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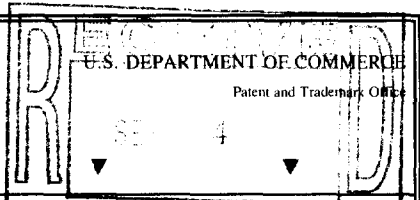
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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): **ZSC Specialty Chemicals Group Limited**

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other A company incorporated under the laws of England and Wales

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

3. Nature of conveyance:

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

Execution Date: June 30, 1999

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

Name: Chase Manhattan International Limited, as Security Trustee  
 Internal Address: \_\_\_\_\_  
 Street Address: Trinity Tower, 9 Thomas More Street  
 City: London E1 9KT State: England ZIP: \_\_\_\_\_

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other a company incorporated in England and Wales

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

(Designation must be a separate document from Assignment)

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

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

A. Trademark Application No.(s) **See Continuation of Item Four**

B. Trademark Registration No.(s) **See Continuation of Item Four**

Additional numbers attached?  Yes  No

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

Name: Kristopher Ahrend, Esq.  
 Internal Address: Simpson Thacher & Bartlett  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Street Address: 425 Lexington Avenue  
 \_\_\_\_\_  
 City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41): ..... \$265.00

- Enclosed
- Authorized to be charged to deposit account

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

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

Kristopher Ahrend, Esq.  
Name of Person Signing

Kristopher E. Ahrend  
Signature

9/24/99  
Date

Total number of pages comprising cover sheet: 69

09/26/1999 NT 431 00000243 1607879 40.00 DP 225.00 DP

TRADEMARK

REEL: 001966 FRAME: 0856

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

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

**ZSC HOLDINGS INC. (DE Corporation)**

**ZSC INC. (DE Corporation)**

**ZSC IPC INC. (DE Corporation)**

**CONTINUATION OF ITEM FOUR FROM RECORDATION COVER SHEET****4. Application number(s) or registration number(s):**

<b>Title</b>	<b>Registration No.</b>	<b>Application No.</b>
ALMACRYL	1,607,879	
NEOCRYL	692,253	
NEOREZ	692,254	
PTZ	1,592,643	
REPUTAIN	1,909,094	
POOL BREEZE	1,939,190	
SDM	1,531,578	
SUMMER GOLD	2,126,046	
THE FUN TIMES AMERICA'S GUIDE TO POOL AND SPA FUN		74/692,999
TITEKOTE	724,363	



DOMESTIC REPRESENTATIVE DESIGNATION

Assignee hereby appoints Lori E. Lesser, Kristopher E. Ahrend and Kerry L. Konrad, members of the Bar of the State of New York, whose address is SIMPSON THACHER & BARTLETT, 425 Lexington Avenue, New York, NY 10017-3954, its domestic representatives under 37 C.F.R. §2.24, on whom may be served notices or process in proceedings affecting this matter.

DATE: *20 September 1999*

CHASE MANHATTAN  
INTERNATIONAL LIMITED

BY: *B.W. Scammell*

NAME: *B.W. SCAMMELL*  
TITLE: *Managing Director*  
9 Thomas More Street  
London E1 9KT  
England

## GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of June 30, 1999, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of CHASE MANHATTAN INTERNATIONAL LIMITED, as security trustee (in such capacity, the "Security Trustee") for the several banks and other financial institutions (the "Finance Parties") from time to time parties to the Facilities Agreement (as defined below):

### WITNESSETH:

WHEREAS, pursuant to the Facilities Agreement, dated as of May 12, 1999 (as amended as of June 29, 1999 and as further amended, supplemented or otherwise modified from time to time, the "Facilities Agreement"), among ZSC Specialty Chemicals Group Limited, a company formerly known as Iliad 6 Limited that is incorporated under the laws of England and Wales (the "Parent"), the subsidiaries of the Parent from time to time parties thereto (together with the Parent, the "Borrowers"), the Banks referred to therein (the "Banks"), Chase Manhattan plc and J.P. Morgan Securities Ltd., as Arrangers, The Chase Manhattan Bank and J.P. Morgan Securities Ltd., as Underwriters, Chase Manhattan International Limited, as Agent, and the Security Trustee, the Banks have severally agreed to make loans to, and the Fronting Bank (as defined in the Facilities Agreement) has agreed to issue and certain of the other Banks have agreed to participate in letters of credit for the account of, the Borrowers upon the terms and subject to the conditions set forth therein;

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

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

WHEREAS, it is a condition precedent to the obligation of the Banks to make their respective loans to, and the obligation of the Fronting Bank to issue and the Banks to participate in letters of credit for the account of, the Borrowers under the Facilities Agreement that the Grantors shall have executed and delivered this Guarantee and Collateral Agreement to the Security Trustee for the ratable benefit of the Finance Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Banks to make their respective loans to, and to issue or participate in letters of credit for the account of, the Borrowers under the Facilities Agreement, each Grantor hereby agrees with the Security Trustee, for the ratable benefit of the Finance Parties, as follows:

## SECTION 1. DEFINED TERMS

1.1 Defined Terms. Unless otherwise defined herein or in the preamble or recitals hereto, terms which are defined in the Facilities Agreement and used herein are so used as so defined; the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Certificated Security, Chattel Paper, Documents, Farm Products, Goods, Instruments and Inventory; and the following terms shall have the following meanings:

“Accounts” means all accounts receivable, book debts, notes, drafts, instruments, documents, acceptances and other forms of obligations now owned or hereafter received or acquired by or belonging or owing to any Grantor (including under any trade names, styles or divisions thereof) whether arising out of personal property owned or leased by it, Goods sold by it or services rendered by it or from any other transaction, whether or not the same involves the lease of personal property, sale of Goods or performance of services by such Grantor (including, without limitation, any such obligation which would be characterized as an account, general intangible or chattel paper under the Code) and all of such Grantor’s rights in, to and under all purchase orders now owned or hereafter received or acquired by it for Goods or services, and all of such Grantor’s rights to any Goods represented by any of the foregoing (including returned or repossessed Goods) and all moneys due or to become due to such Grantor under all contracts for the sale of Goods and/or the performance of services by it (whether or not yet earned by performance), under any lease of personal property (to the extent the grant of such a security interest is permitted by applicable law and is not prohibited by such lease), or under any franchise agreement, or in connection with any other transaction, now in existence or hereafter arising, including without limitation the right to receive the Proceeds of said purchase orders and contracts and rents under such leases, and all collateral security and guarantees of any kind given by any person with respect to any of the foregoing.

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

“Borrower Obligations” means the collective reference to the unpaid principal of, and interest on the Term Loans, Revolving Credit Advances, Ancillary Outstandings and Reimbursement Obligations and all other obligations and liabilities of the Borrowers and any other member of the Group (including, without limitation, interest accruing at the then applicable rate provided in the Facilities Agreement after the maturity of the Term Loans, Revolving Credit Advances, Ancillary Outstandings and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Facilities Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Security Trustee or any other Finance Party (or, in the case of any Hedge Agreement, any affiliate of any Bank), whether direct or indirect, absolute or contingent, due or to become

due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Facilities Agreement, this Agreement, the other Finance Documents, any Letter of Credit, any Hedge Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all reasonable fees and disbursements of counsel to the Security Trustee or to any other Finance Party that are required to be paid by any Borrower or any other member of the Group pursuant to the terms of any of the foregoing agreements).

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“Code” means the Uniform Commercial Code as from time to time in effect in the State of New York.

“Collateral” has the meaning assigned to it in Section 3 of this Agreement.

“Contract” means the contracts and agreements listed on Schedule I hereto, as the same may be amended, supplemented or otherwise modified from time to time.

“Contractual Obligation” means as to any person, any provision of any security issued by such person or of any agreement, instrument or other undertaking to which such person is a party or by which it or any of its property or assets is bound.

“Copyright License” means any written agreement, naming any Grantor, as licensor or licensee, granting any right to use any Copyright.

“Copyrights” means all of the following to the extent any Grantor now or hereafter has any right, title or interest: (a) all copyright registrations and applications therefor, including, without limitation, any referred to in Schedule II hereto, and (b) all renewals of such copyrights.

“Deposit Account” has the meaning given to it in the Uniform Commercial Code (or similar laws) of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

“Equipment” means all machinery, equipment and furniture except Vehicles, now owned or hereafter acquired by any Grantor or in which any Grantor now has or hereafter may acquire any right, title or interest and any and all additions, substitutions and replacements thereof, wherever located, together with all attachments, components, parts,

equipment and accessories installed therein or affixed thereto, including, but not limited to, all equipment as defined in Section 9-109(2) of the Code.

“Excluded Inventory” means any Inventory in transit and any Inventory located outside of the United States.

“Foreign Subsidiary” means any Subsidiary of the Parent organized under the laws of any jurisdiction outside the United States of America.

“Foreign Subsidiary Voting Stock” means the voting Capital Stock of any Foreign Subsidiary.

“General Intangibles” has the meaning given to it in the Code and includes, whether or not so included in such meaning, any franchise agreements or rights in favor of or granted by any Grantor to know-how, trade secrets, product or service development ideas and designs, advertising commercials, renderings, strategies and plans, blueprints, architectural drawings, site location, personnel and franchisee information, proprietary information, computer and software technology and programs, contracts with distributors, and any similar items, all interest rate, foreign currency or similar agreements and general intangibles attributable to the Capital Stock of each Subsidiary of the Parent.

