

06-11-1999



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3 original documents or copy thereof.

To the Honorable Commissioner of Patents a

101061186

1. Name of conveying party(ies):

MIDSTATE MACHINE PRODUCTS

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

Name: CITICORP U.S.A., INC., as Administrative Agent

Internal Address:

Street Address: 399 Park Avenue

City: New York State: NY ZIP: 10022

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

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

(Designations must be a separate document from Assignment)

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

- 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: March 19, 1999

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

A. Trademark Application No.(s)

B. Trademark registration No.(s)

1,268,864

Additional numbers attached? Yes No

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

Name:

Internal:

9436 Return To
 National Corporate Research, LTD.
 225 W. 34th St., Suite 910
 New York, N.Y. 10122
 Street (800) 221-0102 (212) 947-7200

City: State: ZIP:

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00

- 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.

Maureen P. Murphy
Name of Person Signing

Maureen P. Murphy
Signature

June 3, 1999
Date

Total number of pages comprising cover sheet: 76

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

Do not detach this portion

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

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

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TRADEMARK

REEL: 001911 FRAME: 0089

SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement"), dated as of March 19, 1999 made by PRECISION PARTNERS, INC., a Delaware corporation having an office at 5605 N. MacArthur Blvd., Suite 760, Irving, Texas 75038 (the "Borrower"), and EACH OF THE SUBSIDIARY GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (collectively, the "Subsidiary Guarantors"), as pledgors, assignors and debtors (the Borrower, together with the Subsidiary Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors", and each, a "Pledgor"), in favor of CITICORP U.S.A., INC., having an office at 399 Park Avenue, New York, New York 10022, in its capacity as administrative agent for the lending institutions (the "Lenders") from time to time party to the Credit Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacity and together with any successors in such capacity, the "Administrative Agent").

RECITALS:

A. Pursuant to a certain credit agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Credit Agreement), among the Borrower, the Subsidiary Guarantors, Precision Partners Holding Company ("Holding"), the Lenders, the Administrative Agent, NationsBank, N.A., as syndication agent ("Syndication Agent"), and Sun-Trust Bank, Atlanta, as the documentation agent ("Documentation Agent"; together with Administrative Agent and Syndication Agent, collectively, the "Agents"), the Lenders have agreed (i) to make to or for the account of the Borrower certain Term Loans up to an aggregate principal amount of \$23,000,000 and certain Revolving Loans up to an aggregate principal amount of \$25,000,000 and (ii) to issue certain Letters of Credit for the account of the Borrower.

B. Each of Holding and the Subsidiary Guarantors has executed and delivered to the Administrative Agent a certain guarantee instrument (each, a "Guarantee") pursuant to which, among other things, each of Holding and the Subsidiary Guarantors has guaranteed the obligations of the Borrower under the Credit Agreement and the other Loan Documents, and each of Holding and the Subsidiary Guarantors desires that its Guarantee be secured hereunder.

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

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

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

A G R E E M E N T :

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

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

(a) all "accounts", as such term is defined in the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction (the "UCC"), and in any event including, without limitation, all of such Pledgor's rights to any and all (i) accounts, accounts receivable, margin accounts, futures positions, book debts, instruments, documents, contracts, contract rights, choses in action, notes, drafts, acceptances, chattel paper and other forms of obligations and receivables now or hereafter owned or held by or payable to such Pledgor relating in any way to or arising from the sale or lease of goods or the rendering of services by such Pledgor or any other party, including the right to payment of any interest or finance charge with respect thereto, together with all merchandise represented by any of the accounts, (ii) all such merchandise that may be reclaimed or repossessed or returned to such Pledgor, (iii) all of such Pledgor's rights as an unpaid vendor, including stoppage in transit, reclamation, replevin and sequestration, (iv) all assets pledged, assigned, hypothecated or granted to, and all letters of credit, guarantee claims, Liens, and security interests held by, Pledgor to secure payment of any accounts and which are delivered for or on behalf of any account debtor, (v) all accessions to all of the foregoing described properties and interests in properties, (vi) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection with the foregoing, (vii) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties and certificates from filing or other registration offices, (viii) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (ix) all customer lists and invoices and (x) all general intangibles arising out of such Pledgor's rights in any goods, the sale of which give rise to any of the foregoing (collectively, the "Receivables");

(b) all "inventory", as such term is defined in the UCC, of such Pledgor wherever located and of every class, kind and description and, in any event including, without limitation, (i) all goods, merchandise, raw materials, work-in-process, returned goods, finished goods, samples and consigned goods (to the extent of the consignee's interest therein), materials and supplies of any kind or nature which are or might be used in connection with the manufacture, printing, publication, packing, shipping, advertising, selling or finishing of any such goods and all other products, goods, materials and supplies, (ii) all inventory as is temporarily out of such Pledgor's custody or possession, items in transit and any returns and repossessions upon any Receivables and (iii) all substitutions therefor or replacements thereof, and all additions and accessions thereto (collectively, the "Inventory");

(c) any and all sale, service, performance and equipment or property lease contracts, agreements and grants (whether written or oral, or third party or intercompany), and any other document (whether written or oral,) between such Pledgor and third parties, and all assignments, amend-

ments, restatements, supplements, extensions, renewals, replacements or modifications thereof, including, without limitation, Acquisition Documentation (collectively, the "Contracts", and each, a "Contract");

(d) all "equipment", as such term is defined in the UCC, and, in any event including, without limitation, all machinery, apparatus, equipment, office machinery, electronic data-processing equipment, computers and computer hardware and software (whether owned or licensed), furniture, conveyors, tools, materials, storage and handling equipment, automotive equipment, motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership, and all other equipment of every kind and nature owned by such Pledgor or in which such Pledgor may have any interest (to the extent of such interest) and all modifications, renewals, improvements, alterations, repairs, substitutions, attachments, additions, accessions and other property now or hereafter affixed thereto or used in connection therewith, all replacements and all parts therefor and together with all substitutes for any of the foregoing (collectively, the "Equipment");

(e) all "general intangibles", as such term is defined in the UCC, and, in any event including, without limitation, (i) all of such Pledgor's rights, title and interest in, to and under all Contracts, (ii) all manuals, blueprints, know-how, warranties and records in connection with the Equipment; (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith; (iv) all lists, books, records, ledgers, print-outs, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral including, without limitation, all customer lists, identification of suppliers, data, plans, blueprints, specification designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like pertaining to operations by such Pledgor or the Pledged Collateral, field repair data, sales data and other information relating to sales of products now or hereafter manufactured, distributed or franchised by such Pledgor, accounting information pertaining to such Pledgor's operations or any of the Pledged Collateral and all media in which or on which any of the information or knowledge or data or records relating to such operations or any of the Pledged Collateral may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (v) all licenses, consents, permits, variances, certifications and approvals of any federal, state, local, foreign or other governmental or administrative (including self-regulatory) body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission or other similar dispute-resolving body including, without limitation, those governing the regulation and protection of the environment (each, a "Governmental Authority") (or any Person acting on behalf of a Governmental Authority) now or hereafter held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or any Pledged Collateral now or hereafter held by such Pledgor; and (vi) all rights to refund or indemnification to the extent the foregoing relate to any Pledged Collateral and income tax refunds to the extent relating to any Pledged Collateral, claims for tax or other refunds against any city, county or state or federal government, or any agency or authority or other subdivision thereof relating to any Pledged Collateral (collectively, the "Intangibles");

(f) all insurance policies held by such Pledgor or naming such Pledgor as insured, additional insured or loss payee (including, without limitation, casualty insurance, liability insurance, property insurance and business interruption insurance), all such insurance policies entered into after the date hereof other than insurance policies (or certificates of insurance evidencing such insurance poli-

cies) relating to health and welfare insurance and life insurance policies in which such Pledgor is not named as beneficiary (i.e., insurance policies that are not "Key Man" insurance policies) and all rights, claims and recoveries relating thereto (including all dividends, returned premiums and other rights to receive money in respect of any of the foregoing) (collectively, the "Insurance Policies");

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

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

(i) all additional shares of capital stock of whatever class of any issuer of the Pledged Shares from time to time acquired by such Pledgor in any manner (which are and shall remain at all times until this Agreement terminates, certificated shares), including the certificates representing such additional shares and any interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such additional shares (collectively, the "Additional Shares");

(j) all membership interests and/or partnership interests, as applicable, of each Person described in Schedule I-B annexed hereto and each other limited liability company or partnership hereafter acquired or formed by such Pledgor, together with all rights, privileges, authority and powers of such Pledgor in and to each such Person or under the membership or partnership agreement of each such Person (the "Operative Agreements"), and the certificates, instruments and agreements, if any, representing such membership or partnership interests (collectively, the "Initial Pledged Interests");

