

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

04-04-2000

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

RECEIVED  
210 FEB 15 AM 10:45



101303955

OPR/FINANCE RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

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

**Submission Type**

- ☒ New
- ☐ Resubmission (Non-Recordation)  
Document ID #
- ☐ Correction of PTO Error  
Reel #  Frame #
- ☐ Corrective Document  
Reel #  Frame #

**Conveyance Type**

- ☐ Assignment ☐ License
- ☒ Security Agreement ☐ Nunc Pro Tunc Assignment
- ☐ Merger  Effective Date  
Month Day Year
- ☐ Change of Name
- ☐ Other

**Conveying Party**

☒ Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization

**Receiving Party**

☒ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ 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.)
- ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization

04/03/2000 TT0N11 00000121 031721 511332

FOR OFFICE USE ONLY

01 FC:481 40.00 CH  
02 FC:482 400.00 CH

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

**TRADEMARK**  
REEL: 002042 FRAME: 0794

**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 (617) 248-5051

Name

W. BREWSTER LEE, ESQ.

Address (line 1)

CHOATE, HALL & STEWART

Address (line 2)

EXCHANGE PLACE

Address (line 3)

53 STATE STREET

Address (line 4)

BOSTON, MA 02109

**Pages**

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

# 27

**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)**

75560313	75567722	75628865
75560314	75560315	75628847
75552044	75502911	

0511332	1771299	2011188
1183661	1925315	2131682
1220756	2011150	2281132

**Number of Properties**

Enter the total number of properties involved.

# 17

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed ☐

Deposit Account ☒

Deposit Account

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

Deposit Account Number:

# 03-1721

Authorization to charge additional fees:

Yes ☒

No ☐

**Statement and Signature**

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

W. Brewster Lee, Esq.

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLYU.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

## Conveying Party

Enter Additional Conveying Party



Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

STAR INTERNATIONAL HOLDINGS, INC.

01 25 2000

Formerly



Individual



General Partnership



Limited Partnership



Corporation



Association



Other



Citizenship State of Incorporation/Organization

Delaware

## Receiving Party

Enter Additional Receiving Party



Mark if additional names of receiving parties attached

Name

MASSMUTUAL CORPORATE INVESTORS

DBA/AKA/TA

Composed of

Address (line 1)

1295 STATE STREET

Address (line 2)

Address (line 3)

SPRINGFIELD

City

MA

State/Country

01111

Zip Code



Individual



General Partnership



Limited Partnership



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 the Assignment.)



Corporation



Association



Other

BUSINESS TRUST



Citizenship/State of Incorporation/Organization

MASSACHUSETTS

## 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)



RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

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

Conveying Party

Enter Additional Conveying Party

☐ Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name STAR MANUFACTURING INTERNATIONAL, INC.

01 25 2000

Formerly

☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association

☐ Other

☒ Citizenship State of Incorporation/Organization DELAWARE

Receiving Party

Enter Additional Receiving Party

☒ Mark if additional names of receiving parties attached

Name MASSMUTUAL PARTICIPATION INVESTORS

DBA/AKA/TA

Composed of

Address (line 1) 1295 STATE STREET

Address (line 2)

Address (line 3) SPRINGFIELD

MA

01111

City

State/Country

Zip Code

☐ Individual ☐ General Partnership ☐ Limited Partnership

☐ Corporation ☐ Association

☒ Other BUSINESS TRUST

☒ Citizenship/State of Incorporation/Organization MASSACHUSETTS

☐ 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 the Assignment.)

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)



RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

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

Conveying Party

Enter Additional Conveying Party

☐ Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

Formerly

☐ Individual ☐ General Partnership ☐ Limited Partnership ☐ Corporation ☐ Association

☐ Other

☐ Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

☐ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

MA

State/Country

01111

Zip Code

☐ Individual ☐ General Partnership ☐ Limited Partnership

☒ Corporation ☐ Association

☐ Other

☒ 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 the Assignment.)

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)



## SECURITY AND PLEDGE AGREEMENT

THIS AGREEMENT, dated the 25th day of January, 2000, is made by Holman Cooking Equipment, Inc., having its principal place of business and chief executive office at 90 Industrial Park Road, Saco, ME (the "Debtor"), for the benefit of Massachusetts Mutual Life Insurance Company, MassMutual Corporate Investors, MassMutual Participation Investors and MassMutual Corporate Value Partners Limited (collectively, the "Institutional Investors") and each other holder of the Secured Obligations (as hereinafter defined) (the Institutional Investors and such other holders are hereinafter referred to collectively as the "Secured Parties" and each, individually, as a "Secured Party").

### W I T N E S S E T H :

WHEREAS, pursuant to those certain Securities Purchase Agreements dated May 27, 1994, as amended, modified and supplemented by that certain Note Purchase and Amendment Agreement dated March 4, 1997 and by that certain Securities Purchase and Amendment Agreement dated January 25, 2000 (as the same may be further amended, modified or supplemented from time to time, the "Securities Purchase Agreements") (capitalized terms used herein without definition having the respective meanings ascribed to them in the Securities Purchase Agreements, unless the context clearly requires otherwise), the Institutional Investors have agreed to purchase, in addition to certain other securities, certain Senior Notes of Star International Holdings, Inc., all of which Senior Notes are guaranteed by the Debtor; and

WHEREAS, the obligation of the Institutional Investors to purchase any such securities is subject to the condition, among others, that the Debtor execute and deliver this Agreement and grant the Liens hereinafter described;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Security Interest. As security for the Secured Obligations described in section 2 hereof, the Debtor hereby mortgages, pledges and grants and assigns as collateral to the Secured Parties, and creates for the benefit of the Secured Parties a security interest in and Lien on, all of the tangible and intangible personal property and fixtures of the Debtor (but none of its obligations with respect thereto), including, without

limitation, the property described below, whether now owned or existing, or hereafter acquired or arising, wherever located, together with any and all additions, accessions and attachments thereto and substitutions, replacements, proceeds (including, without limitation, insurance proceeds) and products thereof (hereinafter referred to collectively as the "Personalty"):

(a) all inventory, goods, merchandise, raw materials, parts, components, assemblies, supplies, goods in process, finished goods and other tangible personal property held by the Debtor for processing, sale or lease or furnished or to be furnished by the Debtor under contracts of service or to be used or consumed in the Debtor's business, including, without limitation, any which is used in connection with the manufacturing, distributing and servicing of commercial cooking appliances, equipment and related supplies (the foregoing items in this clause (a) being sometimes herein referred to collectively as "Inventory");