“Guarantee” means the guarantee contained in Section 2 of this Agreement.

“Guarantor Obligations” means all obligations and liabilities of each Grantor which may arise under, out of, or in connection with this Agreement (including, without limitation, Section 2) or any other Finance Document to which such Grantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Security Trustee or to any other Finance Party that are required to be paid by such Grantor pursuant to the terms of any of the foregoing agreements).

“Guarantors” means, collectively, each Grantor.

“Hedge Agreements” means all interest rate swaps, caps or collar agreements or similar arrangements entered into by any Borrower with any Bank (or any affiliate of any Bank) providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies in connection with the Finance Documents.

“Insurances” means, as to any Grantor, all present and future contracts or policies or insurance (other than life assurance policies) taken out by such Grantor or in which such Grantor from time to time has an interest.



“Investment Property” means (a) all “investment property” as such term is defined in Section 9-115 of the Code and (b) whether or not constituting “investment property” as so defined, all Pledged Notes and all Pledged Stock.

“Issuers” means (a) the companies identified on Schedule V hereto as the issuers of the Pledged Notes, (b) the companies identified on Schedule VI hereto as the issuers of the Pledged Stock, (c) any other Subsidiaries of the Parent created or acquired after the date hereof the equity of which is required to be pledged by this Agreement or clause 10.2(f)(i) of the Facilities Agreement and (d) any other issuer of any Investment Property issued to any Grantor; individually, each an “Issuer”.

“License” means any Copyright License, Patent License or Trademark License.

“Obligations” means the Borrower Obligations and the Guarantor Obligations.

“Patent License” means any agreement providing for the grant by or to any Grantor of any right under a Patent.

“Patents” means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, including, without limitation, any of the foregoing referred to in Schedule III hereto and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule III hereto.

“Pledged Notes” means all promissory notes listed on Schedule V hereto, and, if requested by the Security Trustee, any other promissory note issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by such Grantor (other than to a Subsidiary of such Grantor) in the ordinary course of business and Undelivered Notes).

“Pledged Stock” means the shares of Capital Stock listed on Schedule VI hereto, together with all stock certificates, options or rights of any nature whatsoever that may be issued or granted by any Issuer to any Grantor and that are required by this Agreement or the Facilities Agreement to be pledged hereunder while this Agreement is in effect; provided that in no event shall more than 66% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be required to be pledged hereunder.

“Proceeds” means “proceeds”, as such term is defined in Section 9-306(1) of the Code and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to any Grantor, from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to any Grantor from time to time in connection with any taking of all or any part of the Collateral by any Government Entity or any person acting under color of any Government Entity, (c) all judgments in favor of

any Grantor in respect of the Collateral, (d) all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto and (e) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

“Reimbursement Obligation” means the obligation of the Borrowers to reimburse the Fronting Bank pursuant to clauses 4.8 and 4.10 of the Facilities Agreement for amounts drawn under Letters of Credit.

“Requirement of Law” means, as to any person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Government Entity, in each case applicable to or binding upon such person or any of its property or assets or to which such person or any of its property is subject.

“Securities Act” means the Securities Act of 1933, as amended.

“Stock Issuer” means each Issuer of Pledged Stock.

“Trademark License” means any agreement providing for the grant by or to any Grantor of any right to use any Trademark.

“Trademarks” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations thereof, and all applications in connection therewith (but excluding United States intent-to-use trademark applications prior to the filing and acceptance of a Statement of Use or Amendment to Allege Use in connection therewith), whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any of the foregoing referred to in Schedule IV hereto, and (b) all renewals thereof.

“Undelivered Notes” means (a) any promissory notes issued to any Grantor with a principal amount of less than \$50,000 individually and (b) any other promissory notes issued to such Grantor in the event that the aggregate principal amount of all promissory notes issued to such Grantor does not exceed, at any time, \$1,000,000.

“Vehicles” means all cars, trucks, trailers and other vehicles covered by a certificate of title law of any state.

## SECTION 2. GUARANTEE

2.1 Guarantee. (a) Each Guarantor hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Security Trustee, for the ratable benefit of the Finance Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrowers and the other members of the Group when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, and each of the Guarantors further agrees to pay any and all expenses (including, without limitation, all reasonable fees and disbursements of counsel) which may be paid or incurred by the Security Trustee or any other Finance Party in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, the Guarantors under this Guarantee.

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

(c) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this Guarantee or affecting the rights of the Security Trustee or any other Finance Party hereunder.

(d) No payment or payments made by any of the Borrowers, any of the Guarantors, any other guarantor or any other person or received or collected by the Security Trustee or any other Finance Party from any Borrower, any Guarantor, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made by such Guarantor in respect of the Obligations or payments received or collected from such Guarantor in respect of the Obligations, remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are paid in full, the Commitments are terminated and either no Letters of Credit are outstanding or each outstanding Letter of Credit has been cash collateralized so that it is fully secured to the satisfaction of the Security Trustee.

(e) Each Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to the Security Trustee or any other Finance Party on account of its liability hereunder, it will notify the Security Trustee in writing that such payment is made under this Guarantee for such purpose.

2.2 Right of Set-off. At any time on or after the Enforcement Date, each Guarantor hereby irrevocably authorizes each Finance Party at any time and from time to time without notice to such Guarantor or any other guarantor, any such notice being expressly waived by each Guarantor, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or

claims, in any currency, at any time held or owing by such Finance Party to or for the credit or the account of the Guarantor, or any part thereof in such amounts as such Finance Party may elect, against and on account of the obligations and liabilities of such Guarantor to such Finance Party hereunder or under the Facilities Agreement or the other Finance Documents, as such Finance Party may elect, which are then due and payable. For this purpose, each Finance Party is authorized to purchase with the moneys standing to the credit of such account such other currencies as may be necessary to effect such application. For the purpose of this Section 2.2, each Guarantor authorizes each Finance Party to purchase (at the Security Trustee's spot rate of exchange then applicable) with the moneys standing to the credit of such account such other currencies as may be necessary to effect such applications. No Finance Party shall be obligated to exercise any right given to it by this Section 2.2. Each Finance Party agrees to notify such Guarantor promptly of any such set-off and the application made by such Finance Party, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Finance Party under this paragraph are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Finance Party may have.

2.3 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by any Finance Party, or the receipt of any amounts by the Security Trustee or any other Finance Party with respect to any of the Collateral, no Guarantor shall be entitled to be subrogated to any of the rights of the Security Trustee or any other Finance Party against any Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Security Trustee or any other Finance Party for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, or amounts realized by the Security Trustee or any other Finance Party in connection with the Collateral, and any such rights of subrogation and reimbursement of the Guarantors are hereby waived until all amounts owing to the Security Trustee and the other Finance Parties by the Borrowers on account of the Obligations are paid in full, the Commitments are terminated and either no Letters of Credit are outstanding or each outstanding Letter of Credit has been cash collateralized so that it is fully secured to the satisfaction of the Security Trustee.

2.4 Amendments, etc. with respect to the Obligations; Waiver of Rights. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Security Trustee or any other Finance Party may be rescinded by such party and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Security Trustee or any other Finance Party and the Facilities Agreement, the other Finance Documents, any Letter of Credit, any Hedge Agreement and any other collateral security document or other guarantee or document in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Security Trustee and/or any other Finance Party may deem advisable from time to time, and any collateral security, guarantee

or right of offset at any time held by the Security Trustee or any other Finance Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Security Trustee nor any other Finance Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Guarantee or any property subject thereto. When making any demand hereunder against any particular Guarantor, the Security Trustee or any other Finance Party may, but shall be under no obligation to, make a similar demand on any other Guarantor or guarantor, and any failure by the Security Trustee or any other Finance Party to make any such demand or to collect any payments from any such other Guarantor or guarantor or any release of any such other Guarantor or guarantor shall not relieve such Guarantor in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Security Trustee or any other Finance Party against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

**2.5 Guarantee Absolute and Unconditional.** Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Security Trustee or any other Finance Party upon this Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between any of the Borrowers or any of the Guarantors and the Security Trustee, or any other Finance Party shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any of the Borrowers or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of the Facilities Agreement, any other Finance Document, the Letters of Credit, any Hedge Agreements, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Security Trustee or any other Finance Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any of the Borrowers, any of the Guarantors or any other person against the Security Trustee or any other Finance Party or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Borrower for the Obligations, or of any Guarantor under this Guarantee, in bankruptcy or in any other instance. When pursuing its rights and remedies hereunder against any Guarantor, the Security Trustee and/or any other Finance Party may, but shall be under no obligation to, pursue such rights and remedies as it may have against the Borrowers or any other person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Security Trustee or any other Finance Party to pursue such other rights or remedies or to collect any payments from any Borrower or any such other person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Borrower or any such other person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any liability hereunder, and shall

not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Security Trustee or any other Finance Party against such Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and the successors and assigns thereof, and shall inure to the benefit of the Security Trustee and the other Finance Parties, and their respective successors, indorsees, transferees and assigns, until all the Obligations and the obligations of each Guarantor under this Guarantee shall have been satisfied by payment in full, either no Letters of Credit are outstanding or each outstanding Letter of Credit has been cash collateralized so that it is fully secured to the satisfaction of the Security Trustee and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Facilities Agreement the Borrowers may be free from any Obligations.

