MUD 2/15/00

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

03-21-2000

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

101293460

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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

Submission Type

- [X] New
- [ ] Resubmission (Non-Recordation) Document ID #
- [ ] Correction of PTO Error Reel # Frame #
- [ ] Corrective Document Reel # Frame #

Conveyance Type

- [ ] Assignment
- [ ] License
- [X] Security Agreement
- [ ] Nunc Pro Tunc Assignment
- [ ] Merger
- [ ] Change of Name
- [ ] Other

Effective Date Month Day Year: 02/01/00

Conveying Party

[ ] Mark if additional names of conveying parties attached

Name: ACX Technologies, Inc.

Execution Date Month Day Year: 02/01/00

Formerly:

[ ] Individual [ ] General Partnership [ ] Limited Partnership [X] Corporation [ ] Association

[ ] Other

[X] Citizenship/State of Incorporation/Organization: Colorado

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: Bank of America, N.A. as Administrative Agent

DBA/AKA/TA:

Composed of:

Address (line 1): 901 Main Street, 14th Floor

Address (line 2):

Address (line 3): Dallas (City) Texas/U.S.A. (State/Country) 75202 (Zip Code)

[ ] Individual [ ] General Partnership [ ] Limited Partnership

[ ] Corporation [ ] Association

[X] Other: National Banking Association

[ ] Citizenship/State of Incorporation/Organization:

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

03/21/2000 DCOATES 00000003 2110904
01 FC:481 40.00 OP

FOR OFFICE USE ONLY

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

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

d742137.1

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number 214-651-5066

Name Jeffrey M. Becker

Address (line 1) 901 Main Street

Address (line 2) Suite 3100

Address (line 3) Dallas, Texas 75202-3789

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 28

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

☐ Mark if additional numbers attached

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

Trademark Application Number(s)			Registration Number(s)		
			2,110,904		

Number of Properties

Enter the total number of properties involved. # 1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 40.00

Method of Payment: Enclosed [X] Deposit Account [ ]

Deposit Account

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

Deposit Account Number: # 08-1394

Authorization to charge additional fees: Yes [X] No [ ]

Statement and Signature

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

Jeffrey M. Becker		2/9/2000
Name of Person Signing	Signature	Date Signed

ASSIGNMENT AND SECURITY AGREEMENT

THIS ASSIGNMENT AND SECURITY AGREEMENT (this "***Security Agreement***") is executed as of February 1, 2000, by ACX TECHNOLOGIES, INC., a Colorado corporation (whether doing business in its own name or in one or more of the trade names listed on ***Annex A*** hereto, "***Debtor***"), and BANK OF AMERICA, N.A., a national banking association, in its capacity as "*Administrative Agent*" for the Lenders (hereafter defined), as "***Secured Party***."

WHEREAS, ACX Technologies, Inc., Bank of America, N.A., as Administrative Agent, and Lenders now or hereafter party to the Credit Agreement have entered into a Revolving Credit and Term Loan Agreement, dated as of August 2, 1999 (as amended, modified, supplemented, or restated from time to time, the "***Credit Agreement***");

WHEREAS, ***Section 6.2*** of the Credit Agreement requires, upon the Lien Triggering Date, that ACX Technologies, Inc. and its Domestic Subsidiaries grant in favor of the Administrative Agent (for the ratable benefit of the Lenders) first priority liens in, to, and on all material assets of ACX Technologies, Inc. and its Domestic Subsidiaries; and

WHEREAS, this Assignment and Security Agreement is integral to the transactions contemplated by the Loan Documents, and the execution and delivery thereof is required under the Loan Documents.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor and Secured Party hereby agree as follows:

1. **REFERENCE TO CREDIT AGREEMENT.** The terms, conditions, and provisions of the Credit Agreement are incorporated herein by reference, the same as if set forth herein verbatim, which terms, conditions, and provisions shall continue to be in full force and effect hereunder so long as Lenders are obligated to lend under the Credit Agreement and thereafter until the Obligation is paid and performed in full.

2. **CERTAIN DEFINITIONS.** Unless otherwise defined herein, or the context hereof otherwise requires, each term defined in either of the Credit Agreement or in the UCC is used in this Security Agreement with the same meaning; *provided that* (a) if the definition given to such term in the Credit Agreement conflicts with the definition given to such term in the UCC, the Credit Agreement definition shall control to the extent legally allowable; (b) if any definition given to such term in *Chapter 9* of the UCC conflicts with the definition given to such term in any other chapter of the UCC, the *Chapter 9* definition shall prevail; and (c) references to "*including*" mean "*including without limitation*". As used herein, the following terms have the meanings indicated:

Collateral has the meaning set forth in ***Paragraph 4*** hereof.

Intellectual Property Collateral means, collectively, the Copyrights, the Trademarks, the Patents, and the Trade Secrets.

Lender means, individually, or ***Lenders*** means, collectively, on any date of determination, the Administrative Agent and the Lenders.

Material Depository Account shall include each Deposit Account other than Immaterial Depository Accounts. A Deposit Account shall be considered an ***Immaterial Depository Account*** if the balance in such

TRADEMARK
REEL: 002037 FRAME: 0105

account during any continuous 48-hour period, when aggregated with the balance in all other Immaterial Depository Accounts, including Immaterial Depository Accounts as defined in the Other Security Agreements, during such continuous 48-hour period, does not exceed $1,000,000.00.

Obligation means, collectively, (a) the "*Obligation*" as defined in the Credit Agreement and (b) all indebtedness, liabilities, and obligations of Debtor arising under this Security Agreement or any Guaranty assuring payment of the Obligation; it being the intention and contemplation of Debtor and Secured Party that future advances will be made by Secured Party or one or more Lenders to Debtor, and that Debtor may guarantee (or otherwise become directly or contingently obligated with respect to) the obligations of others to Secured Party, and that payment and repayment of all of the foregoing are intended to and shall be part of the Obligation secured hereby. The Obligation shall include, without limitation, future, as well as existing, advances, indebtedness, liabilities, and obligations owed by Debtor to Secured Party or to any Lender arising under the Loan Documents. Indebtedness, liabilities and obligations arising from or pursuant to Financial Hedges shall be included in the term "Obligation" for purposes of this Security Agreement only to the extent such Financial Hedge is permitted under the Credit Agreement.

Other Debtor means each Subsidiary of Borrower that has executed an Other Security Agreement.

Obligor means any Person obligated with respect to any of the Collateral, whether as an account debtor, obligor on an instrument, issuer of securities, or otherwise.

Other Security Agreement means each Assignment and Security Agreement now or hereafter executed by a Subsidiary of Borrower pursuant to the Credit Agreement.

Partnership means any partnership issuing a Partnership Interest.

Pledged Securities means, collectively, the Pledged Shares, the Partnership Interests (whether or not a security), and any other Collateral constituting securities.

Security Interest means the security interest granted and the pledge and assignment made under ***Paragraph 3*** hereof.

Transition Date means the date on which the liens of this Security Agreement are fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective and possession of the Collateral has been given to and accepted by the purchaser or grantee free of occupancy and claims to occupancy by the Debtor and the Debtor's successors and assigns; provided that, if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, the Transition Date shall be deemed not to have occurred until such challenge is validly released, dismissed with prejudice or otherwise barred by law from further assertion.

UCC means the Uniform Commercial Code as enacted in the State of New York or other applicable jurisdiction, as amended at the time in question.

3. **SECURITY INTEREST.** In order to secure the full and complete payment and performance of the Obligation when due, Debtor hereby grants to Secured Party a Security Interest in all of Debtor's Rights, titles, and interests in and to the Collateral and pledges, collaterally transfers, and assigns the Collateral to Secured Party, all upon and subject to the terms and conditions of this Security Agreement. Such Security Interest is granted and pledge and assignment are made as security only and shall not subject Secured Party

TRADEMARK
REEL: 002037 FRAME: 0106

to, or transfer or in any way affect or modify, any obligation of Debtor with respect to any of the Collateral or any transaction involving or giving rise thereto. If the grant, pledge, or collateral transfer or assignment of any specific item of the Collateral is expressly prohibited by any contract, then the Security Interest created hereby nonetheless remains effective to the extent allowed by *UCC § 9.318* or other applicable Law, but is otherwise limited by that prohibition.

