, however, said indemnifications shall not apply to the extent any such liabilities, costs and expenses result from the bad faith, gross negligence or willful misconduct of the Collateral Agent or any Creditor. In any suit, proceeding or action brought by the Collateral Agent under any Account for any sum owing thereunder, or to enforce any provisions of any Account, each Grantor will save, indemnify and keep the Collateral Agent and the Creditors harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the Account Debtor or any other obligor thereunder, arising out of a breach by such Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Account Debtor or obligor or its successors from such Grantor (except to the extent any such expense, loss or damage results from the bad faith, gross negligence or willful misconduct of the Collateral Agent or any Creditor as determined by final judgment of a court or arbitration panel of competent jurisdiction). The obligations of the Grantors under this Section 4(h) shall survive the termination of the other provisions of this Agreement.

SECTION 5. Reporting and Recordkeeping. Each Grantor respectively covenants and agrees with the Collateral Agent and the Creditors that from and after the date of this Agreement and until the Secured Obligations have been indefeasibly paid in full and satisfied:

(a) Maintenance of Records Generally. Such Grantor will keep and maintain at its own cost and expense complete and accurate records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. All chattel paper given to such Grantor with respect to any Accounts will be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of First Union National Bank, as Collateral Agent". For the Collateral Agent's and the Creditors' further security, such Grantor agrees that upon the occurrence and during the continuation of any Event of Default, such Grantor shall deliver and turn over any such books and records directly to the Collateral Agent or its designee. Such Grantor shall permit any representative of the Collateral Agent or any Creditor to inspect such books and records in accordance with Section 9.11 of the Credit Agreement and Section 5.16 of the Note Agreements and will provide photocopies thereof to the Collateral Agent upon its reasonable request.

(b) Certain Provisions Regarding Maintenance of Records and Reporting Re: Accounts.

(i) In the event any amounts due and owing in excess of \$500,000 individually or \$1,000,000 in the aggregate are in dispute between any Account Debtor and any



Grantor, such Grantor shall provide the Collateral Agent with written notice thereof promptly after such Grantor's learning thereof, explaining in detail the reason for the dispute, all claims related thereto and the amount in controversy.

(ii) Each Grantor will promptly upon, but in no event later than five (5) Business Days after: (A) such Grantor's learning thereof, inform the Collateral Agent, in writing, of any delay in such Grantor's performance of any of its obligations to any Account Debtor and of any assertion of any claims, offsets or counterclaims by any Account Debtor and of any allowances, credits and/or other monies granted by such Grantor to any Account Debtor, in each case involving amounts in excess of \$500,000 for any single Account or Account Debtor or in excess of \$1,000,000 in the aggregate for all Accounts and Account Debtors; and (B) such Grantor's receipt or learning thereof, furnish to and inform the Collateral Agent of all adverse information relating to the financial condition of any Account Debtor with respect to Accounts exceeding \$500,000 individually or \$1,000,000 in the aggregate.

(c) Further Identification of Collateral. Each Grantor will, if so requested by the Collateral Agent, furnish to the Collateral Agent statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(d) Notices. In addition to the notices required by Section 5(b) hereof, each Grantor will advise the Collateral Agent promptly, in reasonable detail, (i) of any Lien or material claim made or asserted against any of the Collateral, (ii) of any material adverse change in the Collateral, and (iii) of the occurrence of any other event which could have a Material Adverse Effect on the Collateral or on the validity, perfection or priority of the Security Interests.

#### SECTION 6. Collateral Account.

(a) There is hereby established with the Collateral Agent a Collateral Account in the name and under the exclusive dominion and control of the Collateral Agent. There shall be deposited from time to time into such account the cash proceeds of the Collateral required to be delivered to the Collateral Agent pursuant to Section 6(b) hereof or any other provision of this Agreement. Any income received by the Collateral Agent with respect to the balance from time to time standing to the credit of the Collateral Account, including any interest or capital gains on investments of amounts on deposit in the Collateral Account, shall remain, or be deposited, in the Collateral Account, shall vest in the Collateral Agent, shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied thereto as hereinafter provided.

(b) Upon the occurrence and during the continuance of an Event of Default, if requested by the Collateral Agent, each Grantor shall instruct its respective Account Debtors and other Persons obligated in respect of all Accounts to make all payments in respect of the Accounts either (i) directly to the Collateral Agent (by instructing that such payments be remitted

to a post office box which shall be in the name and under the exclusive dominion and control of the Collateral Agent) or (ii) to one or more other banks in any state in the United States (by instructing that such payments be remitted to a post office box which shall be in the name and under the exclusive dominion and control of such bank) under a Lockbox Letter substantially in the form of Annex I hereto duly executed by such Grantor and such bank or under other arrangements, in form and substance satisfactory to the Collateral Agent, pursuant to which such Grantor shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Collateral Agent for deposit into the Collateral Account or as the Collateral Agent may otherwise instruct such bank, and thereafter if the proceeds of any Collateral shall be received by such Grantor, such Grantor will promptly deposit such proceeds into the Collateral Account and until so deposited, all such proceeds shall be held in trust by such Grantor for and as the property of the Collateral Agent, for the benefit of itself and the Creditors and shall not be commingled with any other funds or property of such Grantor. At any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may itself so instruct such Grantor's Account Debtors. All such payments made to the Collateral Agent shall be deposited in the Collateral Account.

(c) Upon the occurrence and during the continuance of an Event of Default, amounts on deposit in the Collateral Account shall be promptly liquidated and applied to the payment of the Secured Obligations in the manner specified in Section 10 hereof.

#### SECTION 7. General Authority.

(a) Each Grantor hereby irrevocably appoints the Collateral Agent its true and lawful attorney, with full power of substitution, in the name of such Grantor, the Collateral Agent, the Creditors or otherwise, for the sole use and benefit of the Collateral Agent and the Creditors, but at such Grantor's expense, to exercise, at any time from time to time all or any of the following powers:

(i) to file the Financing Statements and any financing statements, financing statement amendments and continuation statements referred to herein (including, without limitation Sections 4(a)(i), 4(a)(ii) and 4(a)(iii),

(ii) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due with respect to any Collateral or by virtue thereof,

(iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect to any Collateral.

(iv) to sell, transfer, assign or otherwise deal in or with the Collateral and the Proceeds thereof, as fully and effectually as if the Collateral Agent were the absolute owner thereof.