(k) all options, warrants, rights, agreements, additional membership or partnership interests or other interests relating to each such Person described in clause (j) above or any interest in any such Person, including, without limitation, any right relating to the equity or membership or partnership interests in any such Person or under the Operative Agreement of any such Person, from time to time acquired by such Pledgor in any manner and the certificates, instruments and agreements, if any, representing such additional interests (collectively, the "Additional Interests"; together with the Initial Pledged Interests, the "Pledged Interests"; the Pledged Interests, together with the Pledged Shares and the items or types of Pledged Collateral described in subsection 1(n) of this Agreement, collectively, the "Pledged Securities");

(l) all intercompany notes described in Schedule II annexed hereto (and each other intercompany note hereafter acquired by such Pledgor) and all certificates or instruments evidencing such intercompany notes and all proceeds thereof, all accessions thereto and substitutions therefor (collectively, the "Intercompany Notes");

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

(n) without affecting the obligations of such Pledgor under any provision prohibiting such action hereunder or under the Credit Agreement, in the event of any consolidation or merger in which any Person listed in Schedule I-A or Schedule I-B annexed hereto is not the surviving entity, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company or partnership owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from such consolidation or merger;

(o) all patents issued or assigned to and all patent applications and registrations made by such Pledgor, including, without limitation, the patents, patent applications, registrations and recordings listed in Schedule III annexed hereto, together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor's use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iv) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world, and (vi) rights to sue for past, present and future infringements thereof (collectively, the "Patents");

(p) all trademarks (including service marks), logos, federal and state trademark registrations and applications made by such Pledgor, common law trademarks and trade names owned by or assigned to such Pledgor and all registrations and applications for the foregoing, including, without limitation, the registrations and applications listed in Schedule IV annexed hereto, together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor's use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof (collectively, the "Trademarks");

(q) all copyrights (whether statutory or common law) owned by or assigned to such Pledgor, including, without limitation, the copyrights, registrations and applications listed in Schedule V annexed hereto, together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor's use of any copyrights, (ii) reissues, renewals, continuations and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof (collectively, the "Copyrights");

(r) all license and distribution agreements and covenants not to sue with any other party with respect to any Patent, Trademark, or Copyright, whether such Pledgor is a licensor or licensee, distributor or distributee under any such license or distribution agreement including, without limitation, the license and distribution agreements listed in Schedule VI annexed hereto, along with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) any other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights (collectively, the "Licenses");

(s) the entire goodwill connected with such Pledgor's business including, without limitation, (i) all goodwill connected with the use of and symbolized by any of the Intellectual Property Collateral (as hereinafter defined) in which such Pledgor has any interest, (ii) all know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures, formulae, descriptions, name plates, catalogs, confidential information, consulting agreements, engineering contracts and such other assets which relate to such goodwill and (iii) all product lines of such Pledgor's business (collectively, the "Goodwill");

(t) all financial accounts and all investment property (as defined in the UCC) of such Pledgor, including, without limitation, (i) the financial accounts maintained with the financial institutions (each such financial institution, or any financial institution which shall satisfy the conditions set forth in subsection 9(b) of this Agreement, a "Financial Intermediary") identified in Schedule VII annexed hereto, (ii) all moneys, financial assets (as defined in the UCC), checks, drafts, securities and instruments deposited or required to be deposited in such accounts, (iii) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed under subclauses (i) and (ii), and (iv) each consent or other agreement from time to time entered into by such Pledgor with any financial institution at which any of the financial accounts is maintained and all rights of such Pledgor under each such consent or agreement;

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

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

(w) any and all other property or assets of such Pledgor whether tangible or intangible, fixed or liquid; and

(x) all "proceeds", as such term is defined in the UCC or under other relevant law, and in any event including, without limitation, any and all (i) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty, guaranty or claim payable to the Administrative Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral, (ii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any Governmental Authority (or any Person acting on

behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of the Pledged Collateral, (iv) products of the Pledged Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral (collectively, the "Proceeds");

provided, however, that Pledged Collateral shall not include any items of property described in Granting Clauses (c), (e), (v) and (r) to the extent that such Pledgor is expressly prohibited from granting a Lien thereon or applicable law provides for the involuntary forfeiture thereof in the event that a Lien is granted thereon without the consent of the appropriate Person or Governmental Authority; provided, further, that in the event of the termination or elimination of any prohibition or requirement for any consent contained in any law, rule, regulation, contract, license, franchise, authorization, agreement, grant or other document, or upon the granting of any consent, the items of property so excluded from the definition of Pledged Collateral by virtue of the immediately preceding proviso shall (without any act or delivery by any Person) constitute Pledged Collateral hereunder;

The Pledged Securities, the Intercompany Notes, the Distributions and the Proceeds relating thereto are collectively referred to as the "Securities Collateral". The Patents, Trademarks, Copyrights, Licenses, Goodwill and the Proceeds relating thereto are collectively referred to as the "Intellectual Property Collateral". The property described in clause (t) above and the Proceeds relating thereto are collectively referred to as the "Financial Account Collateral". The Pledged Collateral other than the Securities Collateral, the Intellectual Property Collateral and the Financial Account Collateral is collectively referred to as the "General Collateral".

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

Section 3. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Administrative Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Administrative Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement or any other Loan Document, or under or in respect of

the Pledged Collateral or made in connection herewith or therewith, except upon any exercise of remedies pursuant to Section 12 whereby such Pledgor no longer has any rights, title or interest in or to such Pledged Collateral. The obligations of each Pledgor referred to in this Section 3 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement and the other Loan Documents.

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

(a) Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral, to the extent not previously delivered to the Administrative Agent, shall immediately upon receipt thereof by any Pledgor be delivered to and held by or on behalf of the Administrative Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. The Administrative Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default and without notice to any Pledgor, to endorse, assign or otherwise transfer to or to register in the name of the Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, the Administrative Agent shall have the right at any time after the occurrence and during the continuance of a Default to exchange certificates representing or evidencing Pledged Securities for certificates of smaller or larger denominations.

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

(c) Financing Statements and Other Filings. The only filings, registrations and recordings necessary and appropriate to create, preserve, protect and perfect the security interest granted by each Pledgor to the Administrative Agent pursuant to this Agreement in respect of the Pledged Collateral are listed in Annex A annexed hereto. All such filings, registrations and recordings have been filed, registered and recorded contemporaneously with the execution of the Loan Documents. Each Pledgor agrees that at any time and from time to time, it will execute and, at the sole cost and expense of the Pledgors file and refile, or permit the Administrative Agent to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement), in form reasonably acceptable to the Administrative Agent, in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office) as the Administrative Agent may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, first priority security interest, subject only to Prior Liens, in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to the Administrative Agent hereunder, as against third parties, with respect to any Pledged Collateral. Each Pledgor authorizes the Administrative Agent to file any such financing or

continuation statement or other document without the signature of such Pledgor where permitted by law.

(d) Motor Vehicles. At any time after the occurrence and during the continuance of an Event of Default, each Pledgor shall, upon the request of the Administrative Agent, deliver to the Administrative Agent originals of the certificates of title or ownership for the motor vehicles (and any other Equipment covered by certificates of title or ownership owned by it) with the Administrative Agent listed therein as lienholder; provided, however, that each Pledgor shall not be obligated to deliver to the Administrative Agent originals of the certificates of title or ownership for the motor vehicles (and any other Equipment covered by certificates of title owned by it) if the originals have been previously delivered to the lienholder of a Prior Lien.

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

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

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

(a) Perfection Actions; Prior Liens. Upon the completion of the deliveries, filings and other actions contemplated in subsections 4(a) through 4(c) hereof and subsections 9(a) and 9(b)

hereof, the security interest granted to the Administrative Agent for the benefit of the Secured Parties pursuant to this Agreement in and to the Pledged Collateral (other than Pledged Collateral covered by certificates of title or ownership) will constitute a perfected security interest therein, superior and prior to the rights of all other Persons therein other than with respect to (i) the Liens identified on Annex B relating to the items of Pledged Collateral identified on such annex, (ii) Subordinate Liens (as hereinafter defined) of the type described in clauses (g), (h), (j), (l), (m), (n) and (r) of the definition of Permitted Liens on Pledged Collateral acquired after the date hereof and that attached prior to the Lien granted hereunder or upon the acquisition of such Pledged Collateral and (iii) Subordinate Liens (as hereinafter defined) of the type described in clauses (a) and (b) of the definition of Permitted Liens which created or authorized under any law or regulation of any applicable Governmental Authority if and to the extent that the law or regulation creating or authorizing such Lien provides that such Lien is superior to the Lien and security interest created and evidenced hereby (the Liens described in clauses (i), (ii) and (iii), "Prior Liens").

