

MRD
6/13/00

07-18-2000



D

Docket No.:

13568.052

101406522

Tab settings

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

1. Name of conveying party(ies)
Duron, Inc.

06-13-2000

U.S. Patent & TMOtc/TM Mail Rcpt Dt. #11

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

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

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

Execution Date: **May 22, 2000**

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

Name: **First Union National Bank**

Internal Address: **One First Union Center, TW-10**

Street Address: **301 South College St.**

City: **Charlotte** State: **NC** ZIP: **28288**

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

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

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

A. Trademark Application No.(s)

75/751,073 75/478,739 75/799,349
75/783,560 75/854,384 75/751,031
75/445,632 75/871,726 75/410,109

Additional numbers

B. Trademark Registration No.(s)

2,184,853 1,321,671 1,332,748
815,329 1,731,972 1,207,726
2,005,099 1,295,383 1,293,664

Yes No

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

Name: **Nancy Talavera Wood**

Internal Address: **Kennedy Covington Lobdell**

& Hickman, L.L.P.

4200 Bank of America Corporate Center

Street Address: **100 N. Tryon Street**

City: **Charlotte** State: **NC** ZIP: **28202**

6. Total number of applications and registrations involved:.....

57

7. Total fee (37 CFR 3.41):.....\$ **\$1,440.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

18-1215

DO NOT USE THIS SPACE

07/18/2000 NTHAI1 00000047 75751073

01 FC:481 40.00 OP
02 FC:482 1400.00 OP

9. Statement and signature.

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

Nancy Talavera Wood

Name of Person Signing

Nancy Talavera Wood
Signature

June 13, 2000

Date

Total number of pages including cover sheet, attachments, and

42

ATTACHMENT TO RECORDATION FORM COVER SHEET

To record a Security Interest in additional Trademark Applications/Registrations

Conveying Party: Duron, Inc.

Receiving Party: First Union National Bank
One First Union Center, TW-10
301 South College St.
Charlotte, NC 28288

Additional Trademark Application Nos.

75/157,898	75/854,383	75/274,676
75/428,249	75/799,348	74/524,417
74/507,512	75/660,915	75/799,338
75/076,756	75/149,015	75/618,276
75/602,168	75/816,001	

Additional Trademark Registration Nos.

1,197,587	2,139,646	1,847,528
1,008,593	2,046,138	1,788,727
2,004,779	2,131,534	1,726,603
1,944,343	1,928,086	1,390,299
1,314,192	1,851,015	1,786,396
1,953,718	1,840,219	1,046,020
1,789,814	2,162,551	1,262,112
1,698,256	2,090,389	
1,217,180	1,399,101	

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SECURITY AGREEMENT

dated as of May 22, 2000

by and among

Duron, Inc.

as Grantor,

in favor of

FIRST UNION NATIONAL BANK,
as Administrative Agent

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TRADEMARK
REEL: 002097 FRAME: 0071

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EXHIBITS

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Exhibit B Form of Security Agreement Supplement

SCHEDULES

Schedule 3.9 Intellectual Property

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SECURITY AGREEMENT (this "Agreement"), dated as of May 22, 2000, by and among DURON, INC., a Maryland Corporation (the "Company") and any Additional Grantor (as defined below) who may become party to this Agreement (such Additional Grantors, collectively, with the Company, the "Grantors"), in favor of FIRST UNION NATIONAL BANK, as Administrative Agent (in such capacity, the "Administrative Agent") for the ratable benefit of the banks and other financial institutions (the "Lenders") from time to time parties to the Credit Agreement, dated as of April 30, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Company, as borrower, (the "Borrower"), the Lenders, the Administrative Agent and Mellon Bank, N.A., as Documentation Agent

STATEMENT OF PURPOSE

Pursuant to the Credit Agreement, the Lenders have agreed to make Extensions of Credit to the Borrower upon the terms and subject to the conditions set forth therein.

It is a condition precedent to the obligation of the Lenders to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent, for the ratable benefit of itself and the Lenders.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of itself and the Lenders, as follows:

ARTICLE I

DEFINED TERMS

SECTION 1.1. Definitions. The following terms when used in this Agreement shall have the meanings assigned to them below:

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

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“Additional Grantor” means each Subsidiary of the Company which hereafter becomes a Grantor pursuant to Section 7.15 hereof and Section 8.14 of the Credit Agreement.

“Agreement” means this Security Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Applicable Insolvency Laws” means all Applicable Laws governing bankruptcy, reorganization, arrangement, adjustment of debts, relief of debtors, dissolution, insolvency, fraudulent transfers or conveyances or other similar laws (including, without limitation, 11 U.S.C. Sections 547, 548 and 550 and other “avoidance” provisions of Title 11 of the United States Code).

“Assignment Agreement” means each Assignment Agreement executed by any Grantor with respect to any Government Contract to which such Grantor is a party, in form and content satisfactory to the Administrative Agent.