**2.6 Reinstatement.** This Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment or any part thereof, of the Obligations is rescinded or must otherwise be restored or returned by the Security Trustee or any other Finance Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or of any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

**2.7 Payments.** Each Guarantor hereby guarantees that payments hereunder will be paid in the currency in which they were borrowed or incurred to the Security Trustee without set-off or counterclaim subject to clause 8.5 of the Facilities Agreement (the provisions of which shall apply mutatis mutandis) at the office of the Security Trustee located at 125 London Wall, London EC2Y 5AJ or at such other office as the Security Trustee may notify to the Parent in accordance with Section 12.10. If a Guarantor is required to make any deduction or withholding in respect of Taxes from any payment due under this Agreement to the Security Trustee, or if the Security Trustee is required to make any such deduction or withholding from a payment to a Finance Party, the sum due from such Guarantor in respect of such payment shall, subject to clause 8.5 of the Facilities Agreement (the provisions of which shall apply mutatis mutandis), be increased to the extent necessary to ensure that, after the making of such deduction or withholding by such Guarantor or the Security Trustee (as the case may be) and the payment on to the Finance Parties by the Security Trustee, each Finance Party receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made; subject to clause 8.5 of the Facilities Agreement (the provisions of which shall apply mutatis mutandis), the relevant Guarantor shall indemnify the Security Trustee and each Finance Party against losses incurred by them by reason of any failure of such Guarantor to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. Each Guarantor shall promptly deliver to the Security Trustee any receipts, certificates or other proof (if any) evidencing the amount paid or payable in respect of any deduction or withholding as aforesaid.

### SECTION 3. GRANT OF SECURITY INTEREST

As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, each Grantor hereby assigns and transfers to the Security Trustee, and hereby grants to the Security Trustee, for the ratable benefit of the Finance Parties, a security interest in all of such Grantor's right, title and interest in and to the following property now owned or at any time hereafter acquired by such Grantor, excluding, however, Vehicles (collectively, the "Collateral"):

- (1) with respect to the Parent, all Pledged Stock;
- (2) with respect to each Grantor other than the Parent, all of the following:
  - (a) all Accounts;
  - (b) all Chattel Paper;
  - (c) all Contracts;
  - (d) all Copyrights;
  - (e) all Copyright Licenses;
  - (f) all Deposit Accounts;
  - (g) all Documents;
  - (h) all Equipment;
  - (i) all General Intangibles;
  - (j) all Instruments;
  - (k) all Inventory;
  - (l) all Investment Property;
  - (m) all Patents;
  - (n) all Patent Licenses;
  - (o) all Trademarks;
  - (p) all Trademark Licenses;

(q) all books and records pertaining to the Collateral; and

(r) all other Goods and personal property of such Grantor, whether tangible or intangible and whether now or hereafter owned by such Grantor, and wherever located; and

(3) with respect to each Grantor, to the extent not otherwise included, all Proceeds and products of any and all of the foregoing Collateral granted by such Grantor and all collateral security and guarantees given by any person with respect to any of the foregoing.

#### SECTION 4. RIGHTS OF SECURITY TRUSTEE AND LIMITATIONS ON SECURITY TRUSTEE'S AND FINANCE PARTIES' OBLIGATIONS

##### 4.1 Each Grantor Remains Liable under Accounts, Licenses, Contracts, Etc.

Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts, Licenses and Contracts included in such Grantor's Collateral to observe and perform all the material conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account, License or Contract. Neither the Security Trustee nor any other Finance Party shall have any obligation or liability under any Account, License or Contract by reason of or arising out of this Agreement or the receipt by the Security Trustee or any other Finance Party of any payment relating to such Account, License or Contract pursuant hereto, nor shall the Security Trustee or any other Finance Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account, License or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account, License or Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

4.2 Notice to Account Debtors and Contracting Parties. At any time on or after the Enforcement Date, upon the request of the Security Trustee such Grantor shall, and the Security Trustee may (with concurrent notice to such Grantor thereof), notify account debtors on the Accounts and parties to the Contracts and Licenses that the Accounts, Contracts and Licenses included in such Grantor's Collateral have been assigned to the Security Trustee for the ratable benefit of the Finance Parties and that payments in respect thereof shall be made directly to the Security Trustee. At any time on or after the Enforcement Date, the Security Trustee may in its own name or in the name of others communicate with account debtors on the Accounts and parties to the Contracts and Licenses to verify with them to its satisfaction the existence, amount and terms thereof.

4.3 Verification of Accounts and Inventory. The Security Trustee shall have the right to make test verifications of the Accounts and Inventory in any reasonable manner and through any medium that it considers advisable, and each Grantor agrees to furnish all such assistance and information as the Security Trustee may reasonably require in connection



therewith, provided that, prior to the Enforcement Date, (a) any such verification shall be conducted in the name of the relevant Grantor or in such other manner as shall not disclose the Security Trustee's identity or interest in the Collateral and (b) the Security Trustee shall conduct such verification with respect to any Grantor no more frequently than once per year and shall give the Parent reasonable advance notice thereof. The Security Trustee may on or after the Enforcement Date in its own name or in the name of others communicate with account debtors in order to verify with them to the Security Trustee's satisfaction the existence, amount and terms of any Accounts and/or Inventory.

## SECTION 5. REPRESENTATIONS AND WARRANTIES

Each Grantor hereby represents and warrants that:

(a) Power and Authority. Such Grantor has the power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Lien on such Grantor's Collateral pursuant to, this Agreement and has taken all necessary corporate actions to authorize its execution, delivery and performance of, and grant of the Lien on such Grantor's Collateral pursuant to, this Agreement.

(b) Title; No Other Liens. Except for the Lien granted to the Security Trustee for the ratable benefit of the Finance Parties pursuant to this Agreement and the Permitted Encumbrances, such Grantor owns each item of the Collateral pledged by it hereunder free and clear of any and all Liens. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral pledged by it hereunder is on file or of record in any public office, except (i) such as may have been filed in favor of the Security Trustee, for the ratable benefit of the Finance Parties, pursuant to this Agreement, or (ii) as may be permitted pursuant to the Facilities Agreement.

(c) Perfected Liens. The Liens granted pursuant to this Agreement constitute perfected Liens on the Collateral pledged by it hereunder in favor of the Security Trustee, for the ratable benefit of the Finance Parties, to the extent that (i) such Liens constitute Liens on Equipment located in a jurisdiction listed on Schedule VII hereto, (ii) such Liens constitute Liens on Inventory located in a jurisdiction listed on Schedule VII hereto, (iii) other than the categories of Liens set forth in (i) and (ii), such Liens can be perfected by filing a financing statement under the Uniform Commercial Code, as in effect in the jurisdictions specified on Schedule IX hereto or (iv) such Grantor is required to deliver such Collateral to the Security Trustee pursuant to Section 6(b) hereof, which are prior to all other Liens on the Collateral created by such Grantor and in existence on the date hereof, except for Permitted Encumbrances, and which are enforceable as such against all creditors of such Grantor.

(d) Accounts and Records. The amount represented by such Grantor to the Security Trustee from time to time as owing by each account debtor or by all account debtors in respect of the Accounts pledged by it will at such time be the correct amount

actually owing by such account debtor or debtors thereunder in all material respects, subject to adjustments in the ordinary course of business. No amount payable to such Grantor under or in connection with any Account, Contract or License pledged by it in excess of \$1,000,000 in the aggregate and individually in excess of \$50,000 is evidenced by any Instrument or Chattel Paper which has not been delivered to the Security Trustee except for notes receivable from officers pursuant to executive stock purchase plans. The places where such Grantor keeps its records concerning the Accounts and the other Collateral pledged by it are located at the addresses listed on Schedule VIII hereto.

(e) **Consents.** Each Contract pledged by such Grantor and each License pledged by such Grantor is in full force and effect and, to the best knowledge of such Grantor, constitutes a valid and legally enforceable obligation of the other obligor in respect thereof or parties thereto, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and except, in the case of such Licenses, where the failure to be so enforceable would not have a Material Adverse Effect. No consent or authorization of, filing with or other act by or in respect of any Government Entity is required in connection with the execution, delivery, performance, validity or enforceability of any of the Accounts, such Licenses or Contracts by any party thereto other than those which have been duly obtained, made or performed, are in full force and effect (except, in the case of such Accounts and Licenses, where the failure to be in full force and effect would not have a Material Adverse Effect) and do not subject the scope of any such Account, License or Contract to any material adverse limitation, either specific or general in nature. Such Grantor and (to the best of such Grantor's knowledge) all other parties to any such Account or License are not in default in the performance or observance of any of the terms thereof which would have a Material Adverse Effect. Such Grantor (and to the best of such Grantor's knowledge) all other parties to any such Contract are not in default in the performance or observance of any of the material terms thereof. Such Grantor has fully performed all its material obligations under each material License and each Contract to the extent such obligations are required to be performed on or prior to the date hereof. The right, title and interest of such Grantor in, to and under such Accounts, Licenses and Contracts are not subject to any defense, offset, counterclaim or claim which would materially adversely affect the value of such Account, License or Contract as Collateral, nor, insofar as such Grantor is aware, have any of the foregoing been asserted or alleged against such Grantor as to any of the foregoing.