4. **COLLATERAL.** As used herein, the term "***Collateral***" means the following items and types of property now owned or in the future acquired by Debtor:

(a) All present and future accounts, contract Rights, general intangibles, chattel paper, documents, instruments, inventory, investment property, equipment, fixtures located on real property which is leased by Debtor as lessee, other goods, minerals, money, and deposit accounts, wherever located, now owned or hereafter acquired by Debtor, and any and all present and future Tax refunds of any kind whatsoever to which the Debtor is now or shall hereafter become entitled.

(b) All present and future issued and outstanding shares of capital stock or other equity interests or investment securities now owned or hereafter acquired by Debtor (excluding shares of Subsidiaries), including, without limitation, securities listed on ***Annex A*** hereto, *together with* all distributions thereon, all cash and noncash proceeds thereof, and any securities issued in substitution or replacement thereof (collectively, the "***Pledged Shares***").

(c) All Rights, titles, and interests of Debtor in and to all promissory notes and other instruments payable to Debtor, now or hereafter existing, including, any notes listed on Annex A (collectively, the "***Collateral Notes***"), all Rights, titles, interests, and Liens Debtor may have or become entitled to under all present and future security agreements, pledge agreements, deeds of trust, mortgages, guarantees, or other documents assuring or securing payment of the Collateral Notes (the "***Collateral Note Security***") in, to, and under all other loan and collateral documents relating to such instruments.

(d) All present and future Rights, titles, interests and Liens (but none of the obligations) now owned or hereafter acquired by Debtor in any partnership or joint venture, including partnerships listed on ***Annex A*** hereof (collectively, the "***Partnership Interests***").

(e) All present and future Rights, titles, interests, and Liens (but none of the obligations) now owned or hereafter acquired by Debtor, as lessee or lessor, in and to each lease covering equipment or other personal property or any interest therein (each such lease herein called an "***Assigned Lease***").

(f) The balance of every deposit account of Debtor and any other claim of Debtor against any depository, now or hereafter existing, whether liquidated or unliquidated, including, certificates of deposit, and other deposit instruments (collectively, the "***Deposit Accounts***").

(g) All present and future automobiles, trucks, truck tractors, trailers, semi-trailers, or other motor vehicles or rolling stock, now owned or hereafter acquired by Debtor (collectively, the "***Vehicles***").

(h) All present and future Rights, awards, and judgments to which Debtor is entitled under any Litigation (whether arising in equity, contract, or tort) now existing or hereafter arising.

(i) All present and future Rights (including, the Right to sue for past, present, or future infringements), titles, and interests of Debtor in and to all trademark applications, trademarks, corporate names,

TRADEMARK
REEL: 002037 FRAME: 0107

company names, trade names, business names, fictitious business names, trade styles, service marks, collective marks, logos, other source of business identifiers, copyrights, designs, Rights or licenses to use any trademarks, and all registrations and recordings thereof, including Debtor's trademarks listed on ***Annex B*** hereto (collectively, the "***Trademarks***"), and the goodwill of each business to which each Trademark relates.

(j) All present and future Rights (including the Right to sue for past, present, and future infringements), titles, and interests of Debtor in and to all patents, patent applications, utility models, industrial models, designs, and any other forms of industrial intellectual property, including all grants, applications, reissues, continuations, and divisions with respect thereto and any Rights to use, manufacture, or sell any patent, including the patents listed on ***Annex B*** hereto (collectively, the "***Patents***").

(k) All common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of Debtor (all of the foregoing being collectively called a "***Trade Secret***"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in ***Annex B*** attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

(l) All copyrights of Debtor, whether statutory or common law, registered or unregistered, now or hereafter in force throughout the world including all of Debtor's right, title and interest in and to all copyrights registered in the United States Copyright Office or anywhere else in the world, including the copyrights listed in ***Annex B*** attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright licenses, including each copyright license referred to in ***Annex B*** attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit (collectively, the "***Copyrights***").

(m) All present and future increases, profits, combinations, reclassifications, improvements, and products of, accessions, attachments, and other additions to, tools, parts, and equipment used in connection with, and substitutes and replacements for, all or part of the Collateral heretofore described.

(n) All present and future accounts, contract rights, general intangibles, chattel paper, documents, instruments, cash and noncash proceeds, and other Rights arising from or by virtue of, or from the voluntary or involuntary sale or other disposition of, or collections with respect to, or insurance proceeds payable with respect to, or proceeds payable by virtue of warranty or other claims against the manufacturer of, or claims against any other Person with respect to, all or any part of the Collateral heretofore described.

(o) All present and future security for the payment to any Company of any of the Collateral heretofore described and goods which gave or will give rise to any of such Collateral or are evidenced, identified, or represented therein or thereby.

The description of the Collateral contained in this ***Paragraph 4*** shall not be deemed to permit any action prohibited by this Security Agreement or by the terms incorporated in this Security Agreement. Furthermore, notwithstanding any contrary provision, Debtor agrees that, if, but for the application of this paragraph, granting a Security Interest in the Collateral would constitute a fraudulent conveyance under *11 U.S.C. § 548* or a fraudulent conveyance or transfer under any state fraudulent conveyance, fraudulent transfer,

or similar Law in effect from time to time (each a "***fraudulent conveyance***"), then the Security Interest remains enforceable to the maximum extent possible without causing such Security Interest to be a fraudulent conveyance, and this Security Agreement is automatically amended to carry out the intent of this paragraph.

5. **REPRESENTATIONS AND WARRANTIES.** Debtor represents and warrants to Secured Party that:

(a) Credit Agreement. Certain representations and warranties in the Credit Agreement are applicable to it or its assets or operations, and each such representation and warranty is true and correct in all material respects.

(b) Binding Obligation. This Security Agreement creates a legal, valid, and binding Lien in and to the Collateral in favor of Secured Party, and is enforceable against Debtor in accordance with its terms except as enforceability may be limited by applicable Debtor Relief Laws and general principles of equity. For Collateral in which the Security Interest may be perfected by the filing of Financing Statements, once those Financing Statements have been properly filed in the jurisdictions described on ***Annex A*** hereto, the Security Interest in that Collateral will be fully perfected. Once perfected and, in the case of investment property or instruments, upon possession or "*control*" (within the meaning of *Sections 8-106* and *9-115* of the UCC) by Secured Party, the Security Interest will constitute a first-priority Lien on the Collateral, subject only to Permitted Liens. The creation of the Security Interest does not require the consent of any Person that has not been obtained.

(c) Location. As of the date hereof, Debtor's principal place of business and chief executive office is set forth on the signature page hereto; as of the date hereof, the present location of Debtor's books and records concerning any of the Collateral that is accounts is as set forth on ***Annex A*** hereto, and as of the date hereof the location of all other Collateral, including, Debtor's inventory and equipment, is as set forth on ***Annex A*** hereto (but the failure of such description to be accurate or complete shall not impair the Security Interest in such Collateral); and, except as noted on ***Annex A*** hereto, all such books, records, and Collateral are in Debtor's possession.

(d) Fixtures. As of the date hereof, the Collateral that is or may be fixtures is located on or affixed to the real property described in deeds of trust and mortgages dated as of the date hereof executed by Debtor in favor of Secured Party or on ***Annex A*** hereto (but the failure of such description to be accurate or complete shall not impair the Security Interest in such Collateral).