(b) No Liens. Such Pledgor is as of the date hereof, and, as to Pledged Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole direct and beneficial owner of all Pledged Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than (i) Prior Liens, (ii) the Lien and security interest created by this Agreement and (iii) Subordinate Liens. Pledgor shall defend the Pledged Collateral pledged by it hereunder against all claims and demands of all Persons at any time claiming any interest therein adverse to the Administrative Agent or any other Secured Party. There is no agreement, and Pledgor shall not enter into any agreement or take any other action, that would result in the imposition of any other Lien, restrict the transferability of any of the Pledged Collateral or otherwise impair or conflict with such Pledgor's obligations or the rights of the Administrative Agent hereunder.

"Subordinate Liens" shall mean (A) with respect to the General Collateral, Permitted Liens applicable to such Pledged Collateral (provided, however, that with respect to Liens of the type described in clauses (a) and (b) of the definition of Permitted Liens, such applicable Pledgor shall comply with the provisions of subsection 5(o) of this Agreement) and (B) with respect to all other Pledged Collateral, Liens of the type described in clauses (a) and (l) of the definition of Permitted Liens (provided, however, that with respect to Liens of the type described in clauses (a) and (l) of the definition of Permitted Liens, such applicable Pledgor shall comply with the provisions of subsection 5(o) of this Agreement).

(c) Other Financing Statements. There is no (nor will be any) valid or effective financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral other than those relating to (i) Prior Liens, (ii) this Agreement and (iii) Subordinate Liens, and so long as any of the Secured Obligations remain unpaid or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit shall not have expired or been sooner terminated, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Pledged Collateral, except, in each case, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor pursuant to this Agreement and financing statements relating to Prior Liens or Subordinate Liens.

(d) Chief Executive Office; Change of Name. The chief executive office of such Pledgor is located at the address indicated next to its name in Annex C annexed hereto. Such Pledgor shall not

move its chief executive office, except to such new location as such Pledgor may establish in accordance with the last sentence of this subsection 5(d). Such Pledgor shall not establish a new location for its chief executive office nor shall it change its name until (i) it shall have given the Administrative Agent not less than thirty (30) days' prior written notice of its intention so to do, clearly describing such new location or name and providing such other information in connection therewith as the Administrative Agent may reasonably request and (ii) with respect to such new location or name, such Pledgor shall have taken all action reasonably satisfactory to the Administrative Agent to maintain the perfection and priority of the security interest of the Administrative Agent for the benefit of the Secured Parties in the Pledged Collateral intended to be granted hereby, including, without limitation, obtaining waivers of landlord's or warehouseman's liens with respect to such new location.

(e) Location of Equipment. All Equipment held on the date hereof by such Pledgor is located at the addresses indicated next to its name in Annex C annexed hereto. All Equipment now held or subsequently acquired shall be kept at one or more of the locations listed in Annex C annexed hereto, or such new location as such Pledgor may establish if (i) it shall have given to the Administrative Agent at least thirty (30) days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Administrative Agent may reasonably request, and (ii) with respect to such new location, such Pledgor shall have taken all action reasonably satisfactory to the Administrative Agent to maintain the perfection and priority of the security interest of the Administrative Agent for the benefit of the Secured Parties in the Pledged Collateral intended to be granted hereby, including, without limitation, obtaining waivers of landlord's or warehouseman's liens with respect to such new location.

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

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

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

(i) No Claims. Such Pledgor owns or has rights to use all the Pledged Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Loan Documents, except for Permits the failure to obtain which could not reasonably be expected to have a Material Adverse Effect. The use by such Pledgor of such Pledged Collateral and all such rights with respect to the foregoing do not infringe on the rights of any Person in any material respect. No

material claim has been made and remains outstanding that such Pledgor's use of any Pledged Collateral does or may violate the rights of any third Person.

(j) Authorization, Enforceability. Such Pledgor has the corporate power and authority and the legal right to pledge and grant a security interest in all the Pledged Collateral pledged by it pursuant to this Agreement, and this Agreement constitutes the legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles (whether enforcement is sought by proceedings in equity or at law).

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

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

(m) Insurance. No Pledgor shall take any action that impairs the rights of the Administrative Agent or any Secured Party in the Pledged Collateral. Each Pledgor shall at all times keep the Inventory and Equipment insured, at such Pledgor's own expense, against fire, theft and all other risks to which the Pledged Collateral may be subject and are usually insured against in the same general area

by companies engaged in the same or a similar business, in such amounts and with such deductibles as would be maintained by a prudent operator in the same general area as such Pledgor of businesses similar to the business of such Pledgor. Each policy or certificate with respect to such insurance shall be endorsed to the Administrative Agent's reasonable satisfaction for the benefit of the Administrative Agent (including, without limitation, by naming the Administrative Agent as an additional named insured as the Administrative Agent may reasonably request) and such policy or certificate shall be delivered to the Administrative Agent. Each such policy shall state that it cannot be cancelled without 30 days' prior written notice to the Administrative Agent. At least 30 days prior to the expiration of any such policy of insurance, each Pledgor shall deliver to the Administrative Agent an extension or renewal policy or an insurance certificate evidencing renewal or extension of such policy. If any Pledgor shall fail to insure such Pledged Collateral to the Administrative Agent's reasonable satisfaction, the Administrative Agent shall have the right (but shall be under no obligation) to advance funds to procure or renew or extend such insurance, and such Pledgor agrees to reimburse the Administrative Agent for all costs and expenses thereof, with interest on all such funds from the date advanced until paid in full at the highest rate then in effect under the Credit Agreement.

(n) Insurance Proceeds. Any proceeds of insurance received by any Pledgor shall be applied by it as provided in Section 2.7(b) of the Credit Agreement. In the event that any Pledgor is permitted to and elects to apply such proceeds to the repair or replacement of any item of Pledged Collateral, such Pledgor shall upon its receipt of such proceeds promptly commence and diligently continue to perform such repair or promptly effect such replacement. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall have the option to apply any proceeds of insurance received by any Pledgor in respect of the Pledged Collateral toward the payment of the Secured Obligations in accordance with Section 13 hereof or to continue to hold such proceeds as additional collateral to secure the performance by the Pledgors of the Secured Obligations.

(o) Payment of Taxes; Compliance with Laws; Claims. Each Pledgor shall pay prior to the date on which any penalties would attach thereto all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials, warehousing and supplies) against, the Pledged Collateral. Each Pledgor shall comply with all laws, rules and regulations applicable to the Pledged Collateral the failure to comply with which would have a Material Adverse Effect. Notwithstanding the foregoing, each Pledgor may at its own expense contest the amount or applicability of any of the obligations described in the preceding sentences of this subsection 5(o) by appropriate legal or administrative; provided, however, that in connection with such contest, such Pledgor shall (i) have made provision for the payment of such contested amount on such Pledgor's books if and to the extent required by generally accepted accounting principles, and (ii) during the continuance of a Default at the option and upon the request of the Administrative Agent, have deposited with the Administrative Agent a sum sufficient to pay and discharge such obligation and the Administrative Agent's estimate of all interest and penalties related thereto. Notwithstanding the foregoing provisions of this subsection 5(o), (x) no contest of any such obligation may be pursued by such Pledgor if such contest would expose the Administrative Agent or any other Secured Party to (A) any possible criminal liability or (B) unless such Pledgor shall have furnished a bond or, other security therefor reasonably satisfactory to the Administrative Agent, any other affected Secured Party, any additional civil liability for failure to comply with such obligation and (y) if at any time payment of any obligation imposed upon such Pledgor by this subsection 5(o) shall become necessary to prevent the imposition of remedies because of non-payment, such Pledgor shall pay the same in sufficient time to prevent the imposition of remedies in respect of such default or prospective default.

Section 6. Special Provisions Concerning General Collateral.