(f) **Inventory.** Set forth on Schedule VII is a true and correct list of all locations in which Inventory (other than Excluded Inventory) pledged by such Grantor in excess of \$500,000 by book value may be kept, as such Schedule may be amended or supplemented from time to time pursuant to Section 6(p) hereof. No Inventory in excess of \$2,000,000 by book value is kept outside of the United States.

(g) **Equipment.** Set forth on Schedule VII is a true and correct list of all locations in which Equipment pledged by such Grantor in excess of \$500,000 by book

value may be kept, as such Schedule may be amended or supplemented from time to time pursuant to Section 6(p) hereof.

(h) Chief Executive Office. With respect to each Grantor other than the Parent, such Grantor's chief executive office and chief place of business is located at the address listed on Schedule VIII hereto.

(i) Farm Products. None of the Collateral pledged by such Grantor constitutes, or is the Proceeds of, Farm Products.

(j) Investment Property. The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares or interests of all classes of the Capital Stock of each domestic Stock Issuer owned by such Grantor and 66% of the total outstanding voting Capital Stock of each foreign Stock Issuer owned by such Grantor. All the shares of the Pledged Stock pledged by such Grantor hereunder have been duly and validly issued and are fully paid and nonassessable. To the best knowledge of such Grantor, each of the Pledged Notes pledged by such Grantor hereunder constitutes a valid and legally enforceable obligation of the other obligor in respect thereof or parties thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally. Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except for the Lien created by this Agreement and Permitted Encumbrances.

(k) Patents, Trademarks and Copyrights. With respect to each Grantor other than the Parent, Schedule III hereto includes all Patents owned by such Grantor in its own name as of the date hereof; Schedule IV hereto includes all Trademarks owned by such Grantor in its own name as of the date hereof; and Schedule II hereto includes all Copyrights in which each Grantor has any colorable claim of ownership as of the date hereof. Except as set forth on Schedule III or Schedule IV and except as would not, individually or in the aggregate, have a Material Adverse Effect, each Patent and Trademark set forth therein is valid, subsisting, unexpired and enforceable and has not been abandoned. No holding, decision or judgment has been rendered by any Government Entity with respect to any such Patent or Trademark rendering such Patent or Trademark invalid or unenforceable which would have a Material Adverse Effect. Except as set forth on Schedule III or Schedule IV, no action or proceeding is pending or, to the knowledge of such Grantor, threatened (i) seeking to limit, cancel or render invalid any such Patent or Trademark or such Grantor's ownership thereof which would have a Material Adverse Effect, or (ii) which, if adversely determined, would have a material adverse effect on the value of any such Patent or Trademark.

## SECTION 6. COVENANTS

Each Grantor covenants and agrees with the Security Trustee and the other Finance Parties that, from and after the date of this Agreement until the Obligations are paid in full, the Commitments are terminated and either no Letters of Credit are outstanding or each outstanding Letter of Credit has been cash collateralized so that it is fully secured to the satisfaction of the Security Trustee:

(a) Facilities Agreement Undertakings. Such Grantor will comply with the provisions of clauses 10 and 11 of the Facilities Agreement (as if the same were set out in this Agreement mutatis mutandis) to the extent that such provisions are expressed to be binding on such Grantor (whether in the capacity of a Borrower or as a Subsidiary of a Borrower) or are matters to be procured by a Borrower or any of its Subsidiaries in relation to such Grantor (in whatever capacity).

(b) Further Documentation: Pledge of Instruments and Chattel Paper.

(i) At any time and from time to time, upon the written request of the Security Trustee, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Security Trustee may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (A) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby and (B) in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking actions necessary to enable the Security Trustee to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto; provided that, in the absence of an Event of Default which is continuing, none of the foregoing provisions of this clause shall authorize the Security Trustee to require any Grantor to take any action which is expressly excluded by the other terms of the Finance Documents. Each Grantor also hereby authorizes the Security Trustee to file (after written notice to the Parent) any such financing or continuation statement without the signature of such Grantor to the extent permitted by applicable law, provided that any failure to give any such notice shall not affect the validity or effectiveness of any such filing. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(ii) If any amounts payable under or in connection with any of the Collateral of any Grantor having a face value in excess of \$1,000,000 in the aggregate at any one time outstanding shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, any Instrument, Certificated Security or Chattel Paper of such Grantor having a face value in excess of \$50,000 individually shall be immediately delivered to the Security Trustee, duly indorsed

in a manner satisfactory to the Security Trustee, to be held as Collateral pursuant to this Agreement. So long as no Event of Default has occurred and is continuing and the Security Trustee has not given notice to such Grantor to that effect, upon request by any Grantor, the Security Trustee shall make available any such pledged Collateral to such Grantor, or its designee, that such Grantor specifies is required for the purpose of ultimate sale, exchange, presentation, collection, renewal, registration or transfer thereof, provided that in each case arrangements reasonably satisfactory to the Security Trustee shall be made for the return of such pledged Collateral within 21 days from the time of delivery by the Security Trustee, except for pledged Collateral that has been fully repaid, satisfied, or transferred as permitted hereunder.

(iii) Notwithstanding anything set forth in this Agreement to the contrary, so long as no Event of Default has occurred and is continuing, no Grantor shall be required to deliver to the Security Trustee any Collateral evidenced by an Instrument, Certificated Security or Chattel Paper to be held by the Security Trustee as Collateral pursuant to this Agreement unless (i) the amount evidenced by such Instrument, Certificated Security or Chattel Paper is in excess of \$50,000 individually and (ii) the aggregate amount evidenced by all such Instruments, Certificated Securities and Chattel Paper of such Grantor exceeds \$1,000,000.

(c) **Indemnification.** Each Grantor agrees to pay, and to save the Security Trustee and the other Finance Parties harmless from, any and all liabilities, costs and reasonable expenses (including, without limitation, reasonable legal fees and expenses) (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral pledged by it, (ii) with respect to, or resulting from, any delay by such Grantor in complying with any Requirement of Law applicable to any of the Collateral pledged by it or (iii) in connection with any of the transactions contemplated by this Agreement; provided that no Grantor shall be liable for the payment of any portion of such liabilities, costs or expenses resulting from the gross negligence, fraud or willful misconduct of the Security Trustee or any of the other Finance Parties. Without limiting the preceding sentence, each Grantor will indemnify and save and keep harmless the Security Trustee and each other Finance Party from and against all reasonable expense, loss or damage suffered by reason of any counterclaim of the account debtor or obligor thereunder, arising out of a breach by such Grantor of any obligation hereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from such Grantor; provided that no Grantor shall be liable for the payment of any portion of such liabilities, costs or expenses resulting from the gross negligence, fraud or willful misconduct of the Security Trustee or any of the other Finance Parties.

(d) **Maintenance of Records.** Each Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral pledged by it

hereunder, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts, Contracts and Licenses pledged by it hereunder. Upon the request of the Security Trustee, each Grantor will mark its internal books and records pertaining to the Collateral pledged by it hereunder to evidence this Agreement and the security interests granted hereby. For the Security Trustee's and the other Finance Parties' further security, the Security Trustee, for the ratable benefit of the Finance Parties, shall have a security interest in each Grantor's books and records pertaining to the Collateral pledged by it hereunder, and each Grantor shall make available for review any such books and records to the Security Trustee or to its representatives during normal business hours at the reasonable request of the Security Trustee. Each Grantor shall permit representatives of the Security Trustee, upon reasonable notice to the Borrowers (but no more frequently than once every two consecutive Quarters unless an Event of Default shall have occurred and be continuing), to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be requested upon reasonable notice.

(e) Right of Inspection. The Security Trustee and its representatives shall upon reasonable notice (made through the Security Trustee and no more frequently than once every two consecutive Quarters unless an Event of Default shall have occurred and be continuing) have full and free reasonable access to visit and inspect any properties of such Grantor and examine any of its books and records at any reasonable time and as often as may reasonably be requested upon reasonable notice.

(f) Compliance with Laws, etc. Each Grantor will comply in all respects with all Requirements of Law applicable to the Collateral pledged by it hereunder or any part thereof except where the failure to so comply would have a Material Adverse Effect; provided that such Grantor may contest any Requirement of Law in any reasonable manner which shall not, in the reasonable opinion of the Security Trustee, adversely affect the Security Trustee's or the other Finance Parties' rights or the priority of their Liens on such Collateral.

(g) Compliance with Terms of Contracts, etc. Each Grantor (i) will perform and comply in all material respects with all its obligations under the Contracts and (ii) will perform and comply in all respects with all its other Contractual Obligations relating to the Collateral pledged by it hereunder except, in the case of this clause (ii), where the failure to so comply would have a Material Adverse Effect.

(h) Payment of Obligations. Each Grantor will pay promptly when due all material taxes, assessments and governmental charges or levies imposed upon the Collateral pledged by it hereunder or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to such Collateral prior to material penalties being incurred, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of such Collateral or any interest

therein and (iii) such charge is adequately reserved against on such Grantor's books in accordance with GAAP.