(v) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference to the Collateral, and

(vi) to execute such documents and take such other action as may be reasonably deemed necessary or desirable by the Collateral Agent in order to carry out the provisions of this Agreement;

provided that the Collateral Agent shall not take any of the actions described in this Section 7 (except those described in clause (i) above) unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall give such Grantor not less than ten (10) days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. Each Grantor agrees that any such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the UCC (to the extent such Section is applicable).

(b) Each Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) Each Grantor also authorizes the Collateral Agent at any time and from time to time, to execute, in connection with the sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(d) The rights of the Collateral Agent under this Section 7 are in addition to and not in lieu of, or in limitation of, any rights of the Collateral Agent and the Creditors under this Agreement (including, without limitation, Section 8), the other Loan Documents and Applicable Law.

#### SECTION 8. Remedies Upon Event of Default.

(a) If any Event of Default has occurred and is continuing, the Collateral Agent may exercise on behalf of itself and the Creditors all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Collateral Agent may (i) withdraw all cash, if any, in the Collateral Account and investments made with amounts on deposit in the Collateral Account, and apply such monies, investments and other cash, if any, then held by it as Collateral as specified in Section 10 hereof and (ii) if there shall be no such monies, investments or cash or if such monies, investments or cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Collateral Agent may deem satisfactory. The Collateral Agent or any Creditor may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations or if otherwise permitted under applicable law, at any

private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. Each Grantor will execute and deliver such documents and take such other action as the Collateral Agent deems reasonably necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Collateral Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold (without warranty). The purchaser at any such sale shall hold the Collateral so sold to it absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of any Grantor. To the extent permitted by law, each Grantor hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice of such sale shall be given to such Grantor ten (10) days prior to such sale and (A) in case of a public sale, state the time and place fixed for such sale, and (B) in the case of a private sale, state the day after which sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may determine. The Collateral Agent shall not be obligated to make any such sale pursuant to any such notice. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the selling price is paid by the purchaser thereof, but the Collateral Agent shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Collateral Agent, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction. The Grantors shall remain jointly and severally liable for any deficiency.

(b) For the purpose of enforcing any and all rights and remedies under this Agreement, the Collateral Agent may (i) require each Grantor to, and each Grantor agrees that it will, at its expense and upon the request of the Collateral Agent, forthwith assemble all or any part of the Collateral as directed by the Collateral Agent and make it available at a place designated by the Collateral Agent which is, in the Collateral Agent's opinion, reasonably convenient to the Collateral Agent and such Grantor, whether at the premises of such Grantor or otherwise, (ii) to the extent permitted by Applicable Law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located and, without charge or liability to the Collateral Agent, seize and remove such Collateral from such premises, (iii) have access to and use such Grantor's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer such Collateral without charge in or by means of any storage or transportation facility owned or leased by such Grantor, process, repair or recondition such Collateral or otherwise prepare it for disposition

in any manner and to the extent the Collateral Agent deems appropriate and, in connection with such preparation and disposition, use without charge any Trademark, trade name, Copyright, Patent or technical process used by such Grantor.

(c) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Collateral Agent may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Collateral Agent shall in its sole discretion determine;

(ii) the Collateral Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of each Grantor in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, provided, however, that no such actions shall result in the failure of such Patent Licenses or Trademark Licenses to remain in compliance with all Applicable Laws, and each Grantor hereby releases the Collateral Agent and each of the Creditors free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto except with respect to the gross negligence or willful misconduct of the Collateral Agent or any Creditor; and

(iii) upon request by the Collateral Agent, each Grantor will execute and deliver to the Collateral Agent a power of attorney, in form and substance satisfactory to the Collateral Agent, for the implementation of any lease, assignment, license, sublicense, grant or option, sale or other disposition of a Patent or Trademark. In the event of any such disposition pursuant to this Section 8, each Grantor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing Trademarks or the products or services made or rendered in connection with Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Collateral Agent

**SECTION 9. Limitation on Duty of Collateral Agent in Respect of Collateral.** Beyond reasonable care in the custody thereof, the Collateral Agent shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Collateral Agent shall not be liable or

responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Collateral Agent in good faith.

**SECTION 10. Application of Proceeds.** Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied by the Collateral Agent in accordance with the terms of Section 5 of the Intercreditor Agreement. The Collateral Agent may make distribution hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

**SECTION 11. Concerning the Collateral Agent.** The provisions of the Intercreditor Agreement and Article XIV of the Credit Agreement shall inure to the benefit of the Collateral Agent in respect of this Agreement and shall be binding upon the Grantors and the Creditors. In furtherance and not in derogation of the rights, privileges and immunities of the Collateral Agent therein set forth:

(a) The Collateral Agent is authorized to take all such action as is provided to be taken by it as Collateral Agent hereunder and all other action incidental thereto. As to any matters not expressly provided for herein, the Collateral Agent may request instructions from the Creditors and shall act or refrain from acting in accordance with written instructions from the Majority Creditors (or, when expressly required by this Agreement or the Intercreditor Agreement, all the Creditors) or, in the absence of such instructions, in accordance with its discretion.

(b) The Collateral Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests, whether impaired by operation of law or by reason of any action or omission to act on its part (other than any such action or inaction constituting gross negligence or willful misconduct). The Collateral Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by any Grantor.

**SECTION 12. Appointment of Collateral Agents.** At any time or times, in order to comply with any legal requirement in any jurisdiction or in order to effectuate any provision of the Loan Documents, the Collateral Agent may appoint another bank or trust company or one or more other Persons, either to act as collateral agent or agents, jointly with the Collateral Agent or separately, on behalf of the Collateral Agent and the Creditors with such power and authority as may be necessary for the effectual operation of the provisions hereof and specified in the instrument of appointment (which may, in the discretion of the Collateral Agent, include provisions for the protection of such collateral agent similar to the provisions of Section 11 hereof).

**SECTION 13. Expenses.** In the event that any Grantor fails to comply with the provisions of the Credit Agreement, the Note Agreements, the Senior Notes, this Agreement or any other Loan Document, such that the value of any Collateral or the validity, perfection, rank

or value of the Security Interests are thereby diminished or potentially diminished or put at risk, the Collateral Agent may, but shall not be required to, effect such compliance on behalf of such Grantor, and the Grantors shall reimburse the Collateral Agent for the costs thereof on demand. All insurance expenses and all expenses of protecting, storing, warehousing, appraising, insuring, handling, maintaining and shipping the Collateral, any and all excise, stamp, intangibles, transfer, property, sales, and use taxes imposed by any state, federal, or local authority or any other Governmental Authority on any of the Collateral, or in respect of the sale or other disposition thereof, shall be borne and paid by the Grantors; and if the Grantors fail promptly to pay any portion thereof when due, the Collateral Agent or any Creditor may, at its option, but shall not be required to, pay the same and charge the Grantors' account therefor, and the Grantors agree to reimburse the Collateral Agent or such Creditor therefor on demand. All sums so paid or incurred by the Collateral Agent or any Creditor for any of the foregoing and any and all other sums for which any Grantor may become liable hereunder and all costs and expenses (including reasonable attorneys' fees, legal expenses and court costs) incurred by the Collateral Agent or any Creditor in enforcing or protecting the Security Interests or any of their rights or remedies thereon shall be payable by the Grantors on demand and shall bear interest (after as well as before judgment) until paid at the rate then applicable to Base Rate Loans under the Credit Agreement and shall be additional Secured Obligations hereunder.