(b) all accounts, accounts receivable and general intangibles of the Debtor, all rights to receive the payment of money under contracts, franchises, licenses, permits and other agreements, documents or instruments (whether or not earned by performance) or otherwise of the Debtor, and all rights of the Debtor to receive payments from any other source (the foregoing items in this clause (b) being sometimes herein referred to collectively as "Accounts Receivable"), together with all rights of the Debtor in the goods and services which have given rise thereto, including, without limitation, returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit;

(c) all of the Debtor's equipment, machinery, fixtures, furniture, furnishings, computers and related equipment, office equipment and supplies, tools, jigs, dies, manufacturing implements, forklifts, trucks, trailers, railcars, barges and other vehicles (the foregoing items in this clause (c) being sometimes herein referred to collectively as "Equipment");

(d) all of the Debtor's general intangibles and other intangible property and all rights thereunder, including, without limitation, all of the following (to the extent not included in the foregoing clause (b)):

(i) all trademarks, trademark applications and registrations and trade names, together with the goodwill appurtenant thereto, owned, held (whether pursuant to a license or otherwise), used or to be used, in whole or in part, in conducting the Debtor's business (the "Trademarks");

(ii) all patents and patent applications of the Debtor, including, without limitation, the inventions and improvements described and claimed therein (the "Patents");

(iii) all copyrights and applications for registration of copyrights of the Debtor and all rights in literary property (the "Copyrights");

(iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Trademarks, Patents and/or Copyrights; all income, royalties, damages and payments now or hereafter due and/or payable with respect to any Trademarks, Patents and/or Copyrights, including, without limitation, damages and payments for past or future infringements thereof; all rights (but no obligation) to sue for past, present and future infringements of any Trademarks, Patents and/or Copyrights or bring interference proceedings with respect thereto; and all rights corresponding to any Trademarks, Patents and/or Copyrights throughout the world;

(v) all rights and interests of the Debtor pertaining to common law and statutory trademark, service marks, trade names, slogans, labels, trade secrets, patents, copyrights, corporate names, company names, business names, fictitious business names, trademark or service mark registrations, designs, logos, trade styles, applications for trademark registration and any other indicia of origin;

(vi) all operating methods, formulas, processes, know-how and the like of the Debtor (the foregoing items in clauses (i) through (vi), inclusive, being sometimes herein referred to collectively as the "Intellectual Property Collateral");

(vii) all contracts, franchises, licenses, permits and other agreements and all rights thereunder of the Debtor;

(viii) all rights granted by others which permit the Debtor to sell or market items of personal property;

(ix) all computer software, designs, models, know-how, trade secrets, rights in proprietary information, formulas, customer lists, backlogs, orders, royalties, sales material, documents, goodwill, inventions and processes of the Debtor;

(x) all leases, chattel paper, documents, records, negotiable and non-negotiable instruments, hedge contracts and forward purchase contracts of the Debtor; and

(xi) all judgments, causes of action and claims, whether or not inchoate of the Debtor;

(e) all shares of capital stock or other evidence of beneficial interest in any corporation or other entity or Person, including, without limitation, all interests in any general or limited partnership, any joint venture or any limited liability company; and all options, warrants and similar rights to acquire such capital stock or such interests, including, without limitation, all such securities issued by any Subsidiary of the Debtor, and including, without limitation, all certificated or uncertificated securities, security entitlement, security account and any other investment property now owned or hereafter acquired by or held for the benefit of the Debtor (the foregoing items in this clause (e) being sometimes herein referred to as the "Pledged Stock");

(f) all rights to receive profits or surplus of, or other dividends or distributions (including, without limitation, income, return of capital or liquidating distributions) from, any corporation or other entity or Person, including, without limitation, any distributions by any such Person to stockholders, partners or joint venturers (the foregoing items in clause (f) being sometimes herein referred to collectively as the "Pledged Rights");

(g) all Indebtedness from time to time owing to the Debtor from any other Person, including, without limitation, any Subsidiary of the Debtor, together with all security held by the Debtor with respect to such Indebtedness (the foregoing items in this clause (g) being sometimes herein referred to collectively as the "Pledged Indebtedness") (the Pledged Stock, the Pledged Rights and the Pledged Indebtedness are sometimes hereinafter referred to collectively as the "Pledged Securities");

(h) all documents, chattel paper and instruments (negotiable and non-negotiable) of the Debtor;

(i) all property or collateral granted by third party obligors to, or held by, the Debtor with respect to any Accounts Receivable, Pledged Securities, documents, chattel paper, instruments, leases and other items of Personalty;

(j) all leases of personal property, whether the Debtor is the lessor or the lessee thereunder;

(k) all books and records, including, without limitation, books of account and ledgers of every kind and nature, all electronically recorded data (including all computer programs, discs, tapes, electronic data processing media and software used in maintaining the Debtor's books and records), all files and correspondence and all receptacles and containers for the foregoing;

(l) to the extent not included in the other provisions of this section 1, all insurance policies which insure against any loss or damage to any other Personalty;

(m) all other property, assets and items of value of every kind and nature, tangible or intangible, absolute or contingent, legal or equitable; and

(n) all proceeds, including, without limitation, insurance proceeds, and products of the items of Personalty heretofore described.

The Debtor has on or prior to this day delivered to the Secured Parties all certificates evidencing the Pledged Stock of the Subsidiaries of the Debtor, and accompanied by one or more stock powers executed in blank, all in form and manner satisfactory to the Secured Parties.

2. Secured Obligations. The Liens hereby granted shall secure equally and ratably the due and punctual payment and performance of the following liabilities and obligations (collectively, the "Secured Obligations"):

(a) principal of and premium (including, without limitation, the Make Whole Amount), if any, and interest on and fees (including, without limitation, the Facility Fee) and other amounts payable with respect to the Senior Notes; and

(b) any and all other indebtedness and obligations of the Debtor and its Subsidiaries under the Securities Purchase Agreements and/or under any of the other Operative Documents or under any other agreement, document or instrument relating thereto, including, without limitation, that certain Note Purchase and Amendment Agreement dated March 4, 1997, and that certain Securities Purchase and Amendment Agreement dated January 25, 2000, all as amended, modified or supplemented from time to time, other than any such indebtedness and obligations related solely and exclusively to the Subordinated Notes, Common Shares, Warrants or Warrant Shares.

3. Special Warranties and Covenants of the Debtor. The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(a) The Debtor is the owner of and has good and marketable title to the Personalty free from any Liens (including any restrictions on transfer of any Pledged Securities), other than (i) the Liens arising hereunder and under the other Security Documents and (ii) restrictions on transfer of the Pledged Securities imposed by applicable securities laws, and the Debtor will defend the Personalty against all claims and demands of all Persons at any time claiming the same or any interest therein.