(e) Securities. All Collateral that is Pledged Shares is duly authorized, validly issued, fully paid, and non-assessable, and the transfer thereof is not subject to any restrictions, other than restrictions imposed by applicable securities and corporate Laws. The Pledged Shares listed on ***Annex A*** constitute 100% of the capital stock and other equity interests and investment securities now owned by Debtor. Debtor has good title to the Pledged Shares, free and clear of all Liens and encumbrances thereon; and has delivered to Secured Party all stock certificates, promissory notes, bonds, debentures, or other instruments or documents representing or evidencing the Pledged Shares, *together with* corresponding assignment or transfer powers duly executed in blank by Debtor, and such powers have been duly and validly executed and are binding and enforceable against Debtor in accordance with their terms; and the pledge of the Pledged Shares in accordance with the terms hereof creates a valid and perfected first priority security interest in the Pledged Shares securing payment of the Obligation.

TRADEMARK
REEL: 002037 FRAME: 0109

(f) Partnerships and Partnership Interests. All Partnership Interests owned by Debtor as of the date hereof are described on ***Annex A*** hereto. Debtor has delivered to Secured Party a copy of the partnership agreement for each Partnership, and there have been no material amendments, modifications or supplements to any agreement creating any Partnership except as have been delivered to Secured Party. The Partnership Interests are not subject to statutory, contractual or other restrictions governing transfer, ownership or control, except as set forth in Annex A hereto or the applicable securities laws. No approval or consent of the partners of any Partnership is required as a condition to the validity and enforceability of the Security Interest created hereby which has not been duly obtained by Debtor.

(g) Governmental Authority. No authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority is required either (i) for the execution, delivery, or performance of this Security Agreement by Debtor, or (ii) for the exercise by Secured Party of the voting or other Rights provided for in this Security Agreement or the remedies in respect of the Collateral pursuant to this Security Agreement.

(h) Instruments, Chattel Paper, Collateral Notes, and Collateral Note Security. All Collateral Notes owned by Debtor as of the date hereof are described on ***Annex A*** hereto. Each Collateral Note and the documents evidencing the Collateral Note Security are in full force and effect; there have been no material renewals or extensions of, or amendments, modifications, or supplements to, any thereof about which the Secured Party has not been advised in writing; and no default or potential default has occurred and is continuing under any such Collateral Note or documents evidencing the Collateral Note Security, except as disclosed on ***Annex C*** hereto; except to the extent that any of the foregoing could not be a Material Adverse Event.

(i) Assigned Leases. Debtor is in possession of all material portions of the property covered by each such Assigned Lease.

(j) Maintenance of Collateral. All tangible Collateral (taken as a whole) is in good repair and condition, ordinary wear and tear excepted, and as of the date hereof no material portion thereof is a fixture except as specifically referred to herein in ***Paragraph 5(d)*** hereof.

(k) Liens. Debtor owns all presently existing Collateral, and will acquire all hereafter-acquired Collateral, free and clear of all Liens, except Permitted Liens.

(l) Deposit Accounts. With respect to the Deposit Accounts, (i) as of the date hereof Debtor maintains each such Deposit Account with the banks listed on ***Annex D*** hereto, (ii) Debtor has the legal right to pledge and assign to Secured Party the funds deposited and to be deposited in the Deposit Accounts; and (iii) as of the date hereof, the Deposit Accounts listed on ***Annex D*** represent all Deposit Accounts of Debtor, including without limitation, all material operating accounts of Debtor, and all certificates of deposit or other deposit instruments of Debtor, and (iv) Debtor's Material Depository Accounts as of the date hereof are identified as such on ***Annex D***.

(m) Intellectual Property Collateral. As of the date hereof, all material Intellectual Property Collateral owned by Debtor is described on ***Annex B*** hereto.

The foregoing representations and warranties will be true and correct in all respects with respect to any additional Collateral or additional specific descriptions of certain Collateral delivered to Secured Party in the future by Debtor.

TRADEMARK
REEL: 002037 FRAME: 0110

The failure of any of these representations or warranties to be accurate and complete does not impair the Security Interest in any Collateral.

6. **COVENANTS.** So long as Lenders are committed to extend credit to Debtor under the Credit Agreement and until the Obligation is paid and performed in full, Debtor covenants and agrees with Secured Party that Debtor will:

(a) Credit Agreement. (i) Comply with, perform, and be bound by all covenants and agreements in the Credit Agreement that are applicable to it, its assets, or its operations, each of which is hereby ratified and confirmed **(Including, THE INDEMNIFICATION AND RELATED PROVISIONS IN *SECTIONS 11.11* OF THE CREDIT AGREEMENT); AND (ii) CONSENT TO AND APPROVE THE VENUE, SERVICE OF PROCESS, AND WAIVER OF JURY TRIAL PROVISIONS OF *SECTIONS 13.10* OF THE CREDIT AGREEMENT.**

(b) Record of Collateral. Maintain, at the address set forth on its signature page hereto (as such address may be changed in accordance with the Loan Documents), a current list of locations where all Collateral is located, permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records, and furnish to Secured Party, at such intervals as Secured Party may reasonably request, such documents, lists, descriptions, certificates, and other information as may be reasonably necessary or proper to keep Secured Party informed with respect to the identity, location, status, condition, and value of the Collateral.

(c) Perform Obligations. Perform all of Debtor's duties under and in connection with each transaction to which the Collateral, or any part thereof, relates in a reasonably prudent business matter.

(d) Notices. (i) Promptly notify Secured Party of (A) any change in any fact or circumstances represented or warranted by Debtor with respect to any of the Collateral or Obligation which could reasonably be expected to constitute or result in a Material Adverse Event, and (B) any claim, action, or proceeding affecting title to all or any material part of the Collateral or the Security Interest and, at the request of Secured Party, appear in and defend, at Debtor's expense, any such action or proceeding; and (ii) give Secured Party thirty (30) days written notice before any proposed (A) relocation of its principal place of business or chief executive office, (B) change of its name, identity, or corporate structure, (C) relocation of the place where its books and records concerning its accounts are kept, and (D) relocation or location of any Collateral (*other than* delivery of inventory in the ordinary course of business to third party contractors for processing and sales of inventory in the ordinary course of business or sales as permitted by the Credit Agreement) to a location (an "***Unperfected Location***") not described on the attached ***Annex A*** if such relocation or location of Collateral would cause the Security Interest in such Collateral to be unperfected (or would require new filings in order to maintain perfection); *provided, however*, that failure to give such notice shall not constitute a Default if the aggregate fair market value of all Collateral under this Security Agreement and under the Other Security Agreements that is located at Unperfected Locations (as herein defined and as therein defined) does not at any time exceed $250,000; (iii) in the event that Collateral is located at or relocated to a location (a "***Nonlisted Perfected Location***") that is neither listed on ***Annex A*** hereto nor included in a prior notice to Secured Party pursuant to this Section, but such location of Collateral is such that the Security Interest therein remains perfected without the need for a new filing, Debtor shall give Secured Party notice within ten (10) days of locating or relocating Collateral to such Nonlisted Perfected Location; *provided, however*, that failure to give such notice shall not constitute a Default if the aggregate fair market value of all Collateral under this Security Agreement and under the Other Security Agreements that is located at Nonlisted Perfected Locations (as herein defined and as therein defined) does not at any time exceed $500,000; (iv) prior to acquisition of any additional

TRADEMARK
REEL: 002037 FRAME: 0111

Pledged Securities, notify Secured Party of such acquisition and deliver such certificates and other documents as may be required to perfect the Security Interest therein; and (v) promptly notify Secured Party on or before the acquisition of any Collateral Note that is not described on ***Annex A*** hereto. Prior to making any of the changes contemplated in *clause (ii)* preceding, Secured Party shall execute and deliver all such additional documents and perform all additional acts as Secured Party, in its reasonable discretion, may request in order to continue or maintain the existence and priority of the Security Interest in all of the Collateral.

(e) Compliance Certificate. Debtor shall cause the Borrower to deliver to the Administrative Agent, together with or as part of each Compliance Certificate delivered pursuant to ***Section 9.3*** of the Credit Agreement, a certificate of a Responsible Officer certifying that Debtor has complied with the notice and reporting requirements set forth in ***Section 6*** hereof and ***Section 6*** of the Pledge Agreement executed by Debtor, except for any deviations noted in such certificate.