“Assignment of Claims Act” means the Assignment of Claims Act of 1940 (41 U.S.C. Section 15, 31 U.S.C. Section 3737, and 31 U.S.C. Section 3727), including all amendments thereto and regulations promulgated thereunder.

“Collateral” shall have the meaning assigned thereto in Section 2.1.

“Collateral Account” means any collateral account established by the Administrative Agent as provided in Section 5.1 or Section 5.2.

“Copyrights” means collectively, all of the following of any Grantor: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications anywhere in the world, including, without limitation, those listed on Schedule 3.9, (b) all reissues, extensions, continuations (in whole or in part) and renewals of any of the foregoing, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

“Copyright Licenses” means any written agreement naming any Grantor as licensor or licensee, including, without limitation, those listed in Schedule 3.9, granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

“Excess Collateral” shall have the meaning assigned thereto in Section 4.6.

“General Intangibles” means all “general intangibles” (as defined in the UCC) of any Grantor, including, without limitation, all partnership interests or limited liability company interests not constituting “investment property” (as defined in the UCC), all contracts,

agreements, customer lists, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of such Grantor to receive monies due and to become due to it thereunder or in connection therewith, (b) all rights of such Grantor to damages arising thereunder and (c) all rights of such Grantor to perform and to exercise all remedies thereunder.

“Government Contract” means a contract between any Grantor and an agency, department or instrumentality of the United States or any state, municipal or local Governmental Authority located in the United States.

“Guarantors” means the collective reference to each Person executing a Guaranty Agreement.

“Guaranty Agreement” shall mean any Guaranty Agreement executed by a Subsidiary of the Borrower pursuant to the terms of Section 8.14 of the Credit Agreement, as the same may be amended, modified or supplemented.

“Intellectual Property” means collectively, all of the following of any Grantor: (a) all systems software, applications software and internet rights, including, without limitation, screen displays and formats, internet domain names, web sites (including web links), program structures, sequence and organization, all documentation for such software, including, without limitation, user manuals, flowcharts, programmer’s notes, functional specifications, and operations manuals, all formulas, processes, ideas and know-how embodied in any of the foregoing, and all program materials, flowcharts, notes and outlines created in connection with any of the foregoing, whether or not patentable or copyrightable, (b) concepts, discoveries, improvements and ideas, (c) any useful information relating to the items described in clause (a) or (b), including know-how, technology, engineering drawings, reports, design information, trade secrets, practices, laboratory notebooks, specifications, test procedures, maintenance manuals, research, development, manufacturing, marketing, merchandising, selling, purchasing and accounting, (d) Patents and Patent Licenses, Copyrights and Copyright Licenses, Trademarks and Trademark Licenses, and (e) other licenses to use any of the items described in the foregoing clauses (a), (b), (c) and (d) or any other similar items of such Grantor necessary for the conduct of its business.

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

“Notice of Assignment” means each Notice of Assignment executed by any Grantor with respect to a Government Contract to which such Grantor is a party, in form and content satisfactory to the Administrative Agent.

“Obligations” means with respect to each Grantor that is (a) a Borrower, the meaning assigned thereto in the Credit Agreement and (b) a Guarantor, the obligations of such Guarantor under the Guaranty Agreement executed by such Guarantor.

“Patents” means collectively, all of the following of any Grantor: (a) all patents, rights and interests in patents, patentable inventions and patent applications anywhere in the world, including, without limitation, those listed on Schedule 3.9, (b) all reissues, extensions, continuations (in whole or in part) and renewals of any of the foregoing, (c) all income, royalties, damages or payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

“Patent License” means all agreements now or hereafter in existence, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 3.9.

“Perfection Certificate” means the perfection certificate dated as of even date herewith, substantially in the form of Exhibit A attached hereto, and otherwise in form and substance satisfactory to the Administrative Agent, and duly certified by an officer, partner or member, as applicable, of each Grantor.

“Permitted Liens” means all liens and encumbrances respecting the Collateral permitted pursuant to Section 10.3 of the Credit Agreement.

“Proceeds” means all “proceeds” (as defined in the UCC) of the Collateral.

“Securities Act” means the Securities Act of 1933, including all amendments thereto and regulations promulgated thereunder.

“Security Interests” means the security interests granted pursuant to Article II, as well as all other security interests created or assigned as additional security for the Obligations pursuant to the provisions of this Agreement.

“Trademarks” means collectively, all of the following of any Grantor: (a) all trademarks, rights and interests in trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith anywhere in the world, including, without limitation, those listed on Schedule 3.9, (b) all reissues, extensions, continuations (in whole or in part) and renewals of any of the foregoing, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (d) the right to sue for past, present and future

infringements of any of the foregoing and (e) all rights corresponding to any of the foregoing throughout the world.