**SECTION 14. Notices.** All notices and other communications provided for hereunder shall be in writing and mailed by registered or certified mail, return receipt requested, or delivered via overnight courier to the address specified in the Credit Agreement, the Note Agreements or the Intercreditor Agreement, as applicable for the Grantors and the Collateral Agent or to such other address as shall be designated by any party to the applicable agreement in a written notice to the other party complying as to delivery with the terms of the Credit Agreement, the Note Agreements or the Intercreditor Agreement, as applicable. All notices and communications so delivered shall be deemed delivered in accordance with the terms of the Credit Agreement, the Note Agreements or the Intercreditor Agreement, as applicable.

**SECTION 15. Waivers, Non-Exclusive Remedies.** No failure on the part of the Collateral Agent or any Creditor to exercise, and no delay in exercising and no course of dealing with respect to, any right under the Credit Agreement, the Note Agreements, this Agreement or any other Loan Document shall operate as a waiver thereof or hereof; nor shall any single or partial exercise by the Collateral Agent or any Creditor of any right under the Credit Agreement, the Note Agreements, this Agreement or any other Loan Document preclude any other or further exercise thereof, and the exercise of any rights in this Agreement, the Credit Agreement, the Note Agreements, and the other Loan Documents are cumulative and are not exclusive of any other remedies provided by law. This Agreement is a Loan Document executed pursuant to the Credit Agreement and the Note Agreements

**SECTION 16. Successors and Assigns.** This Agreement is for the benefit of the Collateral Agent and the Creditors and their permitted successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This

Agreement shall be binding on each Grantor and its successors and assigns; provided that no Grantor may assign any of its rights or obligations hereunder without the prior written consent of the Collateral Agent and the Creditors.

**SECTION 17. Changes in Writing.** Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except in writing signed by the Grantors and the Collateral Agent with the consent of the Majority Creditors (or, when expressly required by this Agreement or the Intercreditor Agreement, all of the Creditors).

**SECTION 18. Powers Coupled with an Interest.** All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

**SECTION 19. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA, WITHOUT REFERENCE TO THE CONFLICTS OR CHOICE OF LAW PRINCIPLES THEREOF.**

**SECTION 20. Consent to Jurisdiction.** Each Grantor hereby irrevocably consents to the personal jurisdiction of the state and federal courts located in Mecklenburg County, North Carolina, in any action, claim or other proceeding arising out of or any dispute in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations. Each Grantor hereby irrevocably consents to the service of a summons and complaint and other process in any action, claim or proceeding brought by the Collateral Agent or any Creditor in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations, on behalf of itself or its property, in the manner provided in Section 14.1 of the Credit Agreement. Nothing in this Section 20 shall affect the right of the Collateral Agent or any Creditor to serve legal process in any other manner permitted by Applicable Law or affect the right of the Collateral Agent or such Creditor to bring any action or proceeding against any Grantor or its properties in the courts of any other jurisdictions.

**SECTION 21. Binding Arbitration; Waiver of Jury Trial.**

(a) **Binding Arbitration.** Upon demand of any party, whether made before or after institution of any judicial proceeding and, if made after institution of any judicial proceeding within one hundred twenty days (120) after issues have been joined in such judicial proceeding, any dispute, claim or controversy arising out of, connected with or relating to this Agreement or any of the Loan Documents ("Disputes"), between or among the parties thereto shall be resolved by binding arbitration as provided herein. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes may include, without limitation, tort claims, counterclaims, claims brought as class actions, claims arising from Loan Documents executed in the future, or claims concerning any aspect of the past, present or future relationships arising out or connected with the Loan Documents. Arbitration shall be conducted under and governed by the Commercial Financial Disputes Arbitration Rules



(the "Arbitration Rules") of the American Arbitration Association and Title 9 of the U.S. Code. All arbitration hearings shall be conducted in Charlotte, North Carolina. The expedited procedures set forth in Rule 51, *et seq.*, of the Arbitration Rules shall be applicable to claims of less than \$1,000,000. All applicable statutes of limitation shall apply to any Dispute. A judgment upon the award may be entered in any court having jurisdiction. The panel from which all arbitrators are selected shall be comprised of licensed attorneys. The single arbitrator selected for expedited procedure shall be a retired judge from the highest court of general jurisdiction, state or federal, of the state where the hearing will be conducted. Notwithstanding the foregoing, this paragraph shall not apply to any interest rate swap agreement that is a Loan Document.

(b) Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE COLLATERAL AGENT AND EACH CREDITOR BY THEIR ACCEPTANCE OF THIS AGREEMENT OR THE BENEFITS HEREOF AND EACH GRANTOR HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF OR ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.

(c) Preservation of Certain Remedies. Notwithstanding the preceding binding arbitration provisions and any commencement of an arbitration proceeding, the parties hereto and the other Loan Documents preserve, without diminution, certain remedies that such Person may employ or exercise freely, either alone, in conjunction with or during a Dispute. Each such Person shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self help to exercise or prosecute the following remedies: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Loan Documents or under applicable law or by judicial foreclosure and sale, (ii) all rights of self help including peaceful occupation of property and collection of rents, set off, and peaceful possession of property, (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and in filing an involuntary bankruptcy proceeding, and (iv) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of an arbitrator to grant similar remedies that may be requested by a party in a Dispute.

SECTION 22. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent and the Creditors in order to carry out the intentions of the parties hereto as nearly as may be possible; and (b) the invalidity or unenforceability of any provisions hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 23. Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

SECTION 24. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 25. Intercreditor Agreement. The rights of the Collateral Agent and the Creditors with respect to the Collateral are set forth in the Intercreditor Agreement, the terms of which are expressly incorporated herein by reference.