(b) The address shown at the beginning of this Agreement is the chief executive office and principal place of business of the Debtor and the location of all records concerning that portion of Personalty consisting of Accounts Receivable and other general intangibles. The Debtor's only additional places of business and the only additional locations of any Personalty are listed in Exhibit 3(b) attached hereto. Except as set forth on Exhibit 3(b) attached hereto, during the five years ended on the date hereof, the Debtor has not conducted any business or sold any goods under any name (including any fictitious business or trade name) other than its legal name which is correctly set forth at the beginning of this Agreement. The Debtor will not change its chief executive office or principal place of business or any other place of business, or the location of any Personalty (including, without limitation, the records relating thereto), or make any change in its legal name or conduct business operations under any fictitious business or trade name (other than any names specified on Exhibit 3(b) attached hereto), without, in each such case (i) giving at least 30 days' prior written notice thereof to the Secured Parties and (ii) executing, delivering, filing and recording all necessary financing statements (or amendments thereto) or other instruments and documents in order to maintain the validity, enforceability, priority and perfection of the Liens arising hereunder and under the other Security Documents.

(c) Except as explicitly permitted by the Securities Purchase Agreements, (i) the Debtor will not sell or otherwise dispose of any of the Personalty or any interest therein (other than sales of Inventory in the ordinary course of business) and (ii) the Debtor will not create, assume, incur or suffer to exist any Lien of any kind (whether senior, pari passu or subordinate) on the Personalty (including any restrictions on transfer of any Pledged Securities), other than (x) those arising hereunder and under the other Security Documents and (y) restrictions on transfer of the Pledged Securities imposed by applicable securities laws.

(d) The Debtor will keep the Personalty, including, without limitation, all Inventory and Equipment, in good repair, working order and condition and adequately insured at all times in accordance with the provisions of the Securities Purchase Agreements and the other Operative Documents. Each insurance policy pertaining to any of the Personalty shall be in form and substance and shall have

such limits and deductibles as shall be reasonably satisfactory to the Secured Parties and, without limiting the generality of the foregoing, shall:

(i) name the Secured Parties as loss payees (in the case of property insurance) and additional insureds (in the case of liability insurance) pursuant to a so-called standard mortgagee clause and shall contain the so-called agreed upon replacement cost endorsement and waiver of subrogation;

(ii) provide that no action of the Debtor or any of its Subsidiaries or any tenant or subtenant shall void such policy as to the Secured Parties;

(iii) provide that the Secured Parties shall be notified (and the Debtor shall notify the Secured Parties) of any expiration, cancellation or material amendment of such policy at least 30 days in advance of the effective date thereof and, if applicable, provide that the Secured Parties shall have the right to cure any deficiency resulting in the same;

(iv) provide that the Secured Parties shall receive (and the Debtor shall cause the Secured Parties to receive) annually certificates of insurance (or other appropriate documentation) demonstrating compliance by the Debtor with all provisions of the Operative Documents relating to insurance matters; and

(v) be issued by an insurance company or insurance companies licensed to do business in the jurisdiction in which the Personalty is located and having the highest or second highest rating available from A.M. Best Company or an equivalent Person.

Certified copies of all such insurance policies relating to the Personalty shall be delivered to the Secured Parties upon request. In the event of any damage or destruction to the Personalty, the Debtor shall give prompt written notice to the Secured Parties and shall promptly commence and diligently continue to completion the repair and restoration of the Personalty so damaged or destroyed so as to reconstruct the Personalty in a good and workmanlike manner and in full compliance with all legal requirements and the provisions of this Agreement and the other Operative Documents, free and clear from all Liens, other than the Liens arising hereunder and under the other Security Documents. The Debtor shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$250,000 without the prior written consent of the Secured Parties. Subject to the terms of the Securities Purchase Agreements and so long as no Event of Default shall have occurred and be continuing, the Debtor may apply the proceeds of any

insurance to the repair and restoration of any of the Personalty which was the subject of the loss, provided that (i) the cost of repair and restoration shall not exceed \$500,000, (ii) the Debtor continues to be the sole owner of the Personalty subject to the Liens arising hereunder and under the other Security Documents and, if applicable, said Permitted Encumbrances, (iii) the contemplated repair and restoration shall reconstruct the Personalty to substantially its previous condition within 12 months from the date of the damage or destruction to the Personalty, (iv) all sums necessary to effect the repair and restoration over and above any available insurance proceeds shall be at the sole cost and expense of the Debtor, (v) the Debtor shall deposit all available proceeds together with the additional sums referred to in subsection (iv) with the Secured Parties prior to commencing any repair and restoration and (vi) at all times during any repair and restoration the Debtor shall, at its sole cost and expense, maintain workers' compensation and public liability insurance in amounts satisfactory to the Secured Parties and in accordance with the provisions of this section 3(d). If at any time the Secured Parties determine that the foregoing conditions have not been or cannot be satisfied, then the Secured Parties may apply the proceeds of insurance to the prepayment, without premium, of the Secured Obligations in accordance with section 9.7 of the Securities Purchase Agreements. Any insurance proceeds that are received at a time when an Event of Default shall have occurred and be continuing may be applied by the Secured Parties to the repayment of the Secured Obligations in accordance with the terms of section 16.6 of the Securities Purchase Agreements. If the Debtor fails to provide insurance as required by this Agreement or any of the other Operative Documents, the Secured Parties may, at their option, provide such insurance, and the Debtor will on demand pay to the Secured Parties the amount of any disbursement made by the Secured Parties for such purpose.

(e) To the extent required by the Securities Purchase Agreements, the Debtor will pay and discharge promptly as they become due and payable all taxes, assessments and other governmental charges or levies imposed upon it or its income or upon any of its properties, real, personal or mixed, or upon any part thereof, including, without limitation, the Personalty or any part of the Personalty, as well as all claims of any kind (including claims for labor, materials and supplies) which if unpaid might by law become a Lien or charge upon its property.