(a) Special Representations and Warranties. As of the time when each of its Receivables arises, each Pledgor shall be deemed to have represented and warranted that such Receivable and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, (ii) represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein or out of an advance or a loan, not subject to the fulfillment of any contract or condition whatsoever or to any defenses, set-offs or counterclaims except with respect to refunds, returns and allowances in the ordinary course of business, or stamp or other taxes, (iii) will, in the case of a Receivable, except for the original or duplicate original invoice sent to a purchaser evidencing such purchaser's account, be the only original writings evidencing and embodying such obligation of the account debtor named therein, and (iv) are in compliance and conform with, in all material respects, all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

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

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

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

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

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

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

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

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

(j) Consents to Assignment of Contracts. To the extent that any material contract or other agreement or any Pledgor would constitute a Contract hereunder but for the exclusions contained in the provisos in the definition of "Contracts" hereunder, such Pledgor shall use its reasonable best efforts to cause the counterparty thereto to deliver the consent contemplated in the provisos of such definition within 30 days after the date hereof. For purposes of this subsection 6(j), "best efforts" shall not require such Obligor to pay or cause to be paid any remuneration to any such counterparty in order to obtain such consent to the extent that it would be commercially unreasonable to do so.

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

Section 7. Special Provisions Concerning Securities Collateral.

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

(b) Voting Rights; Distributions; etc.

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

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

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

(C) The Administrative Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to subsection 7(b)(i)(A) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to subsection 7(b)(i)(B) hereof.

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

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

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to subsection 7(b)(i)(B) hereof shall cease and all such rights shall thereupon become vested in the Administrative Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

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

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

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

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

Operative Agreement or make any amendment or modification to any Operative Agreement that may have an adverse effect on the value of the Pledged Interests or the security intended to be provided by this Agreement.

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

Section 8. Special Provisions Concerning Intellectual Property Collateral.

(a) Grant of License. For the purpose of enabling the Administrative Agent, during the continuance of an Event of Default, to exercise rights and remedies under Section 12 hereof at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Administrative Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

(b) Registrations. Except pursuant to licenses and other user agreements entered into by any Pledgor in the ordinary course of business, that are listed in Schedule VI annexed hereto, on and as of the date hereof (i) each Pledgor owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, any Copyright, Patent or Trademark listed in Schedules III, IV and V, and (ii) all registrations listed in Schedules III, IV and V are valid and in full force and effect.

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

(d) Protection of Administrative Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Administrative Agent of (A) any adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property Collateral, its right to register the Intellectual Property Collateral or its right to

keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property Collateral necessary for the operation of such Pledgor's business as presently conducted and as contemplated by the Credit Agreement, (iii) not permit to lapse or become abandoned any Intellectual Property Collateral necessary for the operation of such Pledgor's business as presently conducted and as contemplated by the Credit Agreement, and not settle or compromise any pending or future litigation or administrative proceeding with respect to the Intellectual Property Collateral necessary for the operation of such Pledgor's business as presently conducted, in each case, without the consent of the Administrative Agent, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify the Administrative Agent in writing of any event which may reasonably be expected to adversely affect the value or utility of the Intellectual Property Collateral or any portion thereof necessary for the operation of such Pledgor's business as presently conducted, the ability of such Pledgor or the Administrative Agent to dispose of the Intellectual Property Collateral or any portion thereof or the rights and remedies of the Administrative Agent in relation thereto, including, without limitation, a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof, (v) not license the Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that adversely affects the right to receive payments thereunder, or in any manner that would impair the value of the Intellectual Property Collateral or the Lien on the Intellectual Property Collateral intended to be granted to the Administrative Agent for the benefit of the Secured Parties, without the consent of the Administrative Agent, (vi) until the Administrative Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vii) furnish to the Administrative Agent from time to time statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Administrative Agent may from time to time reasonably request, all in reasonable detail.

(e) After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid in full or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit have expired or been sooner terminated (i) obtain any rights to any additional Intellectual Property Collateral or (ii) become entitled to the benefit of any additional Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any such item enumerated in clauses (i) or (ii) of this subsection 8(e) with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement and be subject to the Lien created by this Agreement without further action by any party other than actions required to perfect such Lien. Each Pledgor shall promptly provide to the Administrative Agent written notice of any of the foregoing. Each Pledgor agrees, promptly following a request by the Administrative Agent, to confirm the attachment of the Lien created by this Agreement to any rights described in clauses (i) and (ii) of this subsection 8(e) if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement by execution of an instrument in form reasonably acceptable to the Administrative Agent.

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

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

(h) Litigation.

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

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

or represent any value or utility (other than of an immaterial nature), consistent with prudent business practice.

Section 9. Special Provisions Concerning Financial Accounts. At any time after the occurrence and during the continuance of a Default until such time as such Default has been cured, and upon the request of the Administrative Agent, each Pledgor shall comply with the following covenants and make the following representations and warranties:

(a) Financial Accounts. Each Pledgor shall, within 30 days of the written request by the Administrative Agent, notify each Financial Intermediary that any Financial Account Collateral maintained with such Financial Intermediary by such Pledgor is under the exclusive dominion and control of the Administrative Agent and that all moneys, financial assets, checks, drafts, securities, instruments and other property deposited with such Financial Intermediary are to be held by such Financial Intermediary for the benefit of the Administrative Agent. Each Pledgor shall, within one Business Day of actual receipt thereof, deposit any payment received by it into a financial account that is subject to a financial account consent agreement substantially in the form of Exhibit 2 annexed hereto (each such agreement, a "Financial Account Consent Agreement" and each financial account subject to a Financial Account Consent Agreement, an "Approved Financial Account") or into the Concentration Account referred to in subsection (b) below. In addition, all Persons that owe money to any Pledgor in excess of \$100,000 in the aggregate shall be directed to remit their payments to an Approved Financial Account. If any Pledgor is unable to obtain a Financial Account Consent Agreement from any Financial Intermediary, then such Pledgor shall terminate all financial accounts maintained with such Financial Intermediary and transfer all moneys, financial assets, checks, drafts, securities, instruments and other property deposited therein to another Approved Financial Account.

(b) Concentration Account. The Pledgors will establish a concentration account or sub-account (the "Concentration Account") with the Administrative Agent into which all Financial Account Collateral of the Pledgors shall be deposited by 12:00 p.m. New York time on each Business Day, subject to the provisions of subsection 9(c). Each Pledgor hereby agrees that the Concentration Account is under the exclusive dominion and control of the Administrative Agent and all moneys, instruments, securities and other property received in the Concentration Account are to be held for the benefit of the Administrative Agent on behalf of the Secured Parties. Each Pledgor hereby transfers to the Administrative Agent the exclusive dominion and control over the Concentration Account. Notwithstanding the foregoing, the Administrative Agent shall be permitted to designate a Lender that has executed and delivered a Financial Account Consent Agreement and has agreed to be a collateral sub-agent for the Administrative Agent to be the banking or financial institution for the Concentration Account.

(c) Dispositions from Concentration Account. Until an Event of Default shall have occurred and be continuing, each Pledgor is hereby authorized by the Administrative Agent to direct on any Business Day the disposition of any and all moneys, financial assets, checks, drafts, securities, instruments and other property deposited in the Concentration Account into one or more Approved Financial Accounts for use by such Pledgor in a manner permitted by the Credit Agreement. The Administrative Agent shall make such disposition by 2:00 p.m. New York time on each such date.

(d) Revocation of Withdrawal Right. Upon the occurrence and during the continuance of any Event of Default, the authorization of the Pledgors under subsection 9(c) shall be revoked and all deposits maintained in the Concentration Account or with any Financial Intermediary, and any additional moneys, financial assets, checks, drafts, securities, instruments and other property subsequently

maintained with any Financial Intermediary, shall be transferred to a collateral account or sub-account maintained by the Administrative Agent (or a Lender that agrees to be a collateral sub-agent for the Administrative Agent) in its name as Administrative Agent for the Secured Parties (the "Collateral Account"). All such deposits in any such Collateral Account shall constitute "Pledged Collateral" for all purposes of this Agreement and shall be held by the Administrative Agent as Pledged Collateral for the Secured Obligations or applied to the payment of the Secured Obligations in accordance with Section 13 of this Agreement. The costs and expenses (including reasonable attorney's fees) of collection, whether incurred by any Pledgor or the Administrative Agent (or any sub-agent), shall be borne by the Pledgors.

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

(f) Application of Amounts in Collateral Account. The balance from time to time in the Collateral Account shall constitute part of the Pledged Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. So long as no Event of Default has occurred and is continuing or will result therefrom, the Administrative Agent shall remit the collected balance outstanding to the credit of the Collateral Account to or upon the order of the respective Pledgor, in periodic installments, if applicable, within two Business Days of (i) submission of reasonable evidence that such amount is to be applied as permitted by Section 2.7(b) of the Credit Agreement and (ii) with respect to any cash proceeds on deposit in the Collateral Account relating to any Real Property that is subject to a Mortgage, satisfaction of the conditions relating thereto set forth in such Mortgage. At any time following the occurrence and during the continuance of an Event of Default, however, the Administrative Agent may (and, if instructed by the Lenders as specified in the Credit Agreement, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 13 hereof subject, however, in the case of amounts deposited in the Letter of Credit Liabilities Sub-Account, to the provisions of subsection 9(h) hereof). The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein.