SECTION 26. Release of Collateral. Upon (i) final and indefeasible payment in full of the Secured Obligations and the termination of the Credit Facilities (as defined in the Credit Agreement) or (ii) the sale or disposition of any Collateral permitted under the Credit Agreement and the Note Agreements, the Collateral Agent shall release the liens and security interests in the Collateral upon the request and at the cost of the Grantors.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

GRANTORS:

CULLMAN VENTURES, INC.

By: James O. Moore  
Name: James O. Moore  
Title: Vice President

LANDMARK GENERAL CORPORATION

By: James O. Moore  
Name: James O. Moore  
Title: Vice President

DAY DREAM, INC.

By: James O. Moore  
Name: James O. Moore  
Title: CFO

AT-A-GLANCE RETAIL SERVICES, INC.

By: James O. Moore  
Name: James O. Moore  
Title: Treasurer

DIRECT ENTERTAINMENT, INC.

By: James O. Moore  
Name: James O. Moore  
Title: Treasurer

(Security Agreement)

**COSTACOS BROTHERS, INCORPORATED**

By: James C. Moore  
Name: JAMES O MOORE  
Title: VICE PRESIDENT

**COLLATERAL AGENT:**

**FIRST UNION NATIONAL BANK.**  
as Collateral Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Vice President

(Security Agreement)

TRADEMARK  
REEL: 1650 FRAME: 0240

TRADEMARK  
REEL: 1877 FRAME: 0036

**COSTACOS BROTHERS, INCORPORATED**

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

**COLLATERAL AGENT:**

**FIRST UNION NATIONAL BANK,**  
as Collateral Agent

By: Mark D. Felke  
Name: Mark D. Felke  
Title: Vice President

(Security Agreement)

TRADEMARK  
REEL: 1650 FRAME: 0241

TRADEMARK  
REEL: 1877 FRAME: 0037

SCHEDULE IREGISTERED TRADEMARKSGullran Ventures, Inc.I. Registered Trademarks

|                                  |                          |
|----------------------------------|--------------------------|
| READY REFERENCE                  | Registration No. 2098796 |
| DESIGN HOUSE                     | Registration No. 2039188 |
| REMOTE CONTROL                   | Registration No. 2028792 |
| GOAL PLANNER                     | Registration No. 1920591 |
| GOAL KEEPER                      | Registration No. 1896940 |
| THE BRANDS AMERICA PLANS ON      | Registration No. 2002970 |
| MANAGEABLES                      | Registration No. 2041228 |
| JOTZ                             | Registration No. 2063801 |
| JOTZ THE SELFCLING COMMUNICATOR  |                          |
| AND DESIGN                       | Registration No. 2036439 |
| MANAGEABLES AND DESIGN           | Registration No. 2041141 |
| LOCKERCENTER                     | Registration No. 1929872 |
| QUICKNOTES                       | Registration No. 2024847 |
| QUICK NOTES                      | Registration No. 2024845 |
| SUCCESSORIES                     | Registration No. 2019646 |
| DAYMINDER                        | Registration No. 2008926 |
| POCKET PARTNER                   | Registration No. 1989036 |
| READY REFERENCE BRAND AND DESIGN | Registration No. 2067480 |
| DESIGN ONLY                      | Registration No. 1946087 |
| ACTION NOTE                      | Registration No. 1934780 |
| EXPRESSIVE IMAGES                | Registration No. 1922895 |
| I SLAM, THEREFORE I AM           | Registration No. 1943784 |
| DOODELERS! (STYLIZED LETTERS)    | Registration No. 1870542 |
| AAGO                             | Registration No. 1838664 |
| TIME RESOURCES                   | Registration No. 1920556 |
| SUCCESSORIES                     | Registration No. 1882940 |
| DESIGN ONLY                      | Registration No. 1815878 |
| DESIGN ONLY                      | Registration No. 1814785 |
| SUCCESSNOTES (STYLIZED LETTERS)  | Registration No. 1860380 |
| ADD-A-PAGE                       | Registration No. 1854175 |
| UPPERCLASS AND DESIGN            | Registration No. 1838420 |
| UPPERCLASS                       | Registration No. 1834613 |
| AT-A-GLANCE                      | Registration No. 1797613 |
| SPEEDPAGE                        | Registration No. 1786717 |
| ROUND-THE-CLOCK                  | Registration No. 1836156 |
| SUCCESSORIES                     | Registration No. 1820582 |
| WEST TEXAS CELLUAR NETWORK       | Registration No. 1744130 |
| AT-A-GLANCE ORGANIZER AND DESIGN | Registration No. 1766702 |
| MONTH-AT-A GLANCE AND DESIGN     | Registration No. 1737609 |
| AT-A-GLANCE ADDRESSES AND DESIGN | Registration No. 1734026 |
| WEEK-AT-A GLANCE AND DESIGN      | Registration No. 1734025 |
| GUILDFORD GOLD                   | Registration No. 1691463 |
| DATEFOLIO                        | Registration No. 1664120 |

R60-310766 1

TRADEMARK  
REEL: 1650 FRAME: 0209TRADEMARK  
REEL: 1877 FRAME: 0038

**SCHEDULE I**

**REGISTERED TRADEMARKS**

Cullman Ventures, Inc.