(f) The Debtor will, without the necessity of any request by the Secured Parties, promptly make, execute, acknowledge and deliver and file and record in all proper offices and places, including, without limitation, the U.S. Patent and Trademark Office and the U.S. Copyright Office, such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents or instruments as may be necessary to perfect or from time

to time renew the Liens arising hereunder and under the other Security Documents, including, without limitation, those that may be necessary to perfect such Liens in any additional Personalty hereafter acquired by the Debtor or in any replacements or proceeds thereof, and the Debtor will take all such action as may be deemed necessary or advisable by the Secured Parties to carry out the intent and purposes of the Security Documents or for assuring and confirming to the Secured Parties the grant and perfection of the Liens in the Personalty, including, without limitation, the Intellectual Property Collateral. To the extent permitted by law, the Debtor authorizes and appoints (such appointment being coupled with an interest and irrevocable) each Secured Party to execute such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents and instruments in its stead, with full power of substitution, as the Debtor's attorney-in-fact. To the extent permitted by law, the Debtor further agrees that a carbon, photographic or other reproduction of a security agreement, financing statement or continuation statement is sufficient as a financing statement or continuation statement.

(g) The Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Inventory (or any other Personalty), such receipt shall not be "negotiable" (as such term is used in the Uniform Commercial Code as in effect in any relevant jurisdiction or under other relevant law). If, notwithstanding the foregoing, any negotiable warehouse receipts or other negotiable documents are issued with respect to any of the Inventory (or other Personalty), all such instruments shall be held in trust for the Secured Parties and shall be immediately endorsed to the order of the Secured Parties and delivered to the Secured Parties to be held by the Secured Parties as Personalty hereunder. In addition, the Debtor will notify all warehousemen, bailees, agents, processors and other similar Persons of the Liens created pursuant to the Security Documents and will cause each to hold all Personalty for the account of, and subject to the instructions of, the Secured Parties.

(h) Except in the ordinary course of business or as otherwise explicitly permitted by the Securities Purchase Agreements, without the prior written consent of the Secured Parties, the Debtor shall not amend or modify, or waive any of its rights under or with respect to, any of the Accounts Receivable, if the effect thereof would be to reduce the amount payable to the Debtor thereunder, to extend the time of payment thereof, to waive any default by any account debtor or other obligor thereunder, or to waive or impair any remedies of the Debtor or the Secured Parties under or with respect thereto. Upon the occurrence of any Event of Default, the Secured Parties may notify or may require the Debtor to notify (and after any such notification the Debtor shall cause) all Persons obligated on the Accounts Receivable to make payment directly to (or in accordance with the instructions of) the Secured Parties. From and after the occurrence of any Event

of Default, (i) all sums collected or received and all property recovered or possessed by the Debtor in connection with any of the Personalty, including, without limitation, all sums received in respect of any of the Accounts Receivable, shall be received and held by the Debtor in trust for the Secured Parties and shall be segregated from the assets and funds of the Debtor and shall be immediately delivered to the Secured Parties for application to the payment of the Secured Obligations in accordance with the terms hereof and (ii) the Debtor, upon the request of the Secured Parties, shall institute depository, lockbox and other similar credit procedures providing for the direct receipt of such sums.

(i) The Debtor will specifically assign to the Secured Parties all federal government contracts and will cooperate with the Secured Parties in giving notice of such assignment pursuant to the Federal Assignment of Claims Act. The Debtor will cooperate with the Secured Parties in providing such further information with respect to contracts with any governmental authority as the Secured Parties may request and will provide such instruments of further assurance with respect to such contracts as the Secured Parties may request. As of the date hereof, no contract of the Debtor with any such governmental authority is material to the Debtor. The Debtor will notify the Secured Parties at such time as any such contract shall become material to the Debtor.

(j) The Debtor hereby constitutes and appoints each Secured Party its true and lawful attorney, irrevocably, with full power, upon the occurrence of any Event of Default, in the name of the Debtor or otherwise, at the expense of the Debtor and without notice to or demand upon the Debtor, to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to the Debtor, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Secured Parties may deem to be necessary or advisable to protect the interests of the Secured Parties, which appointment as attorney is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, upon the occurrence of any Event of Default, the Secured Parties shall have full power: (i) to demand, collect, receive payment of, receipt for, settle, compromise or adjust, and give discharges and releases in respect of any of the Personalty, including, without limitation, any Pledged Securities and/or any Accounts Receivable; (ii) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect and/or to enforce any other rights in respect of any of the Personalty, including, without limitation, any Pledged Securities and/or any Accounts Receivable; (iii) to defend any suit, action or proceeding brought against the Debtor with respect to any of the Personalty, including, without limitation, any Pledged Securities and/or any Account Receivable; (iv) to settle, compromise or adjust any suit, action or proceeding described in clause (ii) or (iii)

above, and, in connection therewith, to give such discharges or releases as the Secured Parties may deem appropriate; (v) to endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents, including, without limitation, those relating to any of the Pledged Securities and/or those evidencing or securing the Accounts Receivable or any of them; (vi) to receive, open and dispose of all mail addressed to the Debtor and to notify the post office authorities to change the address of delivery of mail addressed to the Debtor to such address, care of the Secured Parties, as the Secured Parties may designate; (vii) to act as attorney for the Debtor in obtaining, adjusting, settling and cancelling any insurance and endorsing any drafts and retaining any amounts collected or received under any policies of insurance; (viii) to discharge any taxes, assessments or other governmental charges or levies or any other Liens to which any Personalty is at any time subject and (ix) generally to sell, assign, transfer, pledge, make any agreement in respect of or otherwise deal with the Personalty as fully and completely as though the Secured Parties were the absolute owners thereof for all purposes. The Debtor agrees to reimburse each Secured Party on demand for any payments made or expenses incurred by such Secured Party pursuant to the foregoing authorization and any unreimbursed amounts shall constitute Secured Obligations for all purposes hereof.

(k) The powers conferred on the Secured Parties by this Agreement and the other Security Documents are solely to protect the interests of the Secured Parties and shall not impose any duty upon the Secured Parties (or any of them) to exercise any such power, and if the Secured Parties shall exercise any such power, such exercise by the Secured Parties shall not relieve the Debtor of any Default or Event of Default, and the Secured Parties shall be accountable only for amounts actually received as a result thereof. The Secured Parties shall be under no obligation to take steps necessary to preserve the rights in or value of or to collect any sums due in respect of any Personalty against any other Person but may do so at their option. Without limiting the generality of the foregoing, the Secured Parties shall have no duty or liability with respect to any claim or claims regarding the Debtor's ownership or purported ownership, or rights or purported rights arising from, the Pledged Securities or the Intellectual Property Collateral (or any portion thereof) or any use, license, or sublicense thereof, whether arising out of any past, current or future event, circumstance, act or omission or otherwise. All of such duties and liabilities shall be exclusively the obligation of the Debtor. All expenses incurred in connection with the application, protection, maintenance, renewal or preservation of any of the Personalty, including, without limitation, the Intellectual Property Collateral, shall be borne by the Debtor.