(f) Collateral in Trust. Upon written request made by Secured Party, hold in trust (and not commingle with other assets of Debtor) for Secured Party all Collateral that is chattel paper, instruments, Collateral Notes, Pledged Securities or documents at any time received by Debtor, and promptly deliver same to Secured Party, but any chattel paper, instruments, Collateral Notes, or documents so retained shall be marked to state that they are assigned to Secured Party; each such instrument shall be endorsed to the order of Secured Party (but the failure of same to be so marked or endorsed shall not impair the Security Interest thereon).

(g) Further Assurances. At Debtor's expense and Secured Party's request, before or after a Default or Potential Default, (i) from time to time promptly execute and deliver to Secured Party all such other assignments, certificates, supplemental documents, and financing statements, and do all other acts or things as Secured Party may reasonably request in order to more fully create, evidence, perfect, continue, and preserve the priority of the Security Interest; and (ii) pay all filing fees in connection with any financing, continuation, or termination statement or other instrument with respect to the Security Interest.

(h) Fixtures. For any Collateral that is a fixture or an accession which has been attached to real estate or other goods prior to the perfection of the Security Interest, use commercially reasonable efforts to furnish Secured Party, upon demand, a disclaimer of interest in each such fixture or accession and a consent in writing to the Security Interest of Secured Party therein, signed by all Persons having any interest in such fixture or accession by virtue of any interest in the real estate or other goods to which such fixture or accession has been attached.

(i) Estoppel and Other Agreements and Matters. Unless waived by Secured Party, use commercially reasonable efforts to cause the landlord or lessor for each location where any of its inventory or equipment is maintained to execute and deliver to Secured Party an estoppel and subordination agreement in such form as may be reasonably acceptable to Secured Party and its counsel.

(j) Certificates of Title. Upon the request of Secured Party, if certificates of title are issued or outstanding with respect to any of the Vehicles or other Collateral, cause the Security Interest to be properly noted thereon.

(k) Impairment of Collateral. Not use any of the Collateral, or permit the same to be used, for any unlawful purpose, in any manner that is reasonably likely to adversely impair the value or usefulness of the Collateral, or in any manner inconsistent with the provisions or requirements of any policy of insurance thereon.

TRADEMARK
REEL: 002037 FRAME: 0112

(l) Modifications to Agreements. Not modify or substitute, or permit the modification or substitution of, any Collateral Note or any document evidencing the Collateral Note Security or contract to which any of the Collateral which is accounts relates, nor extend or grant indulgences regarding any account which is Collateral, other than such modifications or indulgences as are reasonable and customary in the industry in which Debtor is engaged.

(m) Securities. Except as permitted by the Credit Agreement not sell, exchange, or otherwise dispose of, or grant any option, warrant, or other Right with respect to, any of the Pledged Shares; pledge hereunder, immediately upon Debtor's acquisition (directly or indirectly) thereof, any and all additional shares of stock or other securities issued to Debtor; and take any action necessary, required, or reasonably requested by Secured Party to allow Secured Party to fully enforce its Security Interest in the Pledged Shares, including, without limitation, the filing of any claims with any court, liquidator, trustee, custodian, receiver, or other like person or party.

(n) Depository Bank. With respect to Deposit Accounts, (i) maintain the Deposit Accounts at the banks (a "***depository bank***") described on ***Annex D*** or such additional depository banks as have complied with ***item (iv)*** hereof; (ii) promptly upon signing this Security Agreement, deliver to Secured Party a letter substantially in the form of ***Annex E*** hereto with respect to Secured Party's Rights in each Material Depository Account, executed by the depository bank holding such account or such other letter acceptable to Secured Party; (iii) at the request of Secured Party, deliver to Secured Party a letter substantially in the form of ***Annex E*** hereto with respect to Secured Party's Rights in other Deposit Accounts, executed by each depository bank or such other letter acceptable to Secured Party; (iv) at the request of Secured Party, deliver to Secured Party all certificates or instruments, if any, now or hereafter representing or evidencing the Deposit Accounts, accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Secured Party; and (v) notify Secured Party prior to establishing any additional Deposit Account and if such Deposit Account is a Material Depository Account, notify Secured Party that such Deposit Account is a Material Deposit Account and obtain from the depository bank holding such account an executed letter substantially in the form of ***Annex E*** and deliver the same to Secured Party.

(o) Intellectual Property.

(i) With respect to any Trademark, Debtor shall not permit any of its licensees to, unless Debtor shall reasonably and in good faith determine (and notice of such determination shall have been delivered to Secured Party) that the economic value to Debtor of such Trademark is such that the following could not be or result in a Material Adverse Event:

(A) fail to continue to use any of the Trademarks in order to maintain all of the Trademarks in full force free from any claim of abandonment for non-use;

(B) fail to employ all of the Trademarks registered with any Federal or state or foreign authority with an appropriate notice of such registration;

(C) use any of the Trademarks registered with any Federal or state or foreign authority except for the uses for which registration

TRADEMARK
REEL: 002037 FRAME: 0113

or application for registration of all of the Trademarks has been made; or

(D) do or permit any act or knowingly omit to do any act whereby any of the Trademarks may lapse or become invalid or unenforceable.

(ii) With respect to any Copyright or Trade Secret, Debtor shall not, unless Debtor shall either reasonably and in good faith determine that the economic value to Debtor of such Copyright or Trade Secret is such that the following could not be or result in a Material Adverse Event: do or permit any act or knowingly omit to do any act whereby any of the Copyrights or any of the Trade Secrets may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenewable term of a registration thereof;

(iii) With respect to any Patent, Debtor shall not do any act, or omit to do any act, whereby such Patent may lapse or become abandoned or dedicated to the public or unenforceable unless Debtor reasonably and in good faith determines that the economic value to Debtor of such Patent is such that the foregoing could not be or result in a Material Adverse Event;

(iv) Debtor shall notify Secured Party within ten (10) business days after it receives notice that any application or registration relating to any item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any foreign counterpart thereof or any court) regarding Debtor's ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same; *provided, however*, if such event requiring notice under this ***Subsection 6(n)(iv)*** is not reasonably likely to cause a Material Adverse Event, then no such notice shall be required.

(v) In no event shall Debtor or any of its agents, employees, designees or licensees file an application for the registration of any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, unless it informs Secured Party of all such additional filings at least once every 180 days (or at any other time upon the request of Secured Party), and executes and delivers any and all agreements, instruments, documents and papers as Secured Party may reasonably request to evidence the Security Interest in such Intellectual Property Collateral and the goodwill and general intangibles of Debtor relating thereto or represented thereby.

(vi) Debtor shall take all necessary steps, including, in any proceeding before the United State Patent and Trademark Office, the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, the Intellectual Property Collateral, including, the filing of

TRADEMARK
REEL: 002037 FRAME: 0114

applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing **clauses (i), (ii) and (iii)**.

(vii) Debtor shall execute and deliver to Secured Party any documents reasonably required to acknowledge or register or perfect Secured Party's interest in any part of the Intellectual Property Collateral.

(p) Instruments, Chattel Paper, Collateral Notes, and Collateral Note Security. Debtor will deliver to Secured Party upon request all instruments and chattel paper, including the Collateral Notes, together with corresponding endorsements duly executed by Debtor in favor of Secured Party.

7. **DEFAULT; REMEDIES.** If a Default exists, Secured Party may, at its election (but subject to the terms and conditions of the Credit Agreement), exercise any and all Rights available to a secured party under the UCC, in addition to any and all other Rights afforded by the Loan Documents, at Law, in equity, or otherwise, including, (a) requiring Debtor to assemble all or part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to Debtor and Secured Party, (b) surrendering any policies of insurance on all or part of the Collateral and receiving and applying the unearned premiums as a credit on the Obligation, and (c) applying by appropriate judicial proceedings for appointment of a receiver for all or part of the Collateral (and Debtor hereby consents to any such appointment), and (d) applying to the Obligation any cash held by Secured Party under this Security Agreement, including, any cash in the Cash Collateral Account (hereinafter defined).