**I. Registered Trademarks**

|                                  |                          |
|----------------------------------|--------------------------|
| READY REFERENCE                  | Registration No. 2098796 |
| DESIGN HOUSE                     | Registration No. 2039188 |
| REMOTE CONTROL                   | Registration No. 2028792 |
| GOAL PLANNER                     | Registration No. 1920591 |
| GOAL KEEPER                      | Registration No. 1896940 |
| THE BRANDS AMERICA PLANS ON      | Registration No. 2002970 |
| MANAGEABLES                      | Registration No. 2041228 |
| JOTZ                             | Registration No. 2063801 |
| JOTZ THE SELFCLING COMMUNICATOR  |                          |
| AND DESIGN                       | Registration No. 2036439 |
| MANAGEABLES AND DESIGN           | Registration No. 2041141 |
| LOCKERCENTER                     | Registration No. 1929872 |
| QUICKNOTES                       | Registration No. 2024847 |
| QUICK NOTES                      | Registration No. 2024845 |
| SUCCESSORIES                     | Registration No. 2019646 |
| DAYMINDER                        | Registration No. 2008926 |
| POCKET PARTNER                   | Registration No. 1989036 |
| READY REFERENCE BRAND AND DESIGN | Registration No. 2067480 |
| DESIGN ONLY                      | Registration No. 1946087 |
| ACTION NOTE                      | Registration No. 1934780 |
| EXPRESSIVE IMAGES                | Registration No. 1922895 |
| I SLAM, THEREFORE I AM           | Registration No. 1943784 |
| DOODELERS! (STYLIZED LETTERS)    | Registration No. 1870542 |
| AAGO                             | Registration No. 1838664 |
| TIME RESOURCES                   | Registration No. 1920558 |
| SUCCESSORIES                     | Registration No. 1882940 |
| DESIGN ONLY                      | Registration No. 1815878 |
| DESIGN ONLY                      | Registration No. 1814785 |
| SUCCESSNOTES (STYLIZED LETTERS)  | Registration No. 1860380 |
| ADD-A-PAGE                       | Registration No. 1854175 |
| UPPERCLASS AND DESIGN            | Registration No. 1838420 |
| UPPERCLASS                       | Registration No. 1834613 |
| AT-A-GLANCE                      | Registration No. 1797613 |
| SPEEDPAGE                        | Registration No. 1786717 |
| ROUND-THE-CLOCK                  | Registration No. 1836156 |
| SUCCESSORIES                     | Registration No. 1820582 |
| WEST TEXAS CELLUAR NETWORK       | Registration No. 1744130 |
| AT-A-GLANCE ORGANIZER AND DESIGN | Registration No. 1766702 |
| MONTH-AT-A GLANCE AND DESIGN     | Registration No. 1737609 |
| AT-A-GLANCE ADDRESSES AND DESIGN | Registration No. 1734026 |
| WEEK-AT-A GLANCE AND DESIGN      | Registration No. 1734025 |
| GUILDFORD GOLD                   | Registration No. 1691463 |
| DATEFOLIO                        | Registration No. 1664120 |

REG-348766.1

TRADEMARK

REEL: 1650 FRAME: 0242

28:0964

8651 100 00:01

2098-808-212 738 713-0350-018:0003 92:21 16 03-100

TRADEMARK

REEL: 1877 FRAME: 0039

|                                  |                          |
|----------------------------------|--------------------------|
| SUCCESS NOTES (STYLIZED LETTERS) | Registration No. 1732920 |
| WEEK-ENDER                       | Registration No. 1648852 |
| WEEK-A-AT-GLANCE AND DESIGN      | Registration No. 1604599 |
| MONTH AT A GLANCE AND DESIGN     | Registration No. 1609051 |
| YEAR AT A GLANCE                 | Registration No. 1615663 |
| TIMELINE                         | Registration No. 1680270 |
| KEITH CLARK AND DESIGN           | Registration No. 1519778 |
| SPORTS TIME PIECE                | Registration No. 1495073 |
| SUCCESS HERITAGE COLLECTION      | Registration No. 1063455 |
| DB AND DESIGN                    | Registration No. 1431744 |
| STRIPPGUARD                      | Registration No. 1409087 |
| TIME TELLER                      | Registration No. 1381333 |
| TIME PIECE (STYLIZED LETTERS)    | Registration No. 1364459 |
| EVER READY                       | Registration No. 1354005 |
| BURKHART'S DAY COUNTER           | Registration No. 1344367 |
| DUO MINDER                       | Registration No. 1340667 |
| T506                             | Registration No. 1333146 |
| DATELINE                         | Registration No. 1347730 |
| TIMESSETTER                      | Registration No. 1347729 |
| SUCCESS (STYLIZED LETTER)        | Registration No. 1307999 |
| EATON (BLOCK LETTERS)            | Registration No. 1272646 |
| WEEK-AT-A GLANCE AND DESIGN      | Registration No. 1269782 |
| MONTH-AT A GLANCE AND DESIGN     | Registration No. 1269781 |
| DAY-AT A GLANCE AND DESIGN       | Registration No. 1269780 |
| KEITH CLARK                      | Registration No. 1236311 |
| EXECUTIVE DAY MINDER             | Registration No. 1213273 |
| SUCCESS (STYLIZED LETTERS)       | Registration No. 1144987 |
| EXECUTIVE BY-WEEKLY MINDER       | Registration No. 1153123 |
| BY-WEEKLY MINDER                 | Registration No. 1146140 |
| TIMEPIECE                        | Registration No. 1174137 |
| EXECUTIVE MONTHLY MINDER         | Registration No. 1130858 |
| EXECUTIVE WEEKLY MINDER          | Registration No. 1135127 |
| P AND DESIGN                     | Registration No. 1225478 |
| PHARMACY PLUS                    | Registration No. 1208854 |
| GUILFORD                         | Registration No. 1148898 |
| POCKETMINDER                     | Registration No. 1128278 |
| DAYMINDER                        | Registration No. 1094420 |
| APPOINTBOOK (STYLIZED LETTERS)   | Registration No. 1076411 |
| PLAN-A-MONTH                     | Registration No. 1058407 |
| THE CALCUMETRIC                  | Registration No. 1032997 |
| TALMANAC (STYLIZED LETTERS)      | Registration No. 962050  |
| HEINZ                            | Registration No. 922421  |
| POCKET OFFICE                    | Registration No. 915717  |
| TIME LINE                        | Registration No. 918515  |
| M AND DESIGN                     | Registration No. 941092  |
| WEEKLY-MINDER                    | Registration No. 910894  |
| PERPETUAL (STYLIZED LETTERS)     | Registration No. 885481  |
| MONTHLY-MINDER                   | Registration No. 806952  |
| KC (STYLIZED LETTERS)            | Registration No. 811713  |
| THE YEAR IN BRIEF                | Registration No. 757792  |

240-340244.1

- 2 -

001704

0601 100 00101

2099-808-002

755 712-00508-018-1002 52-21 26 02-100

TRADEMARK  
REEL: 1650 FRAME: 0243

TRADEMARK  
REEL: 1877 FRAME: 0040



|                                 |                         |
|---------------------------------|-------------------------|
| AT-A-GLANCE                     | Registration No. 714411 |
| DESIGN ONLY                     | Registration No. 695353 |
| MONTH AT A GLANCE AND DESIGN    | Registration No. 634044 |
| CALENDAR                        | Registration No. 608339 |
| TEARKLEEN (STYLIZED LETTERS)    | Registration No. 527073 |
| EATON'S BERKSHIRE AND DESIGN    | Registration No. 370206 |
| BERKSHIRE (STYLIZED LETTERS)    | Registration No. 366102 |
| EATON'S FINE LETTER PAPERS 1893 | Registration No. 351352 |
| WEEK AT A GLANCE AND DESIGN     | Registration No. 338598 |
| DAY AT A GLANCE AND DESIGN      | Registration No. 338509 |
| CORRASADLE                      | Registration No. 317107 |
| SUCCESS (STYLIZED LETTERS)      | Registration No. 287549 |