(l) The Debtor shall defend, indemnify and hold harmless each Secured Party for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements (including reasonable attorneys'

fees) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of or relating to the Personalty or this Agreement.

(m) The Debtor will, if requested by the Secured Parties, use its best efforts to obtain waivers of Lien, in form satisfactory to the Secured Parties, from each Person (including lessors) having any interest in the real property on which any of the Personalty is or is to be located.

(n) All of the Debtor's Inventory has been (and from and after the date hereof will be) produced in compliance with all applicable laws, including, without limitation, the Fair Labor Standards Act, as amended.

(o) The Debtor will promptly notify the Secured Parties of any material loss or damage to any Personalty or any request by any other Person for any material credit or adjustment with respect to any Accounts Receivable other than in the ordinary course of business.

4. Special Provisions Concerning Intellectual Property Collateral. Without limiting the generality of the other provisions of this Agreement:

(a) The Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties that:

(i) a true and complete list of all Trademarks, Patents and Copyrights currently owned, held (whether pursuant to a license or otherwise) or used by the Debtor, in whole or in part, in conducting its business is set forth in Exhibit 4(a)(i) attached hereto, and such exhibit correctly sets forth the information specified therein;

(ii) each and every Trademark in use is subsisting; each and every Trademark, Patent and Copyright is valid and enforceable; and, to the best of the Debtor's knowledge, there is no infringement or unauthorized use of any of the Trademarks, Patents or Copyrights, in whole or in part;

(iii) no claim has been made that the use of any of the Trademarks or Copyrights or the practice of any of the Patents does or may violate the rights of any other Person, and the Debtor is not aware of any basis for any such claim to be asserted;

(iv) the Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks,

Patents and Copyrights, free and clear of any Lien, express or implied, other than the Liens created by the Security Documents, and no other Person has any license or other right with respect to any of the Trademarks, Patents, Copyrights or any other Intellectual Property Collateral; and

(v) the Debtor has used proper statutory notice in connection with its use of the Trademarks, and the Debtor has marked its products with all applicable patent numbers.

(b) If the Debtor shall create or obtain rights to any Trademarks, Patents or Copyrights (or any other Intellectual Property Collateral) in addition to those set forth on Exhibit 4(a)(i) attached hereto, the provisions of this Agreement shall automatically apply thereto and the Debtor shall take such action as the Secured Parties may request to more fully evidence the same. The Debtor shall promptly notify the Secured Parties in writing of any new patent application or grant or trademark or copyright application or registration in which the Debtor has an ownership interest.

(c) The Debtor (i) authorizes the Secured Parties, without any further action by the Debtor, to amend Exhibit 4(a)(i) to reference any Trademark, Patent or Copyright (or any other Intellectual Property Collateral) acquired by the Debtor after the date hereof or to delete any reference to any right, title or interest in any Trademark or Patent or Copyright (or any other Intellectual Property Collateral) in which the Debtor no longer has or claims any right, title or interest; (ii) will promptly (but in any event within five days after becoming aware thereof) notify the Secured Parties of the institution of, or any adverse determination in, any proceeding in the U.S. Patent and Trademark Office, U.S. Copyright Office or in any federal, state or foreign court or agency regarding the Debtor's claim of ownership, or the enforceability or validity of any of the Intellectual Property Collateral, or of any other event that does or could reasonably be expected to materially adversely affect the value of any of the Intellectual Property Collateral, the ability of the Debtor or the Secured Parties to dispose of any of the same or the rights and remedies of the Secured Parties in relation thereto; (iii) will promptly notify the Secured Parties of any suspected infringement of any of the Intellectual Property Collateral by any third party or any claim by any third party that the Debtor is infringing upon the intellectual property rights of such third party; (iv) concurrently with the filing of any patent application or application for registration of any trademark or copyright, will execute, deliver and record in all appropriate registers and offices, an appropriate form of a collateral security agreement evidencing the Secured Parties' security interest therein; and (v) will diligently keep accurate and complete records respecting the Intellectual Property Collateral.

(d) The Debtor shall, as appropriate and commercially reasonable, (i) make and diligently prosecute federal application on any existing or future registerable but unregistered Trademarks or Copyrights or unpatented but patentable inventions, (ii) preserve, maintain and renew all of the Intellectual Property Collateral and rights and interests related thereto, including, without limitation, by payment of all taxes, annuities, issue and maintenance fees and by the use of all proper statutory notices, designations and patent numbers and (iii) initiate and diligently prosecute in its own name, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, or other damage or opposition, cancellation, concurrent use or interference proceedings as are necessary to protect any of the Trademarks, Patents or Copyrights or other Intellectual Property Collateral; provided that no such suit, proceeding or other action shall be settled or voluntarily dismissed, nor shall any party be released or excused from any claims or liability for infringement, unless, in the reasonable judgment of the Debtor, to do so is in the best interests of the Debtor and is not disadvantageous in any material respect to the Secured Parties.

(e) Without limiting the generality of the other provisions of this Agreement and the other Operative Documents and in addition to all other rights and remedies of the Secured Parties hereunder and thereunder and referred to herein and therein, the Debtor hereby assigns to the Secured Parties (such assignment to be conditioned and effective upon the occurrence of any Event of Default) all of its right, title and interest in and to all and any of the Intellectual Property Collateral, including, without limitation, each Patent, Trademark and Copyright, now owned or hereafter acquired by the Debtor, and all of the goodwill of the business of the Debtor symbolized by the same and all interest of the Debtor in and to any cause of action related thereto, and the Debtor hereby grants to the Secured Parties an absolute power of attorney (which grant is coupled with an interest and is irrevocable) to sign, upon the occurrence of any Event of Default, any document which may be necessary or required by the U.S. Patent and Trademark Office, the U.S. Copyright Office or by any other office or authority in order to further evidence (and to effect and to record) the foregoing assignment. The Debtor further agrees that, upon the occurrence of any Event of Default, the Secured Parties may take any or all of the following actions: (i) declare the entire right, title and interest of the Debtor in and to the Intellectual Property Collateral vested in the Secured Parties, in which event such right, title and interest shall immediately vest in the Secured Parties; (ii) take and use and/or sell the Intellectual Property Collateral (or any portion thereof) and carry on the business and use the assets of the Debtor in connection with which the Intellectual Property Collateral (or any portion thereof) has been used; (iii) bring suit to enforce the Trademarks, Patents and/or Copyrights or any of the other Intellectual Property Collateral and/or any licenses thereunder or other rights with respect thereto; (iv) direct the Debtor to refrain, in which event the Debtor shall refrain,

from using the Intellectual Property Collateral (or any portion thereof) in any manner whatsoever, directly or indirectly and (v) direct the Debtor to execute, in which event the Debtor shall execute, such other and further documents that the Secured Parties may request to further confirm the provisions hereof and to further evidence the foregoing assignment. Upon request of the Secured Parties, the Debtor also shall make available to the Secured Parties, to the extent within the Debtor's power and authority, such individuals then in the Debtor's employ to assist in the production, advertisement and sale of the products and services sold under the Trademarks, Copyrights and Patents or any of the other Intellectual Property Collateral, such individuals to be available to perform their prior functions on the Secured Parties' behalf and to be compensated at the expense of the Debtor.