(i) Insurance Proceeds. All moneys received by virtue of any of the Insurances with respect to any Collateral (i) prior to the Enforcement Date, shall be received by each Grantor as agent for the Security Trustee to be held in trust to be applied for the purpose of replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by such Grantor which owned the same) with any excess being applied in accordance with clause 6.8(c) of the Facilities Agreement where required by the terms of the Facilities Agreement; or (ii) on or after the Enforcement Date shall be applied in reduction of the Obligations (and such moneys shall be paid to the Security Trustee for such purposes if not paid by the insurers directly to the Security Trustee) or as the Security Trustee otherwise directs except where such Grantor concerned is required (as landlord or tenant) to apply such insurance moneys in accordance with any lease of any of the Collateral in which event they shall be so applied with any excess being applied in reduction of the Obligations or as the Security Trustee otherwise directs.

(j) Limitation on Liens on Collateral. No Grantor will create, incur or permit to exist, and each Grantor will take all commercially reasonable actions to defend the Collateral pledged by it hereunder against, and will take such other commercially reasonable action as is necessary to remove, any Lien or claim on or to such Collateral, other than the Liens created hereby and Permitted Encumbrances, and will take all commercially reasonable actions to defend the right, title and interest of the Security Trustee and the other Finance Parties in and to any of such Collateral against the claims and demands of all persons whomsoever.

(k) Limitations on Dispositions of Collateral. No Grantor will sell, transfer, lease or otherwise dispose of any of the Collateral pledged by it hereunder, or attempt, offer or contract to do so except as permitted by the Facilities Agreement. Concurrently with any such permitted disposition, the property acquired by a transferee in such disposition shall automatically be released from the security interest created by this Agreement (the "Security Interest"). It is acknowledged and agreed that notwithstanding any release of property from the Security Interest in accordance with the foregoing provisions of this Section, the Security Interest shall in any event continue in the Proceeds of such Collateral. The Security Trustee shall promptly execute and deliver (and, when appropriate, shall cause any separate agent, co-agent or trustee to execute and deliver) any releases, instruments or documents reasonably requested by any Grantor to accomplish or confirm the release of Collateral provided by this Section. Any such release of Collateral provided by the Security Trustee shall specifically describe that portion of the Collateral to be released, shall be expressed to be unconditional and shall be without recourse or warranty (other than a warranty that the Security Trustee has not assigned its rights and interests to any other person). Such Grantor shall pay all of the Security Trustee's reasonable expenses in connection with any release of Collateral.

(l) Limitations on Modifications, Waivers, Extensions of Contracts. No Grantor will (i) amend, modify, terminate or waive any provision of any Contract in any manner which could reasonably be expected to materially adversely affect the value of such Contract as Collateral, (ii) fail to exercise promptly and diligently each and every material right which it may have under each Contract (other than any right of termination) or (iii) fail to deliver to the Security Trustee upon its reasonable request a copy of each material demand, notice or document received by it relating in any way to any Contract.

(m) Maintenance of Equipment. Each Grantor will maintain each item of Equipment pledged by it hereunder in good operating condition (except for ordinary wear and tear, immaterial impairments of value to the Collateral, taken as a whole, and damage by the elements) and will provide all maintenance, service and repairs necessary for such purpose.

(n) Further Identification of Collateral. Each Grantor will furnish to the Security Trustee from time to time statements and schedules further identifying and describing the Collateral pledged by it and such other reports in connection with such Collateral as the Security Trustee may reasonably request, all in reasonable detail.

(o) Notices. Each Grantor will advise the Security Trustee and the other Finance Parties promptly, in reasonable detail, at their respective addresses set forth in the Facilities Agreement, (i) of any Lien (other than Liens created hereby or Permitted Encumbrances) on, or claim asserted against, any of the Collateral pledged by it and (ii) of the occurrence of any other event which, in each case, could reasonably be expected to have a Material Adverse Effect.

(p) Changes in Locations, Name, etc. With respect to each Grantor other than the Parent, no such Grantor will (i) change the location of its chief executive office/chief place of business from that specified on Schedule VIII hereto or remove its books and records from the location specified on Schedule VIII hereto, (ii) keep any amount of Inventory (other than Excluded Inventory) or Equipment in excess of \$500,000 at a location other than those listed for such Grantor on Schedule VII hereto, or (iii) change its name (including the adoption of any new trade name), identity or corporate structure to such an extent that any financing statement filed by the Security Trustee in connection with this Agreement would become seriously misleading, unless it shall have provided at least 15 days' prior written notice to the Security Trustee of any such event and provide the Security Trustee with the new location of its chief executive office/chief place of business and its books and records, the location of such Inventory and Equipment and the change in any Grantor's name, as the case may be. Any notice given pursuant to this Section 6(p) shall be deemed to amend Schedule VII hereto or Schedule VIII hereto, as the case may be. In connection with any actions permitted pursuant to clause (i) of this Section 6(p), the Security Trustee shall be entitled to receive any legal opinions it reasonably requests as to the continued perfection of the security interest granted hereby in the Collateral, which opinions shall be deemed satisfactory to the Security Trustee if



substantially similar to the perfection opinions given by special legal counsel to the Grantors on the First Drawdown Date.

(q) **Patents and Trademarks.** Whenever any Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for any Patent or for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Security Trustee within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Security Trustee, such Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as the Security Trustee may request to evidence the Security Trustee's security interest in any Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby, and each Grantor hereby appoints and constitutes the Security Trustee its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest and is irrevocable until the Obligations are paid in full, the Commitments are terminated and no Letters of Credit are outstanding.

(r) **Investment Property.**

(i) If such Grantor shall, as a result of its ownership of the Pledged Stock, become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Security Trustee and the other Finance Parties, hold the same in trust for the Security Trustee and the other Finance Parties and deliver the same forthwith to the Security Trustee in the exact form received, duly indorsed by such Grantor to the Security Trustee, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Security Trustee so requests, signature guaranteed, to be held by the Security Trustee, subject to the terms hereof, as additional collateral security for the Obligations.

(ii) Without the prior written consent of the Security Trustee, such Grantor will not (A) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction permitted by the Facilities Agreement) or (B) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the Lien provided for by this Agreement and Permitted Encumbrances.

(iii) In the case of each Grantor which is an Issuer, such Issuer agrees that (A) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (B) it will notify the Security Trustee promptly in writing of the occurrence of any of the events described in Section 6(r)(i) hereof with respect to the Investment Property issued by it and (C) the terms of Sections 8.2 and 11 hereof shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 8.2 or 11 with respect to the Investment Property issued by it.

## SECTION 7. THE SECURITY TRUSTEE

### 7.1 Security Trustee's Appointment as Attorney-in-Fact.

(a) **Powers.** Each Grantor hereby irrevocably constitutes and appoints the Security Trustee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, from time to time on or after the Enforcement Date, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Security Trustee the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do the following:

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

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, provided that if such taxes are being contested in good faith and by appropriate proceedings, the Security Trustee will consult with such Grantor before making any such payment; and

(iii) (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Security Trustee or as the Security Trustee shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of

or arising out of any Collateral; (C) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Security Trustee may deem appropriate; (G) to assign any Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Security Trustee shall in its sole discretion determine; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Security Trustee were the absolute owner thereof for all purposes, and to do, at the Security Trustee's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Security Trustee reasonably deems necessary to protect, preserve or realize upon the Collateral and the Security Trustee's and the other Finance Parties' Liens thereon and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

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

(b) Other Powers. (i) Each Grantor also authorizes the Security Trustee, at any time and from time to time, to execute, in connection with the sale provided for in Section 10 or 11 hereof, any indorsement, assignments or other instruments of conveyance or transfer with respect to the Collateral and (ii) pursuant to Section 9-402 of the Code, each Grantor authorizes the Security Trustee to file financing statements with respect to the Collateral without the signature of such Grantor in such form and in such filing offices as the Security Trustee reasonably determines appropriate to perfect the security interests of the Security Trustee under this Agreement. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(c) No Duty on Security Trustee's or Finance Parties' Part. The powers conferred on the Security Trustee and the other Finance Parties hereunder are solely to protect the Security Trustee's and the other Finance Parties' interests in the Collateral and shall not impose any duty upon the Security Trustee or any other Finance Party to exercise any such powers. The Security Trustee and the other Finance Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own

gross negligence, fraud or willful misconduct or failure to comply with mandatory provisions of applicable law.

## SECTION 8. INVESTMENT PROPERTY

**8.1 Dividends and Distributions; Voting and Other Rights.** (a) Until the Enforcement Date, each Grantor shall be permitted to receive all cash dividends paid by the relevant Issuer to the extent permitted in the Facilities Agreement in respect of the Pledged Stock, and all payments made in respect of the Pledged Notes, and to exercise all voting and corporate rights with respect to the Investment Property; provided, however, that each Grantor agrees that it shall not vote in any way that would be inconsistent with the security created by this Agreement. The Security Trustee shall, at the Parent's sole cost and expense, execute and deliver (or cause to be executed and delivered) to the Parent all proxies and other instruments as the Parent may reasonably request for the purpose of enabling any Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to this Section.