(a) Notice. Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Debtor and to any other Person entitled to notice under the UCC; *provided, that* if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Secured Party may sell or otherwise dispose of the Collateral without notification, advertisement, or other notice of any kind. It is agreed that notice sent or given not less than ten (10) Business Days prior to the taking of the action to which the notice relates is reasonable notification and notice for the purposes of this subparagraph.

(b) Sales of Pledged Securities.

(i) Debtor agrees that, because of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder (collectively, the "***Securities Act***"), or any other Laws or regulations, and for other reasons, there may be legal or practical restrictions or limitations affecting Secured Party in any attempts to dispose of certain portions of the Pledged Securities and for the enforcement of its Rights. For these reasons, Secured Party is hereby authorized by Debtor, but not obligated, upon the occurrence and during the continuation of a Default, to sell all or any part of the Pledged Securities at private sale, subject to investment letter or in any other manner which will not require the Pledged Securities, or any part thereof, to be registered in accordance with the Securities Act or any other Laws or regulations, at a reasonable price at such private sale or other distribution in the manner mentioned above. Debtor understands that Secured Party may in its discretion approach a limited number of potential purchasers and that a sale under such circumstances may yield a lower price for the Pledged Securities, or any part thereof, than would otherwise

TRADEMARK
REEL: 002037 FRAME: 0115

be obtainable if such Collateral were either afforded to a larger number or potential purchasers, registered under the Securities Act, or sold in the open market. Debtor agrees that any such private sale made under this ***Paragraph 7(b)*** shall be deemed to have been made in a commercially reasonable manner, and that Secured Party has no obligation to delay the sale of any Pledged Securities to permit the issuer thereof to register it for public sale under any applicable federal or state securities Laws.

(ii) Secured Party is authorized, in connection with any such sale, (A) to restrict the prospective bidders on or purchasers of any of the Pledged Securities to a limited number of sophisticated investors who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or sale of any of such Pledged Securities, and (B) to impose such other limitations or conditions in connection with any such sale as Secured Party reasonably deems necessary in order to comply with applicable Law. Debtor covenants and agrees that it will execute and deliver such documents and take such other action as Secured Party reasonably deems necessary in order that any such sale may be made in compliance with applicable Law. Upon any such sale Secured Party shall have the right to deliver, assign, and transfer to the purchaser thereof the Pledged Securities so sold. Each purchaser at any such sale shall hold the Pledged Securities so sold absolutely free from any claim or Right of Debtor of whatsoever kind, including any equity or right of redemption of Debtor. Debtor, to the extent permitted by applicable Law, hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any Law now existing or hereafter enacted.

(iii) Except where notice is not required pursuant to ***Paragraph 7(a)***, Debtor agrees that five days' written notice from Secured Party to Debtor of Secured Party's intention to make any such public or private sale or sale at a broker's board or on a securities exchange shall constitute "*reasonable notification*" within the meaning of *Section 9-504(c)* of the UCC. Such notice shall (A) in case of a public sale, state the time and place fixed for such sale, (B) in case of sale at a broker's board or on a securities exchange, state the board or exchange at which such a sale is to be made and the day on which the Pledged Securities, or the portion thereof so being sold, will first be offered to sale at such board or exchange, and (C) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix in the notice of such sale. At any such sale, the Pledged Securities may be sold in one lot as an entirety or in separate parcels, as Secured Party may reasonably determine. Secured Party shall not be obligated to make any such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned.

(iv) In case of any sale of all or any part of the Pledged Securities on credit or for future delivery, the Pledged Securities so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Pledged Securities so sold and in case of any such failure, such Pledged Securities may again be sold upon like notice. Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Pledged

TRADEMARK
REEL: 002037 FRAME: 0116

Securities, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(v) Without limiting the foregoing, or imposing upon Secured Party any obligations or duties not required by applicable Law, Debtor acknowledges and agrees that, in foreclosing upon any of the Pledged Securities, or exercising any other Rights or remedies provided Secured Party hereunder or under applicable Law, Secured Party may, but shall not be required to, (A) qualify or restrict prospective purchasers of the Pledged Securities by requiring evidence of sophistication or creditworthiness, and requiring the execution and delivery of confidentiality agreements or other documents and agreements as a condition to such prospective purchasers' receipt of information regarding the Pledged Securities or participation in any public or private foreclosure sale process, (B) provide to prospective purchasers business and financial information regarding the Companies available in the files of Secured Party at the time of commencing the foreclosure process, without the requirement that Secured Party obtain, or seek to obtain, any updated business or financial information or verify, or certify to prospective purchasers, the accuracy of any such business or financial information, or (C) offer for sale and sell the Pledged Securities with, or without, first employing an appraiser, investment banker, or broker with respect to the evaluation of the Pledged Securities, the solicitation of purchasers for Pledged Securities, or the manner of sale of Pledged Securities.

(c) Application of Proceeds. Secured Party shall apply the proceeds of any sale or other disposition of the Collateral under this ***Paragraph*** *7* in the following order: *first*, to the payment of all expenses incurred in retaking, holding, and preparing any of the Collateral for sale(s) or other disposition, in arranging for such sale(s) or other disposition, and in actually selling or disposing of the same (all of which are part of the Obligation); *second*, toward repayment of amounts expended by Secured Party under ***Paragraph 8***; *third*, toward payment of the balance of the Obligation in the order and manner specified in the Credit Agreement. Any surplus remaining shall be delivered to Debtor or as a court of competent jurisdiction may direct. If the proceeds are insufficient to pay the Obligation in full, Debtor shall remain liable for any deficiency.

8. OTHER RIGHTS OF SECURED PARTY.

(a) Performance. If Debtor fails to keep the Collateral in good repair, working order, and condition, as required in this Security Agreement, or fails to pay when due all Taxes on any of the Collateral in the manner required by the Loan Documents, or fails to preserve the priority of the Security Interest in any of the Collateral, or fails to keep the Collateral insured as required by this Security Agreement, or otherwise fails to perform any of its obligations under the Loan Documents with respect to the Collateral, then Secured Party may, at its option, after giving Debtor five days prior written notice (except that no such notice shall be required after the occurrence of and during the continuation of a Potential Default or a Default) but without being required to do so, make such repairs, pay such Taxes, prosecute or defend any suits in relation to the Collateral, or insure and keep insured the Collateral in any amount reasonably deemed appropriate by Secured Party, or take all other action which Debtor is required, but has failed or refused, to take under the Loan Documents. Any sum which may be expended or paid by Secured Party under this subparagraph (including, court costs and attorneys' fees) shall bear interest from the dates of expenditure or payment at the Base Rate plus two percent (2%) until paid and, together with such interest, shall be payable by Debtor to Secured Party upon demand and shall be part of the Obligation.

TRADEMARK
REEL: 002037 FRAME: 0117

(b) Collection. If a Default exists and upon notice from Secured Party, each Obligor with respect to any payments on any of the Collateral (including, payments on Collateral Notes, insurance proceeds payable by reason of loss or damage to any of the Collateral, or Deposit Accounts) is hereby authorized and directed by Debtor to make payment directly to Secured Party, regardless of whether Debtor was previously making collections thereon. Subject to ***Paragraph 8(e)*** hereof, until such notice is given, Debtor is authorized to retain and expend all payments made on Collateral. If a Default exists, Secured Party shall have the Right in its own name or in the name of Debtor to compromise or extend time of payment with respect to all or any portion of the Collateral for such amounts and upon such terms as Secured Party may determine; to demand, collect, receive, receipt for, sue for, compound, and give acquittances for any and all amounts due or to become due with respect to Collateral; to take control of cash and other proceeds of any Collateral; to endorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, or other evidences of payment on Collateral that may come into the possession of Secured Party; to sign the name of Debtor on any invoice or bill of lading relating to any Collateral, on any drafts against Obligors or other Persons making payment with respect to Collateral, on assignments and verifications of accounts or other Collateral and on notices to Obligors making payment with respect to Collateral; to send requests for verification of obligations to any Obligor; and to do all other acts and things necessary to carry out the intent of this Security Agreement. If a Default exists and any Obligor fails or refuses to make payment on any Collateral when due, Secured Party is authorized, in its sole discretion, either in its own name or in the name of Debtor, to take such action as Secured Party shall deem appropriate for the collection of any amounts owed with respect to Collateral or upon which a delinquency exists. Regardless of any other provision hereof, however, Secured Party shall never be liable for its failure to collect, or for its failure to exercise diligence in the collection of, any amounts owed with respect to Collateral, nor shall it be under any duty whatsoever to anyone except Debtor to account for funds that it shall actually receive hereunder. Without limiting the generality of the foregoing, Secured Party shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any Collateral, or for informing Debtor with respect to any of such matters (irrespective of whether Secured Party actually has, or may be deemed to have, knowledge thereof). The receipt of Secured Party to any Obligor shall be a full and complete release, discharge, and acquittance to such Obligor, to the extent of any amount so paid to Secured Party.