5. Special Provisions Concerning the Pledged Securities. Without limiting the generality of the other provisions of this Agreement, the Debtor hereby represents and warrants to and covenants and agrees with the Secured Parties as follows:

(a) The Pledged Securities are duly authorized, validly issued, fully paid and non-assessable and are and shall be at all times duly and validly pledged with the Secured Parties in accordance with law. The Pledged Stock constitutes all of the presently issued and outstanding capital stock of each Subsidiary of the Debtor existing on the date hereof and none of such Pledged Stock is subject to any option to purchase or similar right of any other Person. There are no other outstanding securities of any existing Subsidiary of the Debtor which are required to be pledged pursuant hereto. If any other shares of capital stock, promissory notes or other securities of any such existing Subsidiary of the Debtor are acquired by the Debtor after the date hereof, and if any shares of capital stock, promissory notes or other securities issued by any other Subsidiary of the Debtor or issued by any other Person are acquired by the Debtor after the date hereof, the same shall without further action constitute Pledged Securities and shall be deposited and pledged with the Secured Parties simultaneously with such acquisition. The Secured Parties may at any time transfer into their names (or the name or names of their nominees), as pledgee, any Pledged Stock. Any Pledged Stock which is not evidenced by a certificate will be registered within five days of the issuance thereof in the names of the Secured Parties, as pledgees, on the records of the issuer thereof, all in form and substance satisfactory to the Secured Parties. All Pledged Indebtedness owed by any Subsidiary or other Affiliate of the Debtor is (and from and after the date hereof shall be) on open account and is not (and from and after the date hereof shall not be) evidenced by any note or other instrument, unless the Secured Parties shall request otherwise, in which event a note or other instrument evidencing such Pledged Indebtedness shall be deposited and pledged with the Secured Parties (together with bond powers executed in blank) within five days of such request.

(b) Unless an Event of Default shall have occurred, (i) the Debtor shall be entitled, to the extent permitted by the Securities Purchase Agreements and the other Operative Documents, to receive all payments, dividends and distributions on or with respect to the Pledged Securities (except for any such payment, dividend or distribution that constitutes additional Pledged Securities, in which case the same shall be deposited and pledged with the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made) and (ii) the Debtor shall be entitled to vote or consent with respect to the Pledged Securities in any manner not inconsistent with the terms of the Securities Purchase Agreements and the other Operative Documents.

(c) Upon the occurrence of an Event of Default, (i) all payments, dividends and distributions on or with respect to the Pledged Securities shall be deposited and pledged with (or in accordance with the instructions of) the Secured Parties (together with all necessary endorsements) at the time such payment, dividend or distribution is made and (ii) the Secured Parties shall be entitled to vote or consent or take any other action with respect to the Pledged Securities and to exercise any and all other incidents of ownership thereof, including, without limitation, all rights of payment, conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Securities, as if the Secured Parties were the absolute owners thereof, all without liability except to account for amounts actually received; provided that the Secured Parties shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

6. Events of Default. The Debtor shall be in default under this Agreement if any one or more of the following events (each an "Event of Default") shall occur (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), that is to say:

(a) if default shall be made in the performance or observance of any covenant, agreement or condition contained in sections 3(a), 3(b), 3(c) or 3(d) of this Agreement;

(b) if default shall be made in the performance or observance of any other of the covenants, agreements or conditions contained in this Agreement and such default shall have continued for a period of 30 days after the earlier of (i) the Debtor's obtaining actual knowledge of such default or (ii) the Debtor's receipt of written notice of such default;

(c) if any representation or warranty made by or on behalf of the Debtor in this Agreement or in any agreement, document or instrument delivered under or pursuant to any provision hereof shall prove to have been materially false or incorrect on the date as of which made; or

(d) if any other Event of Default as defined in the Securities Purchase Agreements shall occur.

7. Rights and Remedies. Upon the occurrence of any Event of Default, the Secured Parties shall have the following rights and remedies:

(a) all rights and remedies provided by law, including, without limitation, those provided by the Uniform Commercial Code;

(b) all rights and remedies provided in this Agreement; and

(c) all rights and remedies provided in the Securities Purchase Agreements, the other Operative Documents or in any other agreement, document or instrument pertaining to any of the Secured Obligations;

provided that the exercise of any right or remedy relating to the Personalty which arises under or is referred to in this Agreement shall require the written consent of the Required Holders of each class of Senior Notes at the time outstanding (exclusive of any Senior Notes then owned by the Debtor or any of its Affiliates).

8. Right to Dispose of Personalty, etc.

(a) Without limiting the scope of section 7 hereof, upon the occurrence of any Event of Default, the Secured Parties shall have the right and power to take possession of all or any part of the Personalty and, in addition thereto, the right to enter upon any premises on which all or any part of the Personalty may be situated and remove the same therefrom and the Secured Parties may sell, resell, assign and deliver, or otherwise dispose of any or all of the Personalty, for cash and/or credit, in one or more parcels, at any exchange or broker's board, or at public or private sale and upon such terms and at such place or places and at such time or times and to such Persons (including, without limitation, the Secured Parties (or any of them)), to the extent permitted by law, as the Secured Parties deem expedient, all without demand for performance by the Debtor or any notice or advertisement whatsoever except as may be required by this Agreement or by law. The Secured Parties may require the Debtor to make all or any part of the Personalty (to the extent the same is moveable) available to the Secured Parties at a place to be designated by the Secured Parties which is reasonably convenient to the Secured Parties and the Debtor. Unless the Personalty threatens to decline

speedily in value or is of a type customarily sold on a recognized market, the Secured Parties will give the Debtor at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including legal costs and reasonable attorneys' fees) and all other charges against the Personalty, the residue of the proceeds of any such sale or disposition shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). In the event the proceeds of any sale, lease or other disposition of the Personalty hereunder are insufficient to pay all of the Secured Obligations in full, the Debtor will be liable for the deficiency, including interest thereon at a rate per annum equal to 2.00% above the highest rate borne by any of the Secured Obligations until paid, and the cost and expenses of collection of such deficiency, including, without limitation, reasonable attorneys' fees, expenses and disbursements. Without limiting the generality of the foregoing or the scope of section 7 hereof, upon the occurrence of any Event of Default, any amount owing by the Secured Parties to the Debtor may, without regard to the value of the Personalty, be offset and applied toward the payment of the Secured Obligations as aforesaid, whether or not the Secured Obligations, or any part thereof, shall be then due.