(b) On or after the Enforcement Date, (i) the Security Trustee shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as is set forth in the Facilities Agreement, and (ii) any or all of the Investment Property may be registered in the name of the Security Trustee or its nominee, and, subject to the terms of this Agreement, the Security Trustee or its nominee may thereafter exercise (A) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Issuer, or upon the exercise by any Grantor or the Security Trustee of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Security Trustee may determine), all without liability except to account for property actually received by it, and except for its gross negligence, fraud or willful misconduct or failure to comply with the provisions of Section 12.2 hereof, but the Security Trustee shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

**8.2 Compliance with Instructions.** Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to comply with any instruction received by it from the Security Trustee in writing that (a) states that the Enforcement Date has occurred and (b) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying.

8.3 Exercise of Remedies, Etc. The rights of the Security Trustee and the other Finance Parties hereunder shall not be conditioned or contingent upon the pursuit by the Security Trustee or any other Finance Party of any right or remedy against any other person which may be or become liable in respect of all or any part of the Obligations or against any collateral security therefor, guarantee therefor or right of offset with respect thereto. Neither the Security Trustee nor any other Finance Party shall be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall the Security Trustee be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof.

#### SECTION 9. PERFORMANCE BY SECURITY TRUSTEE OF ANY GRANTOR'S OBLIGATIONS

If any Grantor fails to perform or comply with any of its agreements contained herein and the Security Trustee, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Security Trustee incurred in connection with such performance or compliance, together with interest thereon at a rate per annum calculated in accordance with clause 5.4 of the Facilities Agreement, shall be payable by such Grantor to the Security Trustee on demand and shall constitute Obligations secured hereby; provided that the Security Trustee shall in any event first have given such Grantor written notice of its intent to do the same and such Grantor shall not have, within 30 days of such notice (or such shorter period as the Security Trustee may reasonably determine is necessary in order to preserve the benefits of this Agreement with respect to any material portion of the Collateral), paid such claim or obtained to the Security Trustee's satisfaction the release of the claim or Lien to which such notice relates.

#### SECTION 10. REMEDIES

On or after the Enforcement Date, the Security Trustee on behalf of the Finance Parties may, except with respect to the Pledged Stock, exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. With respect to the Pledged Stock, in the event that any portion of the Obligations has been declared or becomes due and payable in accordance with the terms of the Facilities Agreement, the Security Trustee on behalf of the Finance Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the Security Trustee, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize

upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Security Trustee or any other Finance Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Security Trustee or any other Finance Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. The Security Trustee shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Security Trustee and the other Finance Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Security Trustee may elect, and only after such application and after the payment by the Security Trustee of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the Code, need the Security Trustee account for the surplus, if any, to such Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Security Trustee or any other Finance Party arising out of the exercise by them of any rights hereunder, except to the extent arising from the gross negligence, fraud or willful misconduct of the Security Trustee or such other Finance Party. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Such Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Security Trustee or any other Finance Party to collect such deficiency.

## SECTION 11. REGISTRATION RIGHTS

11.1 **Registration.** If the Security Trustee shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 10 hereof, and if in the opinion of the Security Trustee it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (a) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Security Trustee, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (b) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of 90 days from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (c) make all amendments thereto and/or to the related prospectus that, in the opinion of the Security Trustee, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the

Securities and Exchange Commission applicable thereto. Each Grantor agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Security Trustee shall reasonably designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

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

11.3 Further Acts. Each Grantor further agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 11 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 11 will cause irreparable injury to the Security Trustee and the other Finance Parties, that the Security Trustee and the other Finance Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 11 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants.

## SECTION 12. MISCELLANEOUS

12.1 Amendments, etc. with Respect to the Obligations. Each Grantor shall remain obligated hereunder, and the Collateral shall remain subject to the Lien granted hereby notwithstanding that, without any reservation of rights against any Grantor, and without notice to or further assent by such Grantor, any demand for payment of any of the Obligations made by the Security Trustee or any other Finance Party may be rescinded by the Security Trustee or any other Finance Party, and any of the Obligations continued, and the Obligations, or the liability of each Grantor or any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered, or released by the Security Trustee or any other Finance Party, and the Facilities Agreement, the

other Finance Documents, any Hedge Agreements and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or part, as the Security Trustee or any other Finance Party may deem advisable from time to time, and any guarantee, right of offset or other collateral security at any time held by the Security Trustee or any other Finance Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Security Trustee nor any other Finance Party shall have any obligation to protect, secure, perfect or insure this or any other Lien at any time held by it as security for the Obligations or any property subject thereto. Each Grantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Security Trustee or any other Finance Party upon this Agreement; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Agreement; and all dealings between any Grantor and the Security Trustee or any other Finance Party, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Agreement. Each Grantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon such Grantor with respect to the Obligations.

12.2 Limitation on Duties Regarding Preservation of Collateral. The Security Trustee's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Security Trustee deals with similar property for its own account. Neither the Security Trustee, any other Finance Party, nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise.

12.3 Delegation of Duties. The Security Trustee may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Security Trustee shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care, except as otherwise provided in clause 17.17(c) of the Facilities Agreement or Section 12.2 hereof.

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

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

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



**12.7 No Waiver; Cumulative Remedies.** Neither the Security Trustee nor any other Finance Party shall by any act (except by a written instrument pursuant to Section 12.8 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Security Trustee or any other Finance Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Security Trustee or any other Finance Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Security Trustee or such other Finance Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

**12.8 Integration; Waivers and Amendments; Successors and Assigns; Governing Law.** This Agreement and the other Finance Documents represent the entire agreement of each Grantor with respect to the subject matter hereof and there are no promises or representations by the Security Trustee or any other Finance Party relative to the subject matter hereof not reflected herein or in the other Finance Documents. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each Grantor and the Security Trustee, provided that any provision of this Agreement may be waived by the Security Trustee in a written letter or agreement executed by the Security Trustee or by telex or facsimile transmission from the Security Trustee. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Security Trustee and the other Finance Parties and their respective successors and assigns. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

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

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

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

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in clause 21.1 of the Facilities Agreement or at such other address of which the Security Trustee shall have been notified pursuant thereto;

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

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

12.10 Notices. All notices, requests and demands to or upon each Grantor or the Security Trustee or any other Finance Party to be effective shall be in writing and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or, in the case of mail, three days after deposit in the postal system, first class postage prepaid, or, in the case of telecopy notice, when sent, or, in the case of telex notice, when sent, answerback received, addressed to a party at the address provided for such party (including any addresses for copies) in clause 21.1 of the Facilities Agreement.

12.11 Counterparts. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

12.12 Authority of Security Trustee. Each Grantor acknowledges that the rights and responsibilities of the Security Trustee under this Agreement with respect to any action taken by the Security Trustee or the exercise or non-exercise by the Security Trustee of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Security Trustee and the other Finance Parties, be governed by the Facilities Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Security Trustee and each Grantor, the Security Trustee shall be conclusively presumed to be acting as agent for the Finance Parties with full and valid authority so to act or refrain from acting, and such Grantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

12.13 Additional Grantors. Each Subsidiary of the Parent that is required to become a party to this Agreement pursuant to clause 10.2(f)(i) of the Facilities Agreement shall become a Grantor and a Guarantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

12.14 Releases. The Security Trustee and the other Finance Parties agree to cooperate with each Grantor with respect to any sale permitted by clause 11.1(e) of the Facilities Agreement and promptly take such action and execute and deliver such instruments and

documents necessary to release the Liens and security interests created hereby relating to any of the assets or property affected by any sale permitted by clause 11.1(e) of the Facilities Agreement including, without limitation, any necessary Uniform Commercial Code amendment, termination or partial termination statement.

12.15 Currencies. All moneys received or held by the Security Trustee under this Agreement at any time on or after the Enforcement Date in a currency other than a currency in which the Obligations are denominated may from time to time be sold at the Security Trustee's spot rate of exchange at the time for such one or more of the currencies in which the Obligations are denominated as the Security Trustee considers necessary or desirable and the Parent shall indemnify the Security Trustee against the full sterling cost (including all costs, charges and expenses) incurred in relation to such sale. The Security Trustee shall not have any liability to any Grantor in respect of any loss resulting from any fluctuation in exchange rates after any such sale except in the case of any such loss resulting from the gross negligence or willful misconduct of the Security Trustee.

12.16 Termination. This Agreement (other than with respect to any cash collateral securing any outstanding Letter of Credit) shall terminate when all the Obligations have been paid in full, the Commitments have been terminated and either no Letters of Credit are outstanding or each outstanding Letter of Credit has been cash collateralized so that it is fully secured to the satisfaction of the Security Trustee. Upon such termination, the Security Trustee shall reassign and redeliver (or cause to be reassigned and redelivered) to each Grantor, or to such person or persons as such Grantor shall designate, or to whomever may be lawfully entitled to receive such surplus, against receipt, such of the Collateral (if any) (other than with respect to any cash collateral securing any outstanding Letter of Credit) as shall not have been sold or otherwise applied by the Security Trustee pursuant to the terms hereof and shall still be held by it hereunder, together with appropriate instruments or reassignment and release. Any such reassignment and release shall be without recourse upon or warranty by the Security Trustee (other than a warranty that the Security Trustee has not assigned its rights and interests hereunder to any person) and at the expense of each Grantor.