(c) Record Ownership of Securities. If a Default exists, Secured Party at any time may have any Collateral that is Pledged Shares and that is in the possession of Secured Party, or its nominee or nominees, registered in its name, or in the name of its nominee or nominees, as pledgee; and, as to any Collateral that is Pledged Shares so registered, Debtor shall execute and deliver (or cause to be executed and delivered) to Secured Party all such proxies, powers of attorney, dividend coupons or orders, and other documents as Secured Party may reasonably request for the purpose of enabling Secured Party to exercise the voting Rights and powers which it is entitled to exercise under this Security Agreement or to receive the dividends and other payments in respect of such Collateral that is Pledged Shares which it is authorized to receive and retain under this Security Agreement.

(d) Voting of Securities. As long as no Default exists, Debtor is entitled to exercise all voting Rights pertaining to any Pledged Shares. If a Default or Potential Default exists and if Secured Party elects to exercise such Right, the Right to vote any Pledged Shares shall be vested exclusively in Secured Party. To this end, Debtor hereby irrevocably constitutes and appoints Secured Party the proxy and attorney-in-fact of Debtor, with full power of substitution, to vote, and to act with respect to, any and all Collateral standing in the name of Debtor or with respect to which Debtor is entitled to vote and act, subject to the understanding that such proxy may not be exercised unless a Default or Potential Default exists. The proxy herein granted is coupled with an interest, is irrevocable, and shall continue until the Obligation has been paid and performed in full.

TRADEMARK
REEL: 002037 FRAME: 0118

(e) Certain Proceeds. (i) Subject in all respects to the terms and provisions of the Credit Agreement, any cash proceeds of Collateral which come into the possession of Secured Party (including insurance proceeds) may, at Secured Party's option, be applied in whole or in part to the Obligation (to the extent then due), be released in whole or in part to or on the written instructions of Debtor for any general or specific purpose, or be retained in whole or in part by Secured Party as additional Collateral.

(ii) Any cash Collateral in the possession of Secured Party may be invested by Secured Party in certificates of deposit issued by Secured Party (if Secured Party issues such certificates) or by any state or national bank having combined capital and surplus greater than $100,000,000 with a rating from Moody's and S&P of *P-1* and *A-1+*, respectively, or in securities issued or guaranteed by the United States of America or any agency thereof. Secured Party shall never be obligated to make any such investment and shall never have any liability to Debtor for any loss which may result therefrom. All interest and other amounts earned from any investment of Collateral may be dealt with by Secured Party in the same manner as other cash Collateral.

(f) Use and Operation of Collateral. Should any Collateral come into the possession of Secured Party following the occurrence of and during the continuation of a Default, Secured Party may use or operate such Collateral for the purpose of preserving it or its value pursuant to the order of a court of appropriate jurisdiction or in accordance with any other Rights held by Secured Party in respect of such Collateral. Debtor covenants to promptly reimburse and pay to Secured Party, at Secured Party's request, the amount of all expenses (including, the cost of any insurance and payment of Taxes or other charges) incurred by Secured Party in connection with its custody and preservation of Collateral, and all such expenses, costs, Taxes, and other charges shall bear interest at the Base Rate plus two percent (2%) until repaid and, together with such interest, shall be payable by Debtor to Secured Party upon demand and shall become part of the Obligation. However, the risk of accidental loss or damage to, or diminution in value of, Collateral is on Debtor, and Secured Party shall have no liability whatever for failure to obtain or maintain insurance, nor to determine whether any insurance ever in force is adequate as to amount or as to the risks insured. With respect to Collateral that is in the possession of Secured Party, Secured Party shall have no duty to fix or preserve Rights against prior parties to such Collateral and shall never be liable for any failure to use diligence to collect any amount payable in respect of such Collateral, but shall be liable only to account to Debtor for what it may actually collect or receive thereon.

(g) Cash Collateral Account. If a Default exists, Secured Party shall have, and Debtor hereby grants to Secured Party, the Right and authority to transfer all funds on deposit in the Deposit Accounts to a ***Cash Collateral Account*** (herein so called) maintained with a depository institution acceptable to Secured Party and subject to the exclusive direction, domain, and control of Secured Party, and no disbursements or withdrawals shall be permitted to be made by Debtor from such Cash Collateral Account. Such Cash Collateral Account shall be subject to the Security Interest and Liens in favor of Secured Party herein created, and Debtor hereby grants a security interest to Secured Party on behalf of Lenders in and to, such Cash Collateral Account and all checks, drafts, and other items ever received by Debtor for deposit therein. Furthermore, if a Default exists, Secured Party shall have the Right, at any time in its discretion without notice to Debtor, (i) to transfer to or to register in the name of Secured Party or any Lender or nominee any certificates of deposit or deposit instruments constituting Deposit Accounts and shall have the Right to exchange such certificates or instruments representing Deposit Accounts for certificates or instruments of

TRADEMARK
REEL: 002037 FRAME: 0119

smaller or larger denominations and (ii) to take and apply against the Obligation any and all funds then or thereafter on deposit in the Cash Collateral Account or otherwise constituting Deposit Accounts.

(h) Power of Attorney. Debtor hereby irrevocably constitutes and appoints Secured Party as Debtor's attorney-in-fact, with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor, Secured Party, Lenders, or otherwise, from time to time in Secured Party's discretion, for the sole purpose of carrying out the terms of this Security Agreement and, to the extent permitted by applicable Law, to take any action and to execute any document and instrument which Secured Party may deem necessary or advisable to continue or otherwise preserve the Security Interest created hereby, and when a Default exists, to accomplish the following:

(i) to transfer any and all funds on deposit in the Deposit Accounts to the Cash Collateral Account as set forth in herein;

(ii) to receive, endorse, and collect any drafts or other instruments or documents in connection with ***clause (b)*** above and this ***clause (f)***;

(iii) to use the Patents and Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents and Trademarks to anyone else, and to perform any act necessary for the Secured Party to assign, pledge, convey, or otherwise transfer title in or dispose of the Patents and Trademarks to any other Person; and

(iv) to execute on behalf of Debtor any documents required to, and to do any and all acts and things to protect and preserve the Collateral, including, the protection and prosecution of all Rights included in the Collateral.

(i) Subrogation. If any of the Obligation is given in renewal or extension or applied toward the payment of indebtedness secured by any Lien, Secured Party shall be, and is hereby, subrogated to all of the Rights, titles, interests, and Liens securing the indebtedness so renewed, extended, or paid.