II. Pending Applications

|                                 |                           |
|---------------------------------|---------------------------|
| PARTY ROUND THE PLANET          | Application No. 75/349604 |
| MILLENNIUM AT-A-GLANCE & DESIGN | Application No. 75/348988 |
| DO-IT-YOURSELF-CALENDAR         | Application No. 75/342073 |
| HEARTLAND COLLECTION            | Application No. 75/320874 |
| DESIGN ONLY                     | Application No. 75/194040 |
| AT-A-GLANCE AND DESIGN          | Application No. 75/194039 |
| MY FIRST GLANCE                 | Application No. 75/186172 |
| CLASSIC SERPENTINE              | Application No. 75/112981 |
| AT-A-GLANCE                     | Application No. 75/112765 |
| CALENDARFOLIO                   | Application No. 75/307452 |
| TOTE-ALL                        | Application No. 75/307451 |
| TOTE-ALL                        | Application No. 75/304187 |
| YOUR LIFE, YOUR WAY             | Application No. 75/281668 |
| COVEY AT A GLANCE               | Application No. 75/269489 |
| HEARTLAND COLLECTION            | Application No. 75/194615 |
| HEARTLAND                       | Application No. 75/194499 |
| AT-A-GLANCE AND DESIGN          | Application No. 75/193982 |
| PROFESSIONAL ESSENTIALS         | Application No. 75/172936 |
| THINKITS                        | Application No. 75/155561 |
| ESSENTIALS                      | Application No. 75/136248 |
| AT A GLANCE AND DESIGN          | Application No. 75/116727 |
| GLANCE PLUS                     | Application No. 74/525272 |
| EON-1                           | Application No. 74/400760 |

III. Abandoned, Cancelled or Expired Applications and Registrations

|                                 |                           |
|---------------------------------|---------------------------|
| QUICK SHIP                      | Application No. 75/018920 |
| GLANCE GRAPHICS                 | Application No. 74/525076 |
| SUCCESS                         | Registration No. 1637436  |
| NASCON "AT-A-GLANCE" AND DESIGN | Registration No. 340554   |
| SUCCESSORIES (STYLIZED LETTERS) | Application No. 74/630555 |
| QUICK NOTES                     | Application No. 74/550053 |
| LEARNING TCOLS                  | Application No. 74/497914 |
| I SLAM, THEREFORE I AM          | Application No. 74/411356 |

|  |                           |
|--|---------------------------|
| GOAL KEEPER  | Application No. 74/393321 |
| GOAL PLANNER   | Application No. 74/393320 |
| THE BRANDS AMERICA PLANS ON  | Application No. 74/375181 |
| THE BRANDS AMERICA PLANS ON  | Application No. 74/317834 |
| IMAGES AND DESIGN  | Application No. 74/288352 |
| IMAGES (STYLIZED LETTERS)  | Application No. 74/287944 |
| K-CEY  | Application No. 74/287097 |
| READY REFERENCE  | Application No. 74/285487 |
| KEEPSAKE   | Application No. 74/285476 |
| THE BRAND AMERICA PLANS ON   | Application No. 74/261090 |
| FULL CIRCLE  | Application No. 74/122765 |
| SACHA AND DESIGN   | Registration No. 1644188  |
| PLAN-A-YEAR  | Registration No. 1511755  |
| KEITH CLARK AND DESIGN   | Registration No. 1519781  |
| SPORTS TIME PIECE  | Registration No. 1454227  |
| AMERICOM   | Registration No. 1397126  |
| TAX MINDER   | Registration No. 1368936  |
| DESIGN ONLY  | Registration No. 1350612  |
| "WHAT YOU DO WITH YOUR TIME<br>IS YOUR BUSINESS, HOW YOU<br>ORGANIZE IT IS OURS" | Registration No. 1326948  |
| E AND DESIGN   | Registration No. 1208290  |
| GUILDFORD GOLD   | Registration No. 1235254  |
| "WE HELP YOU GET LOST IN THE<br>WORDS"   | Registration No. 1160125  |
| REFERENCE MINDER   | Registration No. 1125365  |
| METRIC MINDER  | Registration No. 1044840  |
| SCHEDULOG  | Registration No. 909132   |
| A GUILDFORD PRODUCT G AND DESIGN   | Registration No. 923692   |
| EATON "AT-A-GLANCE" AND DESIGN   | Registration No. 835497   |
| STANDARD DIARY   | Registration No. 737880   |
| THE REMINDER MATIC (STYLIZED)  | Registration No. 621785   |
| THE READY REFERENCE (STYLIZED)   | Registration No. 580977   |
| LLL EATON (STYLIZED LETTERS)   | Registration No. 553474   |
| EATON (STYLIZED LETTERS)   | Registration No. 537552   |
| EVER READY (STYLIZED LETTERS)  | Registration No. 504956   |
| MEMRI-MINDER   | Registration No. 253754   |

Day Dream Inc.

I. Registered Trademarks

|                      |                          |
|----------------------|--------------------------|
| D (Stylized Letters) | Registration No. 2052561 |
| HOMETOWN GRAPHICS    | Registration No. 2049060 |
| DAY DREAM            | Registration No. 2049059 |
| DESIGN ONLY          | Registration No. 2052559 |
| YEAR IN A BOX        | Registration No. 2043608 |
| DAY DREAM DOODLES    | Registration No. 2072821 |
| OFFBEAT              | Registration No. 1959248 |

**II. Pending Applications**

|                     |                           |
|---------------------|---------------------------|
| YESTERYEARS         | Application No. 75/298326 |
| LIVE LIFE LARGE     | Application No. 75/298232 |
| YESTERYEARS         | Application No. 75/298229 |
| ACHIEVE YOUR DREAMS | Application No. 75/263060 |
| ACHIEVE YOUR DREAMS | Application No. 75/298229 |
| ACHIEVE YOUR DREAMS | Application No. 75/262987 |
| DAY DREAM           | Application No. 75/097864 |
| EXPRESS-A-DATE      | Application No. 75/092927 |
| THE MESSAGE CENTER  | Application No. 74/653052 |
| HIP PRESS           | Application No. 74/487920 |

**III. Abandoned Applications or Registrations**

|          |                           |
|----------|---------------------------|
| SELLTHRU | Application No. 75/102675 |
|----------|---------------------------|