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

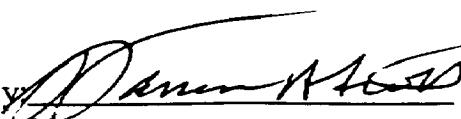
ZSC SPECIALTY CHEMICALS GROUP  
LIMITED

By: 

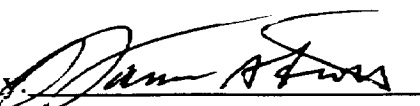
Name: HUGH LANKAMER

Title: DIRECTOR


ZSC HOLDINGS INC.

By:   
Name: **Warren A. Scott**  
Title: **President**

ZSC INC.

By:   
Name: **Warren A. Scott**  
Title: **President**

ZSC IPC INC.

By:   
Name: **Warren A. Scott**  
Title: **President**

Contracts

1. General Bill of Sale and Assignment and Assumption Agreement, dated as of the date hereof, between Zeneca Inc. and ZSC Inc.
2. General Bill of Sale and Assignment and Assumption Agreement, dated as of the date hereof, between GB Biosciences Corporation and ZSC Inc.
3. General Bill of Sale and Assignment and Assumption Agreement, dated as of the date hereof, between Zeneca Resins Holdings, Inc. and ZSC IPC Inc.

Copyrights

None.

Patents

Case No. 60042

COUNTRY / PATENT OFFICE	APPLICATION / PATENT No.
Argentina	335842
Australia	690022
Brazil	PI9607925-8
Canada	2215953
Colombia	96014290
European Patent Office	0814658
India	488/del/96
Indonesia	P-960747
Japan	08-528436
Mexico	977207
New Zealand	304596
Russian Federation	97117341
South Africa	96/1522
South Korea	97-706635
Taiwan	NI-87837
Thailand	030434
Turkey	97117341
Uruguay	24189
USA	08/970829



**Case No. 36840**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Austria	0301945
Belgium	0301945
France	0301945
Germany	P3875545.9
Greece	3006100
Italy	0301945
Japan	2512092
Luxembourg	0301945
Netherlands	0301945
Spain	0301945
Sweden	0301945
Switzerland	0301945
UK	0301945
USA	4785120

**Case No. 33643**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Australia	596996
Brazil	PI8604816.3
Canada	1289967
Germany	P3689604.7
Japan	2537499
Mexico	3937
New Zealand	217701
UK	0220000
USA	4801644

**Case No. 34458**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Brazil	PI8804741
Canada	1337309
France	0309113
Germany	P3882631.3
Italy	0309113
Japan	2725796
Mexico	169505
Netherlands	0309113
Singapore	9791131-7
Spain	0309113
Sweden	0309113
UK	0309113
USA	4927876

**Case No. 35314**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Brazil	PI9002838
Canada	2018549-0
Germany	69020814.6
Japan	154127/90
Mexico	171049
Singapore	9791133.3
UK	0404371
USA	5169895

**Case No. 60050**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Australia	59197/96
Brazil	PI9608764
Canada	2221147
China	96193893.5
European Patent Office	96916454.0
Japan	08-534922
Mexico	978776
South Korea	97-708168
Taiwan	85105758
USA	5684090
USA	08/952269

**Case No. 32871**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Argentina	232569
Australia	570645
Canada	1203175
Eire	56005
France	0104877
Germany	P3381104.0
Italy	0104877
Japan	180096/83
Mexico	167711
New Zealand	205726
South Africa	83/7201

Sweden	0104877
Switzerland	0104877
UK	0104877
USA	4746506

**Case No. 40009**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Argentina	328338
Australia	670191
Brazil	PI9402097
Canada	2124234
European Patent Office	94303529.5
Finland	942497
Japan	116631/94
Mexico	943982
New Zealand	260578
Norway	303201
South Africa	94/3655
South Korea	00596/94
Taiwan	NI-74167
Thailand	22592
USA	5373016

**Case No. 60237**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Argentina	P980104192
Chile	2082/98
Peru	000747.98

South Africa	987435
Zambia	19/98

**Case No. 35637**

COUNTRY	APPLICATION / PATENT No.
Canada	2037377.6
Chile	159/91
USA	5024821

**Case No. 60051**

COUNTRY	APPLICATION / PATENT No.
Australia	66404/96
Brazil	PI9609680-2
Canada	2228148
Czech Republic	PV301/98
European Patent Office	96926163.5
Japan	09-507833
Mexico	980939
New Zealand	313869
Norway	98/0421
South Africa	96/6500
USA	5668084

**Case No. 37417**

COUNTRY	APPLICATION / PATENT No.
Austria	0610053
Belgium	0610053

Chile	179/94
Eire	E74454
France	0610053
Germany	69403498.3
Italy	0610053
Netherlands	0610053
Spain	0610053
Switzerland	0610053
UK	0610053
USA	5334762

**Case No. 40189**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Belgium	0050841
Canada	1181423
France	0050841
Germany	P3163416.8
Japan	1586739
Netherlands	0050841
South Africa	81/7316
Switzerland	0050841
UK	0050841
USA	4436673

**Case No. 34456**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Brazil	PI8804740.7
Canada	1333314

Germany	3831169.0
Mexico	177785
UK	2209758
USA	4992507

**Case No. 34459**

COUNTRY	APPLICATION / PATENT No.
Brazil	PI8804742.3
Canada	1338389
Germany	P3854883.6
Italy	0309114
Mexico	169503
Netherlands	0309114
Singapore	9791135-8
Spain	0309114
UK	0309114
USA	5314942

**Case No. 33400Z**

COUNTRY	APPLICATION / PATENT No.
Canada	1272842
USA	4657964

**Case No. 34564**

COUNTRY	APPLICATION / PATENT No.
Canada	1338718

**Case No. 33144**

COUNTRY	APPLICATION / PATENT No.
France	0130711
Germany	P3462372.8
Switzerland	P130711.3
UK	0130711
USA	4472168

**Case No. 60322**

COUNTRY	APPLICATION / PATENT No.
UK	9824353.8

**Case No. 60323**

COUNTRY	APPLICATION / PATENT No.
UK	9824352.0

**Case No. 31252**

COUNTRY	APPLICATION / PATENT No.
USA	4304707

**Case No. 40182**

COUNTRY	APPLICATION / PATENT No.
USA	4713467

**Case No. 40183**

COUNTRY	APPLICATION / PATENT No.
USA	4650880



**Case No. 31100Z**

COUNTRY	APPLICATION / PATENT No.
USA	4472308

**Case No. 40184**

COUNTRY	APPLICATION / PATENT No.
USA	4463202

**Case No. 40187**

COUNTRY	APPLICATION / PATENT No.
USA	4409152

**Case No. 40247**

COUNTRY	APPLICATION / PATENT No.
USA	4377559

**Case No. 40304X**

COUNTRY	APPLICATION / PATENT No.
USA	5449658

**Case No. 35186**

COUNTRY	APPLICATION / PATENT No.
Argentina	247804
Australia	626658
Austria	0393948
Belgium	0393948
Brazil	PI9001837

Canada	2014721.1
Denmark	0393948
Finland	901988
France	0393948
Germany	69014389.3
Italy	0393948
Japan	105144/90
Mexico	163810
Netherlands	0393948
New Zealand	233271
Norway	179852
South Africa	90/2754
South Korea	149025
Spain	0393948
Sweden	0393948
Switzerland	0393948
Taiwan	NI-45186
Thailand	6136
UK	0393948
Uruguay	13342
USA	5004749

**Case No. 60244**

<b>COUNTRY</b>	<b>APPLICATION / PATENT No.</b>
Argentina	P980102366
Patent Convention Treaty	PCT/GB98/0136
South Africa	98/4175

Trademarks

<u>Trademark</u>	<u>Country</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Registration No.</u>	<u>Registration Date</u>
ALMACRYL	Brazil			815244185	29-Oct-91
NEOCRYL	Brazil			814293808	24-Apr-90
NEOREZ	Brazil			800304187	21-Dec-82
NEOCRYL	Brazil	813412625			
NEOCRYL	Canada			217529	03-Jun-80
NEOCRYL	Chile			334606	06-Sep-88
NEOREZ	Chile			334607	06-Sep-88
NEOCRYL	Dominican Republic			81466	15-Dec-95
COSMOCIL	Germany			DD 653 944	20-Apr-95
NEOCRYL	Japan			2722796	22-Aug-97
NEOCRYL	Japan			2722797	22-Aug-97
NEOPAC	Japan			2328989	30-Aug-91
NEOPAC	Japan			2409496	30-Apr-92
NEOREZ	Japan			2453973	30-Sep-92

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NEOREZ	Japan				2453974	30-Sep-92
ALMACRYL	Mexico				381332	16-Nov-89
NEOCRYL	Mexico				357065	26-May-88
ALMACRYL	USA				1607879	31-Jul-90
NEOCRYL	USA				692253	02-Feb-60
NEOREZ	USA				692254	02-Feb-60
POOL BREEZE	USA				1939190	05-Dec-95
PTZ	USA				1592643	24-Apr-90
REPUTAIN	USA				1909094	01-Aug-95
SDM	USA				1531578	28-Mar-89
SUMMER GOLD	USA				2126046	30-Dec-97
THE FUN TIMES AMERICA'S GUIDE TO POOL AND SPA FUN	USA	74/692999		26-Jun-95		
TITEKOTE	USA				724363	
NEOCRYL	Venezuela				72609	04-Apr-73

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Pledged Notes

<u>Issuer</u>	<u>Payee</u>	<u>Principal Amount</u>
ZSC Inc.	ZSC Holdings Inc.	\$250,000,000

Schedule VI to  
Guarantee and Collateral Agreement

Pledged Stock

<u>Issuer</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>No. of Shares</u>
ZSC Holdings Inc.	common stock	1	100
ZSC Holdings Inc.	common stock	2	1
ZSC Inc.	common stock	1	100
ZSC IPC Inc.	common stock	1	100

Locations of Inventory and Equipment

**Grantor**

ZSC Inc.