(j) Indemnification. Debtor hereby assumes all liability for the Collateral which arises prior to the Transition Date, for the Security Interest, and for any use, possession, maintenance, and management of, all or any of the Collateral prior to the Transition Date, including, any Taxes arising as a result of, or in connection with, the transactions contemplated herein, and agrees to assume liability for, and to indemnify and hold Secured Party and each Lender harmless from and against, any and all claims, causes of action, or liability, for injuries to or deaths of Persons and damage to property, howsoever arising from or incident to such use, possession, maintenance, and management prior to the Transition Date, whether such Persons be agents or employees of Debtor or of third parties, or such damage be to property of Debtor or of others. Debtor agrees to indemnify, save, and hold Secured Party and each Lender harmless from and against, and covenants to defend Secured Party and each Lender against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses (collectively, "***Claims***"), including, court costs and attorneys' fees, **and any of the foregoing arising from the negligence of Secured Party or any Lender, or any of their respective officers, employees, agents, advisors, employees, or representatives,** howsoever arising or incurred prior to the Transition Date because of, incident to, or with respect to Collateral or any use, possession, maintenance, or management thereof prior to the Transition Date; *provided, however,* that the indemnity set forth in this ***Paragraph 8(h)*** will not apply to Claims caused by the gross negligence or willful misconduct of Secured Party or any Lender. Without prejudice to the survival of any other agreement of the Debtor hereunder, the

TRADEMARK
REEL: 002037 FRAME: 0120

agreements and obligations of the Debtor contained in this ***Paragraph 8(h)*** shall survive the payment in full of the Obligation.

9. **MISCELLANEOUS.**

(a) Continuing Security Interest. This Security Agreement creates a continuing security interest in the Collateral and shall (i) remain in full force and effect until the termination of the obligations of the Lenders to advance Borrowings or issue LCs under the Credit Agreement, the payment in full of the Obligation, and the expiration of all LCs and Financial Hedges; (ii) be binding upon Debtor, its successors, and assigns; and (iii) inure to the benefit of and be enforceable by the Secured Party, Lenders, and their respective successors, transferees, and assigns. Without limiting the generality of the foregoing ***clause (iii)***, the Secured Party and Lenders may assign or otherwise transfer any of their respective Rights under this agreement to any other Person in accordance with the terms and provisions of ***Section 13.13*** of the Credit Agreement, and to the extent of such assignment or transfer such Person shall thereupon become vested with all the Rights and benefits in respect thereof granted herein or otherwise to the Secured Party or the Lenders, as the case may be. Upon payment in full of the Obligation, the termination of the commitment of Lenders to extend credit or issue LCs, and the expiration of all LCs or Financial Hedges, Debtor shall be entitled to the return, upon its request and at its expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

(b) Reference to Miscellaneous Provisions. This Security Agreement is one of the "*Loan Documents*" referred to in the Credit Agreement, and all provisions relating to Loan Documents set forth in ***Sections 13*** of the Credit Agreement, other than the provisions set forth in ***Sections 13.7***, are incorporated herein by reference, the same as if set forth herein verbatim.

(c) Term. No Obligor, if any, on any of the Collateral shall ever be obligated to make inquiry as to the termination of this agreement, but shall be fully protected in making payment directly to Secured Party until actual notice of such total payment of the Obligation is received by such Obligor.

(d) Actions Not Releases. The Security Interest and Debtor's obligations and Secured Party's Rights hereunder shall not be released, diminished, impaired, or adversely affected by the occurrence of any one or more of the following events: (i) the taking or accepting of any other security or assurance for any or all of the Obligation; (ii) any release, surrender, exchange, subordination, or loss of any security or assurance at any time existing in connection with any or all of the Obligation; (iii) the modification of, amendment to, or waiver of compliance with any terms of any of the other Loan Documents without the notification or consent of Debtor, except as required therein (the Right to such notification or consent being herein specifically waived by Debtor); (iv) the insolvency, bankruptcy, or lack of corporate or trust power of any party at any time liable for the payment of any or all of the Obligation, whether now existing or hereafter occurring; (v) any renewal, extension, or rearrangement of the payment of any or all of the Obligation, either with or without notice to or consent of Debtor, or any adjustment, indulgence, forbearance, or compromise that may be granted or given by Secured Party or any Lender to Debtor; (vi) any neglect, delay, omission, failure, or refusal of Secured Party or any Lender to take or prosecute any action in connection with any other agreement, document, guaranty, or instrument evidencing, securing, or assuring the payment of all or any of the Obligation; (vii) any failure of Secured Party or any Lender to notify Debtor of any renewal, extension, or assignment of the Obligation or any part thereof, or the release of any security, or of any other action taken or refrained from being taken by Secured Party or any Lender against Debtor or any new agreement between or among Secured Party or one or more Lenders and Debtor, it being understood that neither Secured Party nor any Lender shall be required to give Debtor any notice of any kind under any circumstances whatsoever with respect to or in

TRADEMARK
REEL: 002037 FRAME: 0121

connection with the Obligation, including, notice of acceptance of this Security Agreement or any Collateral ever delivered to or for the account of Secured Party hereunder; (viii) the illegality, invalidity, or unenforceability of all or any part of the Obligation against any party obligated with respect thereto by reason of the fact that the Obligation, or the interest paid or payable with respect thereto, exceeds the amount permitted by Law, the act of creating the Obligation, or any part thereof, is *ultra vires*, or the officers, partners, or trustees creating same acted in excess of their authority, or for any other reason; or (ix) if any payment by any party obligated with respect thereto is held to constitute a preference under applicable Laws or for any other reason Secured Party or any Lender is required to refund such payment or pay the amount thereof to someone else.

(e) Waivers. Except to the extent expressly otherwise provided herein or in other Loan Documents and to the fullest extent permitted by applicable Law, Debtor waives (i) any Right to require Secured Party or any Lender to proceed against any other Person, to exhaust its Rights in Collateral, or to pursue any other Right which Secured Party or any Lender may have; (ii) with respect to the Obligation, presentment and demand for payment, protest, notice of protest and nonpayment, and notice of the intention to accelerate; and (iii) all Rights of marshaling in respect of any and all of the Collateral.

(f) Financing Statement, Etc.. Secured Party shall be entitled at any time to file this agreement or a carbon, photographic, or other reproduction of this agreement, as a financing statement, but the failure of Secured Party to do so shall not impair the validity or enforceability of this agreement. Secured Party shall be entitled at any time to file this agreement or a copy hereof with the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof, together with such attachments, schedules, annexes and other documents as Administrative Agent may deem necessary or desirable in connection with the creation, perfection or protection of the Security Interest.

(g) Amendments. This instrument may be amended only by an instrument in writing executed jointly by Debtor and Secured Party, and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof.

(h) Multiple Counterparts. This Security Agreement has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this Security Agreement, it shall not be necessary to produce or account for more than one such counterpart.

(i) Parties Bound; Assignment.

(i) This Security Agreement shall be binding on Debtor and Debtor's heirs, legal representatives, successors, and assigns and shall inure to the benefit of Secured Party and Secured Party's successors and assigns.

(ii) Secured Party is the administrative agent for each Lender under the Credit Agreement, the Security Interest and all Rights granted to Secured Party hereunder or in connection herewith are for the ratable benefit of each Lender, and Secured Party may, without the joinder of any Lender, exercise any and all Rights in favor of Secured Party or Lenders hereunder, including, conducting any foreclosure sales hereunder, and executing full or partial releases hereof, amendments or modifications hereto, or consents or waivers hereunder. The Rights of each Lender *vis-a-vis* Secured Party and each other Lender may be subject to one or more separate agreements between or among such parties, but Debtor need

TRADEMARK
REEL: 002037 FRAME: 0122

not inquire about any such agreement or be subject to any terms thereof unless Debtor specifically joins therein; and consequently, neither Debtor nor Debtor's heirs, personal representatives, successors, and assigns shall be entitled to any benefits or provisions of any such separate agreements or be entitled to rely upon or raise as a defense, in any manner whatsoever, the failure or refusal of any party thereto to comply with the provisions thereof.

(iii) Debtor may not, without the prior written consent of Secured Party, assign any Rights, duties, or obligations hereunder.

(j) Notices. All notices, requests and demands given pursuant hereto shall be given in the manner set forth in ***Section 13.3*** of the Credit Agreement. The addresses for notices to Administrative Agent and to Debtor are set forth on the signature pages hereto.