**Landmark General Corporation**

**I. Registered Trademarks**

|                              |                          |
|------------------------------|--------------------------|
| UP FRONT                     | Registration No. 2085452 |
| ROYAL VIEW                   | Registration No. 2024050 |
| BREATHLESS                   | Registration No. 2024049 |
| TRADITION                    | Registration No. 1808455 |
| CHAP & COMPANY               | Registration No. 1706717 |
| PRIZE <PRIVATE>              | Registration No. 1727531 |
| STUDS'N SPURS                | Registration No. 1739032 |
| CLASSY CHASSIS               | Registration No. 1687826 |
| BOTTOMS UP                   | Registration No. 1642081 |
| THE GIFT THAT LASTS ALL YEAR | Registration No. 1574946 |
| SNAPSHOT CARDS AND DESIGN    | Registration No. 1353968 |

**II. Pending Applications**

|               |                           |
|---------------|---------------------------|
| LANDMARK      | Application No. 75/265925 |
| CAT & COMPANY | Application No. 74/198426 |
|               | Application No.           |

**III. Abandoned and/or Cancelled Registrations and Applications**

|                      |                           |
|----------------------|---------------------------|
| STERLING SPECIALTIES | Application No. 74/362244 |
| WORK... WHAT A DRAG! | Application No. 74/012544 |
| REAR VIEW            | Registration No. 1434719  |
| UP FRONT             | Registration No. 1434718  |
| BREATHLESS           | Registration No. 1434717  |
| KISSES               | Application No. 73/618670 |

260-340766.1

- 5 -

TRADEMARK

REEL: 1650 FRAME: 0246

2698-838-312 119 119 FROM: RICHARDSON, RICHARDSON & COMPANY 12-21-16 02-100

TRADEMARK  
REEL: 1877 FRAME: 0043

|                                  |                           |
|----------------------------------|---------------------------|
| SNAPSHOT MUGS AND DESIGN         | Registration No. 1430283  |
| SNAPSHOT MUGS (STYLIZED LETTERS) | Application No. 73/552540 |
| HANG UPS THE POSTER GRAPHIC      |                           |
| COMPANY AND DESIGN               | Application No. 73/544199 |
| THREE 365 DAY 1985 WALL/DESK     |                           |
| CALENDAR AND DESIGN              | Application No. 73/464017 |

Costacos Brothers Incorporated

|                         |                          |
|-------------------------|--------------------------|
| I. <u>Registrations</u> |                          |
| REAL MEN WEAR BLACK     | Registration No. 1723918 |
| REAL MEAN WEAR BLACK    | Registration No. 1721849 |

Associated Druggists Inc.

|   |                           |
|---|---------------------------|
| I. <u>Registered Trademarks</u>                                   |                           |
| MED-PLUS PHARMACY   | Registration No. 1705327  |
| P AND DESIGN  | Registration No. 1225478  |
| PHARMACY PLUS   | Registration No. 1208854  |
| AD AND DESIGN   | Registration No. 934178   |
| II. <u>Abandoned and Cancelled Registrations and Applications</u> |                           |
| GENERIC PLUS  | Registration No. 1276559  |
| SAM   | Application No. 73/289645 |
| ASSOCIATED DRUGGISTS  | Registration No. 118880   |
| A.D. PHARMACY CIRCLE OF HEALTH                                    |                           |
| A.D. AND DESIGN   | Registration No. 1132422  |
| ASSOCIATED DRUGGISTS LOOK FOR                                     |                           |
| THE CIRCLE AS SAVINGS A.D.  |                           |
| AND DESIGN  | Registration No. 1132421  |

Pharmacists Public Relations Bureau

|                                   |                          |
|-----------------------------------|--------------------------|
| I. <u>Registered Trademarks</u>   |                          |
| T AND DESIGN                      | Registration No. 1225478 |
| PHARMACY PLUS                     | Registration No. 1208854 |
| AD AND DESIGN                     | Registration No. 934178  |
| II. <u>Abandoned Applications</u> |                          |
| ASSOCIATED DRUGGISTS              | Registration No. 1188180 |

REG-140766.1

- 6 -

TRADEMARK

REEL: 1650 FRAME: 0247

PHAR-828-212 115718105086-018-1028 12:21 16 00-100

TRADEMARK  
REEL: 1877 FRAME: 0044

Keith Clark Inc.

I. Registered Trademarks

ALL MARKS WERE ASSIGNED TO CULLMAN VENTURES, INC.

II. Abandoned, Cancelled or Expired Applications or Registrations

|   |                         |
|---|-------------------------|
| PL (STYLIZED LETTERS)                                 | Registration No. 923824 |
| DAILY DATER   | Registration No. 910856 |
| WEEKLY DATER  | Registration No. 915105 |
| MONTHLY DATER   | Registration No. 910895 |
| PATRICIAN THE LETTER CRAFT<br>LINE (STYLIZED LETTERS) | Registration No. 874279 |
| PATRICIAN LETTER CRAFTERS LTD.<br>(STYLIZED LETTERS)  | Registration No. 880488 |
| ANOTHER DAY/CEY CALENDAR                              | Registration No. 811714 |
| WORK-A-DAY  | Registration No. 786027 |
| DESIGN ONLY   | Registration No. 205896 |
| STANDARD (STYLIZED LETTERS)                           | Registration No. 216530 |

R40-348766.3

- 7 -

90:5504

AGG: 100 00:101

2608-808-212

FROM: RICHMOND 12:27 26 82-100

TRADEMARK  
REEL: 1650 FRAME: 0248

TRADEMARK  
REEL: 1877 FRAME: 0045

SCHEDULE II

COPYRIGHT REGISTRATIONS

Cullman Ventures, Inc.

EPOCH 1989 EDITION  
EPOCH 1990 EDITION

Registration No. VA406662  
Registration No. VA406662

Day Dream Inc.

No pertinent applications or registrations found.