**Location**

**ARIZONA**

Van Waters & Rogers  
50 S. 45<sup>th</sup> Avenue  
Phoenix, AZ 85043

Cyprus Miami Mining Corp.  
Main Gate  
Highway 60  
Claypool, AZ 85532

Acorga  
3259 E Harbour  
Suite 100  
Phoenix, AZ 85043

**CALIFORNIA**

Noble Distribution  
20453 Reeves Ave.  
Carson, CA 90810

California Warehouse  
4455 Fruitland Ave.  
Los Angeles, CA 90058-0741

American Warehouse  
2702 South Maple Ave.  
Fresno, CA 93745

**DELAWARE**

ZENECA Engineering Labs  
233 Cherry Lane  
New Castle, DE 19720

213 Cherry Lane  
New Castle, DE 19720

ZSC Inc.  
1405 Foulk Rd  
Building 3  
Foulkstone Plaza  
Wilmington, DE 19803

Zeneca Inc.  
1800 Concord Pike  
CR&DL  
Wilmington, DE 19850

**GEORGIA**

Gray Distribution  
1737 Industrial Blvd.  
Ashburn, GA 31714

Bold Corporation  
Highway 129 N  
Ocilla, GA 31774

**ILLINOIS**

Cygnus Corp.  
340 East 138<sup>th</sup> St.  
Chicago, IL 60827

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Zeneca Resins US  
730 Main St  
Wilmington, MA 01887

North Central  
60 Newark St.  
Haverhill, MA 01830

Summit Condo  
Unit 2A, Summit St.  
Peabody, MA 01960

Crystal Warehouse Corp.  
25 Industrial Way  
Wilmington, MA 01887

Northeast Cartage Co. Inc.  
Summit Industrial Park  
PO Box 3397  
Peabody, MA 01960

#### **MICHIGAN**

CDR Pigments & Dispersions  
492 Douglas Ave.  
Holland, MI 49424

#### **MISSOURI**

Aerofil Technology Inc.  
225 Industrial Park Drive  
Sullivan, MO 63080

**NEW JERSEY**

Freeway Warehouse  
30 Southard Ave.  
Framingdale, NJ 07727

Manufacturer's Aid  
317 St. Paul's Ave.  
Jersey City, NJ 07306

**NEW MEXICO**

Phelps Dodge Chino Mines  
Highway 152  
SX Gate  
Santa Rita, NM 88043

**NORTH CAROLINA**

C & S Distribution Center  
3500-B Woodpark Blvd.  
Charlotte, NC 28206

Uniqema

2130 N. Tryon St.  
Charlotte, NC 28206

Charlotte Lab Facility  
9401-A Southern Pine Blvd.  
Charlotte, NC 28273

Charlotte Sales Office  
8720 Red Oak Blvd.  
Charlotte, NC 28217

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**OHIO**

Wright Distribution  
1000 Hawthorn Rd.  
Lima, OH 45802

PPG Industries Inc.  
14800 Emery Rd.  
Cleveland, OH 44135

CDR Pigments & Dispersions  
410 Glendale Miford Rd.  
Cincinnati, OH 45215

**PENNSYLVANIA**

Copperhead Chemical Co.  
Schuylkill County  
Rt. 443, 2 River Rd.  
Tamaqua, PA 18252

Fluid Energy  
2629 Penn Avenue  
Hatfield, PA 19440

OMG Americas  
2 Mile Run Rd.  
Venango County  
Franklin, PA 16323

A. Duic Pyle Warehouse  
Lincoln & Garfield Ave. &  
700 Bolmar St.  
West Chester, PA 19380

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The Jay Group  
60 North Ronks Rd.  
Ronks, PA 17571

Penn Bottle & Supply Co.  
7150 Lindbergh Blvd.  
Philadelphia, PA 19153

**SOUTH CAROLINA**

Standard Warehouse  
1121 Bluff Industrial Blvd.  
Columbia, SC 29201

**TENNESSEE**

Nickey Warehouse  
3691 Tulane Rd.  
Memphis, TN 38116

Mt. Pleasant  
PO Box 152  
Mount Joy Rd.  
Mt. Pleasant, TN 38474

W. M. Barr Company  
2170 Buoy St.  
Memphis, TN 38113

**TEXAS**

Quality Carriers, Inc.  
700 Minton Rd.  
Fort Worth, TX 76131

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Brokers Logistics  
1000 Hawkins Blvd.  
El Paso, TX 79915

**WASHINGTON**

MidColumbia Warehouse  
Avenue A&E Ainsworth Ave.  
Pasco, WA 99301

**WISCONSIN**

Wilson Services, Inc.  
1209 South 11<sup>th</sup> Street  
Sheboygan, WI 53081

Checkers Warehouse  
1725 Dixie Rd.  
Ncenah, WI 54957

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Location of Chief Executive Office

Grantor

Location

ZSC Holdings Inc.

1405 Foulk Road, Foulkstone Plaza  
Wilmington, DE 19803

ZSC Inc.

1405 Foulk Road, Foulkstone Plaza  
Wilmington, DE 19803

ZSC IPC Inc.

1405 Foulk Road, Foulkstone Plaza  
Wilmington, DE 19803

Filings Required To Perfect Security Interests

Uniform Commercial Code Filings

<u>Name of Grantor</u>	<u>Jurisdiction</u>
ZSC Holdings Inc.	Delaware Secretary of State
ZSC Inc.	Delaware Secretary of State
ZSC IPC Inc.	Delaware Secretary of State

Patent and Trademark Filings

Filings with the United States Patent and Trademark Office as to the intellectual property specified in Schedules III and IV to the Guarantee and Collateral Agreement.

ACKNOWLEDGMENT AND CONSENT<sup>1</sup>

The undersigned hereby acknowledges receipt of a copy of the Guarantee and Collateral Agreement, dated as of June 30, 1999 (the "Agreement"), made by the Grantors parties thereto for the benefit of Chase Manhattan International Limited, as Security Trustee. The undersigned agrees to notify the Security Trustee promptly in writing of the occurrence of any of the events described in Section 6(r)(i) of the Agreement. The undersigned further agrees that the terms of Sections 8.2 and 11 of the Agreement shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 8.2 or 11 of the Agreement.

[NAME OF ISSUER]

By \_\_\_\_\_

Name:

Title:

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fax:

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<sup>1</sup> This consent is necessary only with respect to any Issuer which is not also a Grantor.



ASSUMPTION AGREEMENT, dated as of \_\_\_\_\_, \_\_\_\_\_, made by \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Additional Subsidiary"), in favor of CHASE MANHATTAN INTERNATIONAL LIMITED, as security trustee (in such capacity, the "Security Trustee") for the banks and other financial institutions (the "Finance Parties") parties to the Facilities Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Facilities Agreement.

WITNESSETH:

WHEREAS, ZSC Speciality Chemicals Group Limited, a company formerly known as Iliad 6 Limited that is incorporated under the laws of England and Wales (the "Parent"), the subsidiaries of the Parent from time to time parties thereto (together with the Parent, the "Borrowers"), the Banks referred to therein, Chase Manhattan plc and J.P. Morgan Securities Ltd., as Arrangers, The Chase Manhattan Bank and J.P. Morgan Securities Ltd., as Underwriters, Chase Manhattan International Limited, as Agent, and the Security Trustee have entered into the Facilities Agreement, dated as of May 12, 1999 (as amended as of June 29, 1999 and as further amended, supplemented or otherwise modified from time to time, the "Facilities Agreement");

WHEREAS, in connection with the Facilities Agreement, the Parent and certain of its Subsidiaries (other than the Additional Subsidiary) have entered into the Guarantee and Collateral Agreement, dated as of June 30, 1999 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement"), in favor of the Security Trustee for the ratable benefit of the Finance Parties;

WHEREAS, the Facilities Agreement requires the Additional Subsidiary to become a party to the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Subsidiary has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Subsidiary, as provided in Section 12.13 of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Grantor and a Guarantor thereunder with the same force and effect as if originally named therein as a Grantor and a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor and of a

Guarantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedules to the Guarantee and Collateral Agreement. The Additional Subsidiary hereby represents and warrants that each of the representations and warranties contained in Section 5 of the Guarantee and Collateral Agreement is true and correct on and as the date hereof in all material respects (after giving effect to this Assumption Agreement) as if made on and as of such date.

**2. Governing Law. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

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

[ADDITIONAL SUBSIDIARY]

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

Supplement to Schedule I

Supplement to Schedule II

Supplement to Schedule III

Supplement to Schedule IV

Supplement to Schedule V

Supplement to Schedule VI

Supplement to Schedule VII

Supplement to Schedule VIII

Supplement to Schedule IX