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

proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 13 hereof.

(h) Cover for Letter of Credit Liabilities. Amounts deposited into the Collateral Account as cover for liabilities in respect of Letters of Credit under the Credit Agreement pursuant to Section 3 thereof shall be held by the Administrative Agent in a separate sub-account designated as the "Letter of Credit Liabilities Sub-Account" (the "Letter of Credit Liability Sub-Account") and, notwithstanding any other provision of this Agreement to the contrary, all amounts held in the Letter of Credit Liabilities Sub-Account shall constitute collateral security first for the liabilities in respect of Letters of Credit outstanding from time to time and second as collateral security for the other Secured Obligations hereunder until such time as all Letters of Credit shall have been terminated and all of the liabilities in respect of Letters of Credit have been paid in full.

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

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

Section 12. Remedies upon Default; Obtaining the Pledged Collateral upon Event of Default.

(a) If any Event of Default shall have occurred and be continuing, then and in every such case, the Administrative Agent may:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law so long as no breach of the peace occurs, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

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

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

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

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

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

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

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

(b) Remedies; Disposition of the Pledged Collateral.

(i) Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may from time to time exercise in respect of the Pledged Collateral,

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

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

(c) Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Administrative Agent's taking possession or the Administrative Agent's disposition of any of the Pledged Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, except to the extent caused by gross negligence or willful misconduct of the Administrative Agent, any Secured Party or any agent or employee thereof, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Administrative Agent's rights hereunder, and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Administrative Agent shall not be liable for any incorrect or improper payment made pursuant to this Section 12 in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realiza-

tion upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

(d) Certain Sales of Pledged Collateral. Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any foreign Governmental Authority, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such foreign Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Administrative Agent shall have no obligation to engage in public sales.

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

(f) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the request of the Administrative Agent, for the benefit of the Administrative Agent, cause any registration, qualification under or compliance with any federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its best efforts to cause such registration to be effected (and be kept effective) and will use its best efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral, including, without limitation, registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with any other government requirements. Each Pledgor shall cause the Administrative Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Administrative Agent such number of prospectuses, offering circulars or other documents incident thereto as the Administrative Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Administrative Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a

material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading.

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

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

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

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

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

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

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

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

this Section 14 shall be due upon demand and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 14 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder.

Section 15. No Waiver; Cumulative Remedies.

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

(b) In the event that the Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case, the Pledgors, the Administrative Agent and each other Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of the Administrative Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

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

Section 17. Administrative Agent May Perform; Administrative Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to do any act or thing that it has covenanted to do hereunder or if any warranty on the part of any Pledgor contained herein shall be breached, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by the Administrative Agent shall be paid by the Pledgors promptly upon demand therefor, with interest at the highest rate then in effect under the Credit Agreement during the period from and including the date on which such funds were so expended to the date of repayment. Each Pledgor's obligations under this Section 17 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents.

Each Pledgor hereby appoints the Administrative Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time after the occurrence and during the continuance of a Default in the Administrative Agent's discretion to take any action and to execute any instrument consistent with the terms of this Agreement and the other Loan Documents which the Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 18. Indemnity.

(a) Indemnity. Each Pledgor agrees to indemnify, pay and hold harmless the Administrative Agent and each of the other Secured Parties and the officers, directors, employees, agents and Affiliates of the Administrative Agent and each of the other Secured Parties (collectively, the "Indemnitees") from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement or any other Loan Document (including, without limitation, any misrepresentation by any Pledgor in this Agreement or any other Loan Document) (the "indemnified liabilities"); provided, however, that no Pledgor shall have any obligation to an Indemnitee hereunder with respect to indemnified liabilities if it has been determined by a final decision (after all appeals and the expiration of time to appeal) of a court of competent jurisdiction that such indemnified liability arose from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them.

(b) Survival. The obligations of the Pledgors contained in this Section 18 shall survive the termination of this Agreement and the discharge of the Pledgors' other obligations under this Agreement and under the other Loan Documents.

(c) Reimbursement. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Pledged Collateral.

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

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

Section 21. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to the Administrative Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 21.

Section 22. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Administrative Agent hereunder, to the benefit of the Administrative Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Lender may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender, herein or otherwise, subject however, to the provisions of the Credit Agreement. Each Affiliate of the Borrower which from time to time after the initial date of this Agreement is required under the Credit Agreement to pledge any assets to the Administrative Agent for the benefit of the Secured Parties may become a party hereto upon execution and delivery to the Administrative Agent of a joinder agreement substantially in the form attached hereto as Exhibit 4, and upon such execution and delivery shall be deemed to be a "Guarantor" and a "Pledgor" for all purposes hereunder.

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

Section 24. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND APPELLATE COURTS OF ANY THEREOF, AND BY

EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR AGREES THAT SERVICE OF PROCESS IN ANY PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO BORROWER AT ITS ADDRESS SET FORTH IN THE CREDIT AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH THE ADMINISTRATIVE AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 25. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

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

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

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

- (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor;
- (b) any lack of validity or enforceability of the Credit Agreement, any Letter of Credit or any other Loan Document, or any other agreement or instrument relating thereto;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any Letter of Credit or any other Loan Document, or any other agreement or instrument relating thereto;
- (d) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

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

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

Section 29. Administrative Agent's Right to Sever Indebtedness.

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

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

any other jurisdiction any judgment so holding as a defense to enforcement against such Pledgor of any remedy in the Credit Agreement or any other Loan Document or (ii) seek to have such judgment recognized or entered in any other jurisdiction, and any such judgment shall in all events be limited in application only to the state or jurisdiction where rendered and only with respect to the collateral referred to in such judgment.

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

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

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

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

PRECISION PARTNERS, INC.,
as Pledgor

By: *R M Miller*
Name: RONALD M. MILLER
Title: VICE PRESIDENT

MID STATE MACHINE PRODUCTS,
as Pledgor

By: *R M Miller*
Name: RONALD M. MILLER
Title: VICE PRESIDENT

GALAXY INDUSTRIES CORPORATION,
as Pledgor

By: *R M Miller*
Name: RONALD M. MILLER
Title: VICE PRESIDENT

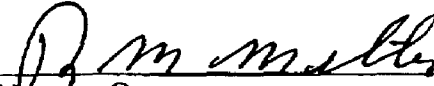
CERTIFIED FABRICATORS, INC.,
as Pledgor

By: *R M Miller*
Name: RONALD M. MILLER
Title: VICE PRESIDENT

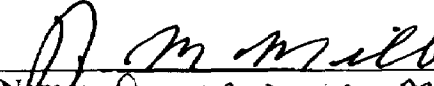
CALBRIT DESIGN, INC.,
as Pledgor

By: *R M Miller*
Name: RONALD M. MILLER
Title: VICE PRESIDENT

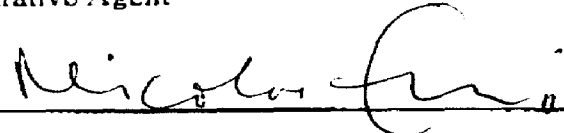
GENERAL AUTOMATION, INC.,
as Pledgor

By: 
Name: RONALD M. MILLER
Title: VICE PRESIDENT

NATIONWIDE PRECISION PRODUCTS
CORP., as Pledgor

By: 
Name: RONALD M. MILLER
Title: VICE PRESIDENT

CITICORP U.S.A., INC.,
as Administrative Agent

By: 
Name: NICOLAS T. ERNI
Title: ATTORNEY IN FACT

**SCHEDULE I-A
Initial Pledged Shares**

Precision Partners, Inc.

Issuer	Class of Stock	Certificate Numbers	Number of Shares	Percentage of All Issued Capital or Other Equity Interests of Issuer
Calbrit Design, Inc.	Common	15	1142	100%
		16	351	
		17	197	
		18	351	
Certified Fabricators, Inc.	Common	100	5,205	100%
		101	1,600	
		102	1,600	
		103	900	
Galaxy Industries Corporation	Common	59	7193	100%
General Automation, Inc.	Common	100	100	100%
Mid State Machine Products	Class A Common	160	808	100%
Nationwide Precision Products Corp.	Common	1	100	100%

SCHEDULE I-B
Initial Pledged Interests

None.

SCHEDULE II
Initial Intercompany Notes

None.

SCHEDULE III
Initial Patents

None.

SCHEDULE IV
Initial Trademarks

Midstate Machine Products

Registration Number	Country	Description
1,268,864	U.S.A.	"The Mid-State Tombstone"

SCHEDULE V
Initial Pledged Interests

None.