(k) GOVERNING LAW. PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE CHOICE OF LAW PRINCIPLES THAT MIGHT OTHERWISE APPLY, EXCEPT TO THE EXTENT THE LAWS OF ANOTHER JURISDICTION GOVERN THE CREATION, PERFECTION, VALIDITY, OR ENFORCEMENT OF LIENS UNDER THIS SECURITY AGREEMENT, AND THE APPLICABLE FEDERAL LAWS OF THE UNITED STATES OF AMERICA, SHALL GOVERN THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THIS SECURITY AGREEMENT AND ALL OF THE OTHER LOAN DOCUMENTS.

Remainder of Page Intentionally Blank.
Signature Page(s) to Follow.

TRADEMARK
REEL: 002037 FRAME: 0123

EXECUTED as of the day and year first herein set forth.

ACX TECHNOLOGIES, INC.,
as Debtor

By: _____
Name: Jill B.W. Sisson
Title: Secretary

Addresses for Notices:

c/o ACX Technologies, Inc.
4455 Table Mountain Drive
Golden, Colorado 80403
Attn: General Counsel
Telephone: 303/215-4600
Facsimile: 303/~~271-7055~~
215-0737

[SIGNATURE PAGE TO THE SECURITY AGREEMENT]

BANK OF AMERICA, N.A., as Administrative Agent,
as Secured Party

By: _____
Name: DANIEL M. KILLIAN
Title: PRINCIPAL

Bank of America, N.A.
Attn: Diana Moore
901 Main Street, 14th Floor
Dallas, TX 75202
Telephone: 214/209-0904
Facsimile : 214/290-9434

with a copy to:

Mr. Daniel M. Killian
Bank of America, N.A.
901 Main Street, 67th Floor
Dallas, TX 75202
Telephone: 214/209-0978
Facsimile: 214/209-0980

and with a copy to:

Haynes and Boone, LLP
901 Main Street
Dallas, TX 75202
Attn: Karen S. Nelson
Telephone: 214/651-5000
Facsimile: 214/651-5940

[SIGNATURE PAGE TO THE SECURITY AGREEMENT]

ANNEX A TO SECURITY AGREEMENT

(ACX Technologies, Inc.)

A. DEBTOR'S TRADENAMES

NONE

B. LOCATION OF BOOKS AND RECORDS

4455 Table Mountain Drive
Golden, Colorado 80403

C. LOCATION OF COLLATERAL

4455 Table Mountain Drive
Golden, Colorado 80403

D. LOCATION OF LEASED REAL PROPERTY ON WHICH FIXTURES ARE LOCATED

NONE

E. JURISDICTION FOR FILING FINANCING STATEMENTS

Colorado

F. COLLATERAL NOTES

Debtor	Note Amount
1. ACX UK Ltd.	$233,281,487.00
2. Universal Packaging Corporation	$ 92,675,000.00
3. Graphic Packaging Corporation	$ 50,000,000.00
4. Graphic Packaging Corporation	$107,500,000.00

G. PARTNERSHIP INTERESTS

NONE

H. PLEDGED SHARES

NONE

TRADEMARK
REEL: 002037 FRAME: 0126

ANNEX B TO SECURITY AGREEMENT

(ACX Technologies, Inc.)

A. TRADEMARKS

	Country	Serial Number	Filing Date	Mark	Reg. Number
1.	USA	74/342,581	12-22-92	ACX Technologies and Design	2,110,904

B. PATENTS

NONE

C. TRADE SECRETS

NONE

D. COPYRIGHTS

NONE

TRADEMARK
REEL: 002037 FRAME: 0127

ANNEX C TO SECURITY AGREEMENT

DEFAULTS OR POTENTIAL DEFAULTS UNDER ANY COLLATERAL NOTE OR DOCUMENTS EVIDENCING THE COLLATERAL NOTE SECURITY

(ACX Technologies, Inc.)

(NONE)

TRADEMARK
REEL: 002037 FRAME: 0128

ANNEX D
TO SECURITY AGREEMENT

DEPOSIT ACCOUNTS

(ACX TECHNOLOGIES, INC.)

COMPANY NAME	BANK NAME	ACCOUNT NAME	ACCOUNT NUMBER
ACX Technologies, Inc.	US Bank	Master	120413178308
	Wachovia Bank	Sub-Master	8730-082114
	Wachovia Bank	Payables	8735-082116
	Merrill Lynch	Investment	43-M-07182
	Bank of America	Investment	855125
	Barrings Bank/UK	General	

MATERIAL DEPOSITORY ACCOUNTS

BANK NAME	ACCOUNT NAME	ACCOUNT NUMBER
Wachovia Bank	Master	8736-004986

TRADEMARK
REEL: 002037 FRAME: 0129

ANNEX E TO SECURITY AGREEMENT

LETTERS TO DEPOSITORY BANKS

TO: Bank of America, N.A., in its capacity as Administrative Agent for Lenders and as Secured Party under that certain Assignment and Security Agreement dated as of February 1, 2000

901 Main Street, 14th Floor
Dallas, Texas 75202

RE: Deposit Accounts (the "***Accounts***") maintained with _____ (the "***Deposit Bank***"), including without limitation the Deposit Accounts Listed on ***Addendum 1***

This will confirm that _____ (the "***Company***") and the undersigned Deposit Bank have agreed as follows with respect to the Accounts:

1. The Company and the Deposit Bank acknowledge and confirm that all funds now or at any time hereafter deposited to the Accounts and all of the Company's Rights regarding such Accounts constitute part of the collateral granted to the Administrative Agent by the Company to secure the Company's obligations under the Credit Agreement and/or related Loan Documents and that the Administrative Agent holds a security interest and collateral assignment therein.

2. The Deposit Bank (excluding any Deposit Bank which is a Lender under the Credit Agreement) will not exercise, and hereby releases, any banker's lien upon, and any right of setoff against, the Accounts or any funds at any time deposited to the Accounts except with respect to the Deposit Bank's normal fees and charges for operating the Accounts.

3. The Deposit Bank will take the following actions upon written demand by Administrative Agent:

A. The Deposit Bank will (and in the event of such demand the Company hereby irrevocably authorizes and instructs the Deposit Bank to) cease honoring all drafts, demands, withdrawal requests, or remittance instructions by the Company, whether made before or after the demand.

B. The Deposit Bank will hold solely for account of the Administrative Agent all funds which may be on deposit in the Accounts at the time of the demand and all funds thereafter deposited to the Accounts, and, upon instructions from Administrative Agent, the Deposit Bank will remit all such funds (subject to ***Paragraph 2*** above) to Administrative Agent in such manner as Administrative Agent may from time to time instruct the Deposit Bank in writing.

After such a demand is made, the Administrative Agent shall have sole control over the Accounts and the sole right to exercise and enforce all Rights and remedies with respect thereto. The demand shall be effective when it is received by the Deposit Bank in writing at the address and to the attention of the person set forth below (or at such other address or to the attention of such other person as the Deposit Bank may specify by written notice received by the Administrative Agent and the Company) and when the Deposit Bank has had a reasonable time, based on the same standards as those applicable to payment and stop payment instructions generally, to act thereon.

TRADEMARK
REEL: 002037 FRAME: 0130

4. Upon request of Administrative Agent, Deposit Bank will send to the Administrative Agent, at its above address, a copy of each periodic statement for the Account, as and when the statement is sent to the Company.

5. This letter agreement is binding upon the Deposit Bank and the Company and their successors and assigns and is enforceable by the Administrative Agent and its successors and assigns. It supersedes all prior agreements relating to the Deposit Bank, and it may not be modified or terminated except upon the Administrative Agent's written consent. The Deposit Bank and the Company waive notice of acceptance hereof and of any action taken or omitted in reliance hereon.

DATED AS OF: _____, 20____.

[COMPANY]

By: _____
Name: _____
Title: _____

[DEPOSIT BANK]

By: _____
Name: _____
Title: _____

[Address]

_____
_____
_____

Attention: _____
Telex: _____
Telecopier: _____

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

TRADEMARK
REEL: 002037 FRAME: 0131

ADDENDUM 1

DEPOSIT ACCOUNTS

RECORDED: 02/15/2000

TRADEMARK
REEL: 002037 FRAME: 0132