Landmark General Corporation

KITTEN AND DALMATIAN PUPPY:  
LANDMARK IMAGE  
THE HUMMEL CALENDAR:  
1992 CALENDAR/HUMMEL  
ROWENA 1987 CALENDAR  
CLINT EASTWOOD 1987 CALENDAR

Registration No. VA634956  
Registration No. VA553511  
Registration No. VA277309  
NO NUMBER FOUND

Costacos Brothers Incorporated

KARL MALONE, SPECIAL DELIVERY/  
PHOTO BY CHRIS SAVAS  
MAD MAX: THE GRID WARRIOR/PHOTO  
BY BANNA PHOTOGRAPHY

Registration No. VA297619  
Registration No. VA266000

860-244762.1

001-0000

10:39:53 05/11/99

TRADEMARK  
REEL: 1650 FRAME: 0249  
0420:3191:11111 FROM:RICHARDSON/IL 65 212-838-8642  
OCT-28 97 12:28

TRADEMARK  
REEL: 1877 FRAME: 0046

**ANNEX I**  
(to Security Agreement)

[FORM OF LOCKBOX LETTER]

\_\_\_\_\_, 19\_\_

[Name and Address of Lockbox Bank]

Re: **[GRANTOR]**

Ladies and Gentlemen:

We hereby notify you that effective \_\_\_\_\_, 19\_\_, we have transferred exclusive ownership and control of our lock-box account(s) no[s] \_\_\_\_\_ (the "Lockbox Account[s]") maintained with you under the terms of the [Lockbox Agreement] attached hereto as Exhibit A (the "Lockbox Agreement[s]") to First Union National Bank, as Collateral Agent (the "Collateral Agent").

We hereby irrevocably instruct you to make all payments to be made by you out of or in connection with the Lockbox Account(s) (i) to the Collateral Agent for credit to account no. \_\_\_\_\_ maintained by it at its office at \_\_\_\_\_ or (ii) as you may otherwise be instructed by the Collateral Agent.

We also hereby notify you that the Collateral Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lockbox Account(s), including, without limitation, the right to specify when payments are to be made out of or in connection with the Lockbox Account(s).

All funds deposited into the Lockbox Account(s) will not be subject to deduction, set-off, banker's lien or any other right in favor of any other person than the Collateral Agent, except that you may set-off against the Lockbox Account(s) the face amount of any check deposited in and credited to such Lockbox Account(s) which is subsequently returned for any reason. Your compensation for providing the service contemplated herein shall be mutually agreed between you and us from time to time and we will continue to pay such compensation.

408761.3

TRADEMARK  
REEL: 1650 FRAME: 0250

TRADEMARK  
REEL: 1877 FRAME: 0047

Please confirm your acknowledgment of and agreement to the foregoing instructions by signing in the space provided below.

Very truly yours,

\_\_\_\_\_

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

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

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

Acknowledged and agreed  
to as of this \_\_\_\_ day of  
\_\_\_\_\_, 19\_\_.

[LOCKBOX BANK]

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

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

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

TRADEMARK  
REEL: 1650 FRAME: 0251

TRADEMARK  
REEL: 1877 FRAME: 0048



**ANNEX II**  
(to Security Agreement)

**SECURITY AGREEMENT SUPPLEMENT**

SECURITY AGREEMENT SUPPLEMENT, dated as of \_\_\_\_\_, \_\_\_\_ (the "Supplement"), made by [INSERT NAME OF NEW GRANTOR], a \_\_\_\_\_ corporation (the "New Grantor"), in favor of First Union National Bank, as collateral agent (in such capacity, the "Collateral Agent") under the Intercreditor Agreement (as defined in the Security Agreement referred to below) for the ratable benefit of itself and the Creditors (as so defined).

1. Reference is hereby made to the Security Agreement dated as of \_\_\_\_\_, 1997 (as amended, restated or otherwise modified, the "Security Agreement"), by and among Cullman Ventures, Inc., a corporation organized under the laws of the State of New York (the "Borrower"), the Subsidiaries of the Borrower identified on the signature pages thereto, (collectively, the "Guarantors," and collectively with the Borrower, the "Grantors"), in favor of the Collateral Agent. This Supplement supplements the Security Agreement, forms a part thereof and is subject to the terms thereof. Capitalized terms used and not defined herein shall have the meanings given thereto or referenced in the Security Agreement.

2. To secure the Credit Agreement and the Note Agreements in accordance with the terms thereof, and to secure the payment and performance of all of the Secured Obligations, the New Grantor hereby grants to the Collateral Agent, for the ratable benefit of itself and the Creditors, a continuing security interest in and to all of the Grantor's estate, right, title and interest in and to all Collateral whether now or hereafter owned or acquired by the New Grantor or in which the Grantor now have or hereafter have or acquire any rights, and wherever located (the "New Collateral").

3. The Security Interests are granted as security only and shall not subject the Collateral Agent or any Creditor to, or transfer to the Collateral Agent or any Creditor, or in any way affect or modify, any obligation or liability of the Grantor with respect to any of the New Collateral or any transaction in connection therewith.

4. The New Grantor hereby agrees that it is a party to the Security Agreement as if a signatory thereof on the Closing Date of the Credit Agreement and the Note Agreements, and the New Grantor shall comply with all of the terms, covenants, conditions and agreements and hereby makes each representation and warranty, in each case set forth therein. The New Grantor agrees that "Collateral" as used therein shall include all New Collateral pledged pursuant hereto and the Security Agreement and "Security Agreement" or "Agreement" as used therein shall mean the Security Agreement as supplemented hereby.

5. Attached hereto are (a) a Perfection Certificate in the form of the Perfection Certificate delivered to the Collateral Agent on the Closing Date and (b) updated Schedules to

TRADEMARK  
REEL: 1650 FRAME: 0252

TRADEMARK  
REEL: 1877 FRAME: 0049

the Security Agreement revised to include all required information with respect to the New Grantor.

6. The New Grantor hereby acknowledges it has received a copy of the Security Agreement and that it has read and understands the terms thereof.

7. The New Grantor hereby agrees that it shall deliver to the Collateral Agent such UCC Financing Statements and all other certificates or other documents and take such action as the Collateral Agent shall reasonably request in order to effectuate the terms hereof and the Security Agreement.

IN WITNESS WHEREOF, the undersigned hereby causes this Supplement to be executed and delivered as of the date first above written.

[CORPORATE SEAL]

[INSERT NAME OF NEW GRANTOR]

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

STATE OF [\_\_\_\_\_]

COUNTY OF [\_\_\_\_\_]

This \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, personally came before me [\_\_\_\_\_] who, being by me duly sworn, says that he/she is [\_\_\_\_\_] of [\_\_\_\_\_] that the seal affixed to the foregoing instrument in writing is the corporate seal of said Corporation, and that said writing was signed and sealed by him/her, in behalf of said Corporation, by its authority duly given. And the said [\_\_\_\_\_] acknowledged the said writing to be the act and deed of said Corporation.

\_\_\_\_\_  
NOTARY PUBLIC

[NOTARIAL SEAL]

My Commission Expires:  
\_\_\_\_\_

408781.3

RECORDED: 10/30/1997

TRADEMARK  
REEL: 1650 FRAME: 0253

RECORDED: 03/11/1999

TRADEMARK  
REEL: 1877 FRAME: 0050