SCHEDULE VI
Initial Licenses

None.

SCHEDULE VII
Initial Financial Accounts

Calbrit Design, Inc.

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Bank of America	ABA# 16-66 Routing # 121000358	6210 Beach Blvd. Buena Park, CA 90621	1026213783 (General Account)

Certified Fabricators, Inc.

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Union Bank	ABA# 16-49 Routing # 122000496	1501 Westcliff Drive Newport Beach, CA 92660-5517	0610020941 (General Account)
Bank of America	ABA Routing # 121000358	6210 Beach Blvd. Buena Park CA 90621	11012-50397
Bank of America	ABA Routing # 121000358	6210 Beach Blvd. Buena Park CA 90621	10268-02413

Galaxy Industries Corporation

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
NBD	ABA# 072000326	980 Ann Arbor Road Plymouth, MI 48170	13507-14 (General Checking Account)
NBD-Dearborn, MI	ABA# 072412927	611 Woodward Avenue Mail Suite MI 18033	520816 (Controlled Disp. Account)

General Automation, Inc.

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Cole-Taylor Bank	ABA# 071-000-343	Suite 206 350 East Dundee Road Wheeling, IL 60090	0690-66833 (General Account)
Cole-Taylor Bank	ABA# 071-000-343	Suite 206 350 East Dundee Road Wheeling, IL 60090	0691-27964 (Payroll Account)
Cole-Taylor Bank	ABA# 071-000-343	Suite 206 350 East Dundee Road Wheeling, IL 60090	0691-11952 (401K Account)

Mid State Machine Products

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Keybank of Maine	ABA# 011200608	286 Water Street August, ME 04330	06204477

Nationwide Precision Products Corp.

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Manufacturers and Traders Trust Company	022-000046	1 M&T Plaza Buffalo, NY 14240	17054016 (General Account)
Manufacturers and Traders Trust Company	022-000046	1 M&T Plaza Buffalo, NY 14240	17054008 (Payroll Account)
Manufacturers and Traders Trust Company	022-000046	1 M&T Plaza Buffalo, NY 14240	6100000011768 (Controlled Disp. Account)

Precision Partners, Inc.

<u>Name of Financial Institution</u>	<u>ABA No.</u>	<u>Address</u>	<u>Account Name and Number</u>
Bank of American NT&SA	ABA# 121000358	1455 Market Street San Francisco, CA 94103-1399	12338-28800 (General Account)
Bank of American NT&SA	ABA# 121000358	1455 Market Street San Francisco, CA 94103-1399	12334-28865 (Accounts Payable)
Bank of American NT&SA	ABA# 121000358	1455 Market Street San Francisco, CA 94103-1399	12334-28864 (Payroll Account)

ANNEX A
Financing Statements and Other Necessary Filings,
UCC Filings and Other Filings

	<u>Name of Pledgor</u>	<u>Filing Location</u>
1.	Calbrit Design, Inc.	Secretary of State of California
2.	Certified Fabricators, Inc.	Secretary of State of California
3.	Galaxy Industries Corporation	Secretary of State of Michigan Wayne County, Michigan
4.	General Automation, Inc.	Secretary of State of Illinois Cook County, Illinois
5.	Mid State Machine Products	Secretary of State of Maine Kennebec County, Maine United States Patent & Trademark Office for security interest in the trademark owned by Mid State Machine Products
6.	Nationwide Precision Products Corp.	Secretary of State of New York Monroe County, New York
7.	Precision Partners, Inc.	Secretary of State of Texas Secretary of State of New York Secretary of State of Delaware

**ANNEX B
Prior Liens**

See attached.

UCC, LIEN, JUDGMENT AND SUIT SEARCH
 CALBRIT DESIGN, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Calbrit Design Inc (Lessee) 6351 Burnham Ave Buena Park, California 90621-2210	IBM Credit Corporation (Lessor) 1133 Westchester Avenue White Plains, New York 10604			UCC-1 as of 12/23/98	9/4/97	9725160867	Equipment Lease
Secretary of State, California	Calbrit Design 6280 Manchester Blvd Buena Park, California 90621	Leasetec Systems Credit 75 Second Avenue 2nd Floor Needham Heights, Massachusetts 02194			UCC-1 as of 12/23/98	2/2/98	9803760190	Equipment Lease
Secretary of State, California	Calbrit Design Inc (Lessee) 6351 Burnham Ave Buena Park, California 90621-2210	IBM Credit Corporation (Lessor) 1133 Westchester Avenue White Plains, New York 10604			UCC-1 as of 12/23/98	2/9/98	9804860982	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Certified Fabricators Inc. 6351 Burnham St. Buena Park, CA 90621	FEMCO, Incorporated 5301 Business Dr. Huntington Beach, CA 92649			UCC-1 as of 12/23/98	4/5/94	94067705	Equipment
Secretary of State, California	Lessee/Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	lessor/USL Capital Corporation 733 Front Street San Francisco, CA 94111			UCC-1 as of 12/23/98	5/3/94	94087988	Equipment Lease
Secretary of State, California	Lessee/Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	Lessor/USL Capital Corporation 733 Front Street San Francisco, CA 94111			UCC-1 as of 12/23/98	5/10/94	94093118	Equipment Lease
Secretary of State, California	Certified Fabricators Inc 6351 Burnham St Buena Park, CA 90621-2210	IBM Credit Corporation Dept. C4E MS 222 250 Harbor Drive Stamford, CT 06904			UCC-1 as of 12/23/98	6/10/94	94117448	Equipment Lease
Secretary of State, California	Certified Fabricators Inc 6351 Burnham St Buena Park, CA 90621-2210	IBM Credit Corporation Dept. C4E MS 222 250 Harbor Drive Stamford, CT 06904			UCC-1 as of 12/23/98	7/27/94	94152987	Equipment Lease
Secretary of State, California	Lessee/Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	Lessor/USL Capital Corporation 733 Front Street San Francisco, CA 94111			UCC-1 as of 12/23/98	9/21/94	9427760424	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
 CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Certified Fabricators 6351 Burnham Avenue Buena Park, CA 90621-2210	Southwest/DoALL Industrial Supply Co. 514 Riverdale Drive Glendale, California 91204			UCC-1 as of 12/23/98	11/14/94	9433760714	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham St. Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92718			UCC-1 as of 12/23/98	12/30/94	9501760456	Equipment Lease
Secretary of State, California	Certified Fabricators Inc 5973 Avenida Encinas, Suite 312 Carlsbad, CA 920084476	IBM Credit Corporation Dept C4E Mail Stop 311 290 Harbor Drive Stamford, Connecticut 06904			UCC-1 as of 12/23/98	1/20/95	9502760477	Equipment Lease
Secretary of State, California	Certified Fabricators Inc (Lessee) 5973 Avenida Encinas, Suite 312 Carlsbad, CA 920084476	IBM Credit Corporation (Lessor) Dept C4E Mail Stop 311 290 Harbor Drive Stamford, Connecticut 06904			UCC-1 as of 12/23/98	2/10/95	9504860849	Equipment Lease
Secretary of State, California	Certified Fabricators Inc 6351 Burnham Buena Park, CA 90620	AT&T Capital Leasing Services, Inc. 550 Cochituate Rd PO Box 9104 Frammingham, MA 01701			UCC-1 as of 12/23/98	4/10/95	9510360905	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Lessee/Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	lessor/USL Capital Corporation 733 Front Street San Francisco, CA 94111			UCC-1 as of 12/23/98	4/19/95	9510961111	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham St. Buena Park, CA 90621	JLA Credit Corporation 970 W. 190 St. #710 Torrance, CA 90502			UCC-1 as of 12/23/98	12/4/95	9534160293	Equipment Lease
Secretary of State, California	Certified Fabricators Inc (Lessee) 6351 Burnham St Buena Park, CA 906212210	IBM Credit Corporation (Lessor) Dept C4E Mail Stop 311 290 Harbor Drive Stamford, CT 06904			UCC-1 as of 12/23/98	1/3/96	9600860229	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham St Buena Park, CA 90621	FBS Business Finance Corporation PO Box 1540 Minneapolis, MN 55480			UCC-1 as of 12/23/98	3/21/96	9608260807	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92718			UCC-1 as of 12/23/98	3/21/96	9608260914	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92718			UCC-1 as of 12/23/98	3/21/96	9608260920	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