(b) The Debtor recognizes that the Secured Parties may be unable to effect a public sale of all or a part of the Pledged Securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended, but may be compelled to resort to one or more private sales to a restricted group of purchasers, each of whom will be obligated to agree, among other things, to acquire such Pledged Securities for its own account, for investment and not with a view to the distribution or resale thereof. The Debtor acknowledges that private sales so made may be at prices and upon other terms less favorable to the seller than if such Pledged Securities were sold at public sales, and that the Secured Parties have no obligation to delay sale of any such Pledged Securities for the period of time necessary to permit such Pledged Securities to be registered for public sale under the Securities Act of 1933, as amended.

9. Right to Use the Personalty, etc. Without limiting the scope of section 7 hereof, upon the occurrence of any Event of Default, but subject to the provisions of the Uniform Commercial Code or other mandatory provisions of applicable law, the Secured

Parties shall have the right and power to take possession of all or any part of the Personalty, and to exclude the Debtor and all Persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Secured Parties, from time to time, at the Debtor's expense, may (but shall not be obligated to) make all such repairs, replacements, alterations and improvements to any of the Personalty and may manage and control the Personalty and carry on the business and exercise all rights and powers of the Debtor in respect thereto as the Secured Parties shall deem best, including, without limitation, the right to enter into any and all such agreements with respect to the use of the Personalty or any part thereof as the Secured Parties may see fit (including, without limitation, licensing agreements related to the Intellectual Property Collateral); and the Secured Parties shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of so holding, storing, using, operating, managing and controlling the Personalty, and of conducting any business related thereto, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Parties may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Personalty or any part thereof, and all other payments which the Secured Parties may be required or authorized to make under any provision of this Agreement or any of the other Operative Documents (including legal costs and reasonable attorneys' fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Parties shall determine and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be returned to the Debtor or to any Person lawfully entitled thereto (including, if applicable, any subordinated creditors of the Debtor). Without limiting the generality of the foregoing, the Secured Parties shall have the right to have (and the Debtor hereby consents to the same) a trustee, liquidator, receiver or similar official appointed to enforce its rights and remedies hereunder or under any of the other Operative Documents, including, without limitation, (a) to take possession of and to manage, protect and preserve the Personalty and all other properties of the Debtor, (b) to continue the operation of the business of the Debtor, (c) to sell, transfer, assign or otherwise dispose of the Personalty (or any portion thereof) and (d) to collect all rents, issues, profits, fees, revenues and other income and proceeds thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of such official, and to the payment of the Secured Obligations as aforesaid. If the Secured Parties shall request, or shall apply or petition for, the appointment of or taking possession by any such trustee, liquidator, receiver or other similar official, the Debtor will promptly evidence its consent thereto and will fully cooperate with such official.

10. Waivers, Remedies Cumulative, etc.

(a) The Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise explicitly provided herein, all other demands and notices in connection with this Agreement or the enforcement of any of the rights and remedies of the Secured Parties hereunder or in connection with any Secured Obligations or any Personalty; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the Debtor or any other Person, or substitution, release or surrender of any Personalty, the addition or release of Persons primarily or secondarily liable on any Secured Obligation, the acceptance of partial payments on any Secured Obligation and/or the settlement or compromise thereof. The Debtor further waives, to the extent permitted by law: (i) any right it may have under any applicable law (including the constitution of any jurisdiction in which any of the Personalty may be located and the Constitution of the United States of America) to notice (other than any requirement of notice explicitly provided herein) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement or any of the other Operative Documents and any right to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing; (ii) any right to damages occasioned by any exercise by the Secured Parties of any right or remedy hereunder or referred to herein, including any damages arising as a result of any taking of possession of the Personalty; (iii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Parties' rights hereunder; and (iv) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Any sale of, or the grant of options to purchase, or any other realization upon, any Personalty shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against the Debtor and against any and all Persons claiming or attempting to claim the Personalty so sold, optioned or realized upon, or any part thereof, from, through and under the Debtor.

(b) The Debtor hereby represents and warrants to the Secured Parties that there is no restriction imposed by the charter or by-laws of any issuer of any of the Pledged Securities or by any other agreement, document or instrument which will in any way affect or impair the pledge of the Pledged Securities hereunder or the exercise by the Secured Parties of any right granted hereunder, including, without limitation, the right of the Secured Parties to dispose of the Pledged Securities in accordance with the terms hereof. The Debtor further covenants and agrees that it will, and will cause each issuer of any Pledged Securities to, take all necessary action to prevent any such restriction from arising

at any time in the future. The Debtor hereby agrees that it will take any further action which the Secured Parties may reasonably request in order that the Secured Parties may obtain and enjoy the full rights and benefits granted to the Secured Parties by this Agreement free of any such restrictions.

(c) To the extent permitted by law, the obligations of the Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Debtor, or of any other Person; (ii) any exercise or nonexercise, or any waiver, by the Secured Parties, of any right, remedy, power or privilege under or in respect of any of the Secured Obligations or any of the Personalty or any other security therefor; (iii) any amendment to or modification of this Agreement or any of the other Operative Documents; or (iv) the taking of additional security for or any guarantee of any of the Secured Obligations or the release or discharge or termination of any security or guarantee for any of the Secured Obligations; and whether or not the Debtor shall have notice or knowledge of any of the foregoing.

(d) No remedy conferred herein or in any of the other Operative Documents upon the Secured Parties is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any of the other Operative Documents or now or hereafter existing at law or in equity or by statute or otherwise. No course of dealing between the Debtor or any Affiliate of the Debtor and the Secured Parties and no delay in exercising any rights hereunder or under any of the other Operative Documents shall operate as a waiver of any right of the Secured Parties. No waiver by the Secured Parties of any default shall be effective unless made in writing and otherwise in accordance with the terms of section 19 of the Securities Purchase Agreements and no such waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon.