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Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Certified Fabricators, Inc 6351 Burnham Street Buena Park, CA 90621	Business Credit Leasing 115 West College Drive Marshall, MN 56258			UCC-1 as of 12/23/98	4/19/96	9611360364	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Computer Leasing Corporation 2000 Powell Street, Suite 200 Emeryville, CA 94608			UCC-1 as of 12/23/98	4/29/96	9612160331	Equipment Lease
Secretary of State, California	Certified Fabricators Inc 6351 Burnham Street Buena Park, CA 90621	Sanwa Leasing Corporation P. O. Box 7023 Troy, MI 48007			UCC-1 as of 12/23/98	8/16/96	9623360025	Equipment Lease
Secretary of State, California	Certified Fabricators 6351 Burnham Buena Park, CA 90621	Minolta Business Systems 1120 N. Tustin Anaheim, CA 92807	Copelco Capital Inc P. O. Box 728 Park Ridge, New Jersey 07675		UCC-1 as of 12/23/98	10/22/96	9629960960	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	3/14/97	9707660128	Equipment Lease
					UCC-2 as of 12/23/98	7/25/97	972100C0239	Amendment to 9707660128 amending the equipment description
					UCC-2 as of 12/23/98	10/1/97	97275C0547	Amendment to 9707660128 amending the equipment description

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

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Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Certified Fabricators Inc (Lessee) 5973 Avenida Encinas Carlsbad, CA 92008-4476	IBM Credit Corporation (Lessor) 1133 Westchester Avenue White Plains, NY 10604			UCC-1 as of 12/23/98	3/11/97	9707660697	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	Norwest Equipment Finance, Inc. 733 Marquette Ave, Suite #300 Minneapolis, MN 55402			UCC-1 as of 12/23/98	5/9/97	9712961150	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	11/3/97	9730860623	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	11/3/97	9730860626	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. (Lessee) 6351 Burnham Street Buena Park, CA 90621-2210	IBM Credit Corporation (Lessor) 1133 Westchester Avenue White Plains, New York 10604			UCC-1 as of 12/23/98	11/6/97	9731660496	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6291 Burnham Buena Park, CA 90621	Business Credit Leasing 115 West College Drive Marsha-1, MN 56258			UCC-1 as of 12/23/98	1/5/98	9800860518	Equipment Lease
								Amendment to 9730860626 Adding additional equipment

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	Norwest Equipment Finance, Inc. 733 Marquette Avenue Investors Building, Suite 300 Minneapolis, MN 55479-2048			UCC-1 as of 12/23/98	2/23/98	9805760738	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	Norwest Equipment Finance, Inc. 733 Marquette Avenue Investors Building, Suite 300 Minneapolis, MN 55479-2048			UCC-1 as of 12/23/98	3/16/98	9807600683	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Avenue Buena Park, CA 90621	Bank of the West 1450 Treat Blvd Walnut Creek, CA 94596			UCC-1 as of 12/23/98	5/15/98	9813860517	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	5/20/98	9814160393	Equipment Lease
Secretary of State, California	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	6/30/98	9818161001	Equipment Lease
					UCC-2 as of 12/23/98	11/19/98	98324C0645	Amendment to 9818161001 adding additional equipment

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
secretary of ate, alifornia	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	7/17/98	9820160568	Equipment Lease
secretary of ate, alifornia	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	7/17/98	9820160577	Equipment Lease
secretary of ate, alifornia	Certified Fabricators Inc. 6351 Burnham St Buena Park, CA 90621	Minolta Business Systems, Inc. PO Box 728 Park Ridge, NJ 07656			UCC-1 as of 12/23/98	8/21/98	9823760849	Equipment Lease
secretary of ate, alifornia	Certified Fabricators 6351 Burnham St Buena Park, CA 90621	Mellon US Leasing, a Division of Mellon Leasing Corporation 525 Market Street, Suite 3500 San Francisco, CA 94105-2743			UCC-1 as of 12/23/98	11/6/98	9831460668	Equipment Lease
secretary of ate, alifornia	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/23/98	11/19/98	9832460877	Equipment Lease
range County, A	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	USL Capital Corporation 733 Front Street San Francisco, CA 94111			UCC-1 as of 12/31/98	1/27/95	95-0036673	Fixture Filing

UCC, LIEN, JUDGMENT AND SUIT SEARCH
CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Orange County, CA	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, California 92718			UCC-1 as of 12/31/98	2/22/95	95-0071321	Equipment Lease
		General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-2 as of 12/31/98	11/24/98	98-0804076	Partial Release to 95-0071321
Orange County, CA	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/31/98	3/17/97	97-0120136	Fixture Filing
Orange County, CA					UCC-2 as of 12/31/98	6/20/97	97-0286484	Amendment to 97-0120136: Addition of equipment
					UCC-2 as of 12/31/98	7/29/97	97-0358478	Amendment to 97-0120136: Addition of equipment
Orange County, CA					UCC-2 as of 12/31/98	10/2/97	97-048916	Amendment to 97-0120136: Addition of equipment

UCC, LIEN, JUDGMENT AND SUIT SEARCH
 CERTIFIED FABRICATORS, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Orange County, CA	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/31/98	11/4/97	97-0558298	Equipment Lease
Orange County, CA	Certified Fabricators, Inc. 6351 Burnham Street Buena Park, CA 90621	General Electric Capital Corporation 7700 Irvine Center Drive, Suite 400 Irvine, CA 92618			UCC-1 as of 12/31/98	7/22/98	98-0471409	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
GALAXY INDUSTRIES CORPORATION

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, MI	Galaxy Industries Corporation 41150 Joy Road Plymouth, MI 48170	AT&T Capital Leasing Services, Inc. 125 Town Park Dr., Suite 200 Kennesaw, GA 30144			UCC-1 as of 12/14/98	12/15/97	D315903	Equipment Lease
Secretary of State, MI	Galaxy Industries Corporation 41150 Joy Road Plymouth, MI 48170	AT&T Capital Leasing Services, Inc. 550 Cochituate Rd PO Box 9104 Frammingham, MA 01701			UCC-1 as of 12/14/98	12/17/97	D316448	Equipment Lease
Secretary of State, MI	Galaxy Industries Incorporated 41150 Joy Road Plymouth, MI 48170	NBD Equipment Finance, Inc. 660 Woodward, Suite 200 Detroit, MI 48226			UCC-1 as of 12/14/98	11/10/97	D303047	Equipment Lease
Secretary of State, MI	Galaxy Industries Incorporated 41150 Joy Road Plymouth, MI 48170	NBD Equipment Finance, Inc. 660 Woodward, Suite 200 Detroit, MI 48226			UCC-1 as of 12/14/98	11/10/97	D303048	Equipment Lease
Secretary of State, MI	Galaxy Industries Incorporated 41150 Joy Road Plymouth, MI 48179	NBD Equipment Finance, Inc. 660 Woodward, Suite 200 Detroit, MI 48226			UCC-1 as of 12/14/98	1/7/98	D323539	Equipment Lease
Secretary of State, MI	Galaxy Industries, Incorporated 41150 Joy Road Plymouth, MI 48170	NBD Bank 660 Woodward Ave., Suite 200 Detroit, MI 48226			UCC-1 as of 12/14/98	1/7/98	D323626	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
GENERAL AUTOMATION, INC.

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Cook Circuit Court, Illinois	General Automation, Inc.			Clear of Judgments as of 1/8/99; 1 Pending Suit as of 1/8/99		12/31/91	91CH 12543	Plaintiff: 520 South Michigan Avenue Associates, Ltd. d/b/a The Congress Hotel

UCC, LIEN, JUDGMENT AND SUIT SEARCH
MID STATE MACHINE PRODUCTS

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, Maine	Mid-State Machine Products, Inc. 1501 Verti Drive Winslow, Maine 04901	Caso Northern Bank, N.A. P. O. Box 678 Portland, Maine 04101, Trustee			UCC-1 as of 1/8/99	12/18/89	870273	Equipment Lease
					UCC-3 as of 1/8/99	10/3/91	956044	Amendment and Confirmation to 870273; names as assignee: Shawmut Bank, N.A. One Federal Street Boston, MA 02211
					UCC-2 as of 1/8/99	2/24/92	972766	Supplement to 870273: Successor Trustee: Shawmut Bank, N.A. One Federal Street Boston, MA 02211
Secretary of State, Maine		Shawmut Bank, N.A. as Successor Trustee One Federal Street Boston, MA 02211			UCC-3 as of 1/8/99	12/12/94	1107004	Continuation to 870273