11. Termination. This Agreement and the Liens on the Personalty created hereby shall terminate when all of the Secured Obligations have been paid and finally discharged in full in cash.

12. Reinstatement. Notwithstanding the provisions of section 11, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Parties in respect of the Personalty or the Secured Obligations is rescinded or must otherwise be restored or returned by the Secured Parties upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar

official for, the Debtor or any substantial part of its properties, or otherwise, all as though such payments had not been made.

13. Consents, Approvals, etc. Upon the exercise by the Secured Parties of any power, right, privilege or remedy pursuant to this Agreement or any of the other Operative Documents which requires any consent, approval, registration, qualification or authorization of, or declaration or filing with, or other action by, any other Person, including, without limitation, any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all such agreements, documents, applications, certificates, instruments and other documents and papers and will take, or will cause to be taken, such other action that may be required to obtain such consent, approval, registration, qualification or authorization of or other action by such other Person and/or that may be reasonably requested by the Secured Parties in connection therewith.

14. Certain Definitions. In addition to the descriptions contained in section 1 hereof, the items of Personalty referred to therein shall have all of the meanings ascribed to them in the Uniform Commercial Code of The Commonwealth of Massachusetts (or of any other applicable jurisdiction) as in effect from time to time.

15. Amendments. All amendments of this Agreement and all waivers of compliance herewith shall be in writing and shall be effected in compliance with the provisions of section 19 of the Securities Purchase Agreements.

16. Communications. All communications provided for herein shall be mailed by certified mail (return receipt requested) at the addresses referred to and shall be effective at the time specified in section 24 of the Securities Purchase Agreements.

17. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Secured Parties and the Debtor, successors to the Debtor and the successors and assigns of the Secured Parties, and, in addition, shall inure to the benefit of and be enforceable by each holder from time to time of any of the Senior Notes who, upon acceptance of any such Senior Notes, shall, without further action, be entitled to enforce the provisions and enjoy the benefits hereof and thereof, whether or not an express assignment to such holder of rights hereunder and thereunder has been made.

18. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, and all amendments and supplements hereof and all waivers and consents hereunder, shall be construed in accordance with and governed by the domestic substantive laws of The Commonwealth of Massachusetts without giving effect to any choice of law or conflicts of law provision or rule that would cause the application of the domestic substantive laws

of any other jurisdiction. The Debtor, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in The Commonwealth of Massachusetts and consents to the jurisdiction of the courts of The Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder and under the other Operative Documents or with respect to the transactions contemplated hereby or thereby, and expressly waives any and all objections it may have as to venue in any such courts. The Debtor further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it in accordance with section 16 or as otherwise provided under the laws of The Commonwealth of Massachusetts. Notwithstanding the foregoing, the Debtor agrees that nothing contained in this section 18 shall preclude the institution of any such suit, action or other proceeding in any jurisdiction other than The Commonwealth of Massachusetts. The Debtor irrevocably waives all right to a trial by jury in any suit, action or other proceeding instituted by or against it in respect of its obligations hereunder and under any of the other Operative Documents and the transactions contemplated hereby and by the other Operative Documents.

19. Miscellaneous. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement (together with the other Operative Documents) embodies the entire agreement and understanding between the Secured Parties and the Debtor and supersedes all prior agreements and understandings relating to the subject matter hereof. Each covenant contained herein and in each of the other Operative Documents shall be construed (absent an express provision to the contrary) as being independent of each other covenant contained herein and therein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. If any provision in this Agreement or in any of the other Operative Documents refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable, whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision. In case any provision in this Agreement or in any of the other Operative Documents shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all such counterparts shall together constitute but one and the same instrument.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the Debtor has executed this Agreement as a sealed instrument as of the date first above written.

HOLMAN COOKING EQUIPMENT, INC.

By Frank J. Roubicek (Title)

E-3081131

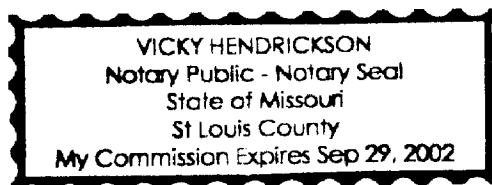
State of Missouri )  
Notary Public ) ss. \_\_\_\_\_

On this 24 day of January, 2002, before me appeared Frank R. Rineer, President of St. Louis, Missouri, to me known and known by me to be the party executing the foregoing instrument on behalf of said corporation, and (he/she) acknowledged said instrument by (him/her) executed to be (his/her) free act and deed and the free act and deed of said corporation.

Vicky Hendrickson

Notary Public

My commission expires:



Places of Business Location of Personality; Names

1. Valley Warehousing  
122 Kohlman Road  
Fond Du Lac, Wisconsin 54935
2. Metcalfe Warehouse  
8557 Wyoming Avenue, Suite 5  
Minneapolis, Minnesota 55445
3. Claes & Greenoe Warehouse  
4801 Keller Springs Road  
Addison, Texas 75001
4. Austin Hansen Warehouse  
1005 Alderman Drive, Suite 104  
Alpharetta, Georgia 30005
5. Jaref Warehouse  
911-1158 Lanakoi Street  
Kapolei, Hawaii 96707

Patents, Trademarks, etc.**U.S. Patents**

<b>Patent No.</b>	<b>Issue Date</b>
4,386,558	June 7, 1983
4,465,701	August 14, 1984
4,534,987	August 13, 1985

**Canadian Patent**

<b>Patent No.</b>	<b>Issue Date</b>
1,161,269	January 31, 1984

**U.S. Federal Trademarks**

<b>Trademark</b>	<b>Reg. No.</b>	<b>Reg. Date</b>
HOLMAN logo	1,183,661	December 29, 1981
FINAL TOUCH	1,220,756	December 21, 1982
PROVEYOR logo	1,771,299	May 18, 1994
MINIVEYOR logo	1,925,315	October 10, 1995
OverEasy	2,011,150	October 22, 1996
More Bread From Toast	2,011,188	October 22, 1996
BLAZING BAGELS	2,131,682	January 27, 1998
TurboToast	2,281,132	September 28, 1999

**U.S. Federal Trademark Applications**

<b>Name</b>	<b>Serial No.</b>	<b>Filing Date</b>
INNOVEYOR	75/502,911	June 15, 1998
BAGELFAST	75/628,865	January 27, 1999
M.U.M.	75/628,847	January 27, 1999

**Canadian Trademark**

<b>Trademark</b>	<b>Reg. No.</b>	<b>Reg. Date</b>
HOLMAN	294,121	August 17, 1984