UCC, LIEN, JUDGMENT AND SUIT SEARCH
NATIONWIDE PRECISION PRODUCTS CORPORATION

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Secretary of State, NY	Nationwide Precision Products Corp. 200 Tech Park Drive Rochester, NY 14623	County of Monroe Industrial Development Agency One West Main Street Rochester, NY 14614	The Chase Manhattan Bank, N.A., as Trustee One Chase Square Rochester, NY 14643		UCC-1 as of 1/11/99	12/9/94	250798	Fixtures and proceeds thereof
Secretary of State, NY	Nationwide Precision Products Corp (Lessee) 200 Tech Park Dr Rochester, NY 14623	IBM Credit Corporation (Lessor) Dept C4E Mail Stop 311 290 Harbor Drive Stamford, CT 06904			UCC-1 as of 1/11/99	7/14/95	142874	Equipment Lease
Monroe County, NY	Nationwide Precision 200 Tech Pk Drive Rochester, N.Y. 14623	Pepsi-Cola Rochester 425 Ormond St. Rochester, N.Y. 14603			UCC-1 as of 1/7/99	4/6/94	U2552/94	Can Soda Vending Machine
Monroe County, NY	Nationwide Precision Products Corp. 200 Tech Park Drive Rochester, NY 14623	Manufacturers and Traders Trust Company One M & T Plaza Buffalo, NY 14240			UCC-1 as of 1/7/99	6/27/94	U4852/94	Fixtures and proceeds thereof
Monroe County, NY	Nationwide Precision Products Corp. 200 Tech Park Drive Rochester, NY 14623	County of Monroe Industrial Development Agency One West Main Street Rochester, NY 14614	The Chase Manhattan Bank, N.A., as Trustee One Chase Square Rochester, NY 14643		UCC-1 as of 1/7/99	12/7/94	94-9273	Fixtures and proceeds thereof
Monroe County, NY	Nationwide Precision Products Corp (Lessee) 200 Tech Park Dr Rochester, NY 146232445	IBM Credit Corporation (Lessor) Dept C4E Mail Stop 311 290 Harbor Drive Stamford, CT 06904			UCC-1 as of 1/7/99	7/25/95	5261/95	Equipment Lease

UCC, LIEN, JUDGMENT AND SUIT SEARCH
NATIONWIDE PRECISION PRODUCTS CORPORATION

Jurisdiction	Debtor	Secured Party	Assignee	Judgments, Tax Liens and Suits	Type of UCC	Date Filed	File No.	Description
Supreme Court, Monroe County, NY	Nationwide Precision Products Corp.			Pending suit as of 1/7/99		11/21/94	# 1994 010612	Plaintiffs Charles and Gina Loyullo. Product Liability

ANNEX C
Location of Pledgors

<u>Pledgor</u>	<u>Chief Executive Office</u>	<u>Tax ID Number</u>	<u>Other Locations</u>
Calbrit Design, Inc.	6280 Manchester Avenue, Suite 300, Buena Park, CA 90621	33-0550617	None
Certified Fabricators, Inc.	6351 Burnham Avenue Buena Park, CA 90621	95-3316654	6291 Burnham Avenue Buena Park, CA
			6530 Altura Buena Park, CA
			16031 Carmenita Road Cerritos, CA
Galaxy Industries Corporation	41150 Joy Road Plymouth, MI 48170		7777 Ronda Drive Township of Canton, County of Wayne, MI 48187
			41160 Joy Road Plymouth, MI 48170
			1035 S. Mill Road Plymouth, MI
General Automation, Inc.	3300 Oakton Street Skokie, IL 60076	36-2358947	8124 Ridgeway Skokie, IL
Mid State Machine Products	1501 Verti Drive Winslow, ME 04901	01-0280525	None
Nationwide Precision Products Corp.	200 Tech Park Drive Town of Henrietta, NY 14623	22-3639335	None
Precision Partners, Inc.	5605 N. MacArthur Blvd., Suite 760 Irving, TX 75038	22-3639336	None

EXHIBIT 1

Form of Issuer Acknowledgment

The undersigned hereby (i) acknowledges receipt of a copy of that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"; capitalized terms used herein but not defined herein have the meanings given such terms in the Agreement), dated as of March ____, 1999, among Precision Partners, Inc., the Subsidiary Guarantors and Citicorp U.S.A., Inc., as Administrative Agent (in such capacity and together with any successors in such capacity, the "Administrative Agent"), (ii) agrees promptly to note on its books the security interests granted and confirmed under the Agreement, (iii) agrees that it will comply with instructions of the Administrative Agent with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees to notify the Administrative Agent upon obtaining knowledge of any interest in favor of any Person in the applicable Securities Collateral that is adverse to the interest of the Administrative Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Administrative Agent or its nominee or the exercise of voting rights by the Administrative Agent or its nominee.

[NAME OF ISSUER]

By: _____
Name:
Title:

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

EXHIBIT 2

Form of Financial Account Consent Agreement

[Name of Pledgor]
[Address of Pledgor]

[Date]

[Name and
address of
Financial Institution]

Ladies and Gentlemen:

We refer to account numbers _____ and _____ (the "Financial Accounts") maintained with [Name of Financial Institution] (the "Financial Institution") by [Name of Pledgor] (the "Company") and into which certain moneys, instruments, securities and other property are or may be deposited from time to time. The Company has granted to Citicorp U.S.A., Inc. as administrative agent (in such capacity and together with any successors in such capacity, the "Administrative Agent") for the benefit of the Secured Parties under, and as defined in, that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), dated as of March ____, 1999, among Precision Partners, Inc. (the "Borrower"), the subsidiary guarantors from time to time party thereto and the Administrative Agent, a security interest in all moneys, instruments, securities and other property deposited therein and all certificates or other instruments, if any, representing or evidencing the Financial Accounts. It is a condition to the continued maintenance of the Financial Accounts with the Financial Institution that the Financial Institution agrees to this letter agreement.

The parties hereto agree as follows:

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

2. The Financial Institution hereby agrees to do the following:

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

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

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

3. [The Financial Institution hereby agrees that no later than 12:00 p.m. on each business day on which transactions may be made with respect to the Financial Accounts, without further notice or instruction of any kind, to transfer (by wire transfer) the total of all immediately available funds or credits in each Financial Account to the concentration account, account no. _____, ABA # _____, reference: [Name of Borrower] (the "Concentration Account") maintained by the Company with the Administrative Agent at its office located at _____.]

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

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

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

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

5. The Financial Institution hereby waives and agrees not to assert, claim or endeavor to exercise, and by executing this letter agreement bars and estops itself from asserting, claiming or exercising, and the Financial Institution acknowledges that it has not heretofore received a notice from any other party asserting, claiming or exercising, any right of setoff, banker's lien or other purported form of claim with respect to the Financial Accounts and funds from time to time therein. The Financial Institution shall have no rights in the Financial Accounts or the funds therein. To the extent that it may ever have any such rights, the Financial Institution hereby expressly subordinates all such rights to all rights of the Administrative Agent.

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

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

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

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

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

Very truly yours,

[NAME OF PLEDGOR]

By: _____
Name:
Title:

CITICORP U.S.A., INC.,
as Administrative Agent

By: _____
Name:
Title:

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

[FINANCIAL INSTITUTION]

By: _____
Name:
Title:

Form of Securities Pledge Amendment

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, is delivered pursuant to Section 7 of the Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement, dated as of March __, 1999, among the undersigned, certain other Pledgors and Citicorp U.S.A., Inc., as the Administrative Agent (the "Agreement"; capitalized terms used herein and not defined shall have the meanings assigned to them in the Agreement). The undersigned hereby pledges, assigns, transfers and grants to the Administrative Agent for its benefit and the benefit of the Secured Parties, a first priority security interest in and to all of the undersigned's rights, title and interest in and to the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment and agrees that such Pledged Securities and/or Intercompany Notes shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

as Pledgor

By: _____
Name:
Title:

Pledged Securities

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

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

Form of Joinder Agreement

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

[Date]

Citicorp U.S.A., Inc.,
as Administrative Agent

Attention: _____

Ladies and Gentlemen:

Reference is made to the Security Agreement (the "Agreement"), dated as of March ____, 1999, made by Precision Partners, Inc., (the "Borrower"), each of the Subsidiary Guarantors listed on the signature pages thereto or from time to time party thereto by execution of a joinder agreement and Citicorp U.S.A., Inc., as administrative agent for the Secured Parties. Capitalized terms used herein but not otherwise defined herein have the meanings given such terms in the Agreement.

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

The New Pledgor hereby pledges, assigns, transfers and grants to the Administrative Agent, for its benefit and the Secured Parties, a first priority security interest in and to all of its right, title and interest in and to the Pledged Collateral.

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

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

THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Pledgor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

Citicorp U.S.A., Inc.,
as Administrative Agent

By: _____
Name:
Title:

[Schedules and Annexes to be attached]