“Trademark License” means any agreement now or hereafter in existence, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 3.9.

“UCC” means the Uniform Commercial Code as in effect in the State of North Carolina; provided, however, in the event that, by mandatory provisions of law, any or all of the attachment, perfection or priority of the Administrative Agent’s or any Lender’s Security Interest in any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of North Carolina, the term “UCC” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for the purpose of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

SECTION 1.2. Other Definitional Provisions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. Additionally, the following terms are used herein as defined in the UCC: “Certificated Security”, “Chattel Paper”, “Farm Products”, and “Instruments”.

(b) The words “hereof,” “herein”, “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

(c) To the extent any amendment, revision or other modification of the UCC after the date hereof results in the renumbering of specific sections, revision of the order of specific sections or other changes in the organization of the UCC in effect as of the date hereof, all references herein to specific sections of the UCC in effect as of the date hereof shall be deemed to refer to such new section or sections which correspond to such original sections.

ARTICLE II

GRANT OF SECURITY INTEREST

SECTION 2.1. Pledge and Grant of Security Interest. Each Grantor hereby grants, pledges and collaterally assigns to the Administrative Agent, for the ratable benefit of itself and the Lenders, a security interest in, all of such Grantor’s right, title and interest in the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the

“Collateral”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

- (a) all Accounts;
- (b) all General Intangibles;
- (c) all Intellectual Property;
- (d) all Inventory;
- (e) all books and records pertaining to the Collateral; and
- (f) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Extensions of Credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

SECTION 3.1. Organization; Power; Qualification. Each Grantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization.

SECTION 3.2. Authorization of Agreement; No Conflict. Each Grantor has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by the duly authorized officers of each Grantor and this Agreement constitutes the legal, valid and binding obligation of the Grantors enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal debtor relief laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies. The execution, delivery and performance by the Grantors of this Agreement will not, by the passage of time, the giving of notice or otherwise, (a) require any Governmental Approval or violate any Applicable Law or (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of any Grantor or any indenture, agreement or other instrument to which such Grantor is a party or by which any of its properties

may be bound or result in or require the creation or imposition of any Lien upon or with respect to any property or revenues now owned or hereafter acquired by any Grantor other than the Security Interests granted to the Administrative Agent.

SECTION 3.3. Title, No Other Liens. Except for the Security Interests granted to the Administrative Agent, for the ratable benefit of itself and the Lenders, pursuant to this Agreement, each Grantor owns each item of the Collateral free and clear of any and all Liens or claims other than Permitted Liens. No financing statement under the UCC of any state which names a Grantor as debtor or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of itself and the Lenders, pursuant to this Agreement or pursuant to other Permitted Liens. No Collateral of any Grantor is in the possession of any Person asserting any claim thereto or security interest therein, except that (a) the Administrative Agent or its designee may have possession of Collateral as contemplated hereby, (b) a bailee may have possession of the Collateral as contemplated by, and so long as, the applicable Grantors have complied to the satisfaction of the Administrative Agent with Section 4.6(a) hereof and (c) a consignee may have possession of the Collateral as contemplated by, and so long as, the applicable Grantors have complied to the satisfaction of the Administrative Agent with Section 4.6(b) hereof.

SECTION 3.4. Perfected First Priority Liens. The Security Interests granted pursuant to this Agreement (a) constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of itself and the Lenders, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Permitted Liens.

SECTION 3.5. Perfection Certificate. As of the date hereof all the information set forth in the Perfection Certificate is true and correct including, without limitation each Grantor's jurisdiction of organization and the location of each Grantor's chief executive office or sole place of business.

SECTION 3.6. Inventory.

(a) On the date hereof, the Inventory is kept at the locations listed in the Perfection Certificate.

(b) No Inventory in aggregate value exceeding \$50,000 at any time is, nor shall at any time or times be, kept, stored or maintained with (i) a bailee, warehouseman, carrier or similar party (other than a carrier delivering Inventory to a purchaser or a place of business of a Grantor in the ordinary course of the applicable Grantor's business) unless the Administrative Agent shall have received prior written notice of such storage and the applicable Grantor has complied to the satisfaction of the Administrative Agent with the provisions of Section 4.6(a) hereof; or (ii) a consignee unless the Administrative Agent shall have received prior written notice of such

consignment and the applicable Grantor has complied to the satisfaction of the Administrative Agent with the provisions of Section 4.6(b) hereof.

SECTION 3.7. Accounts.

(a) No amount payable to such Grantor under or in connection with any Account is evidenced by any Instrument or Chattel Paper which, to the extent required by Section 4.1, has not been delivered to the Administrative Agent.

(b) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Accounts will at such times be accurate.

SECTION 3.8. Contracts.

(a) Each Grantor party to any contract has performed all of its material obligations thereunder and, to the best knowledge of such Grantor, each party to any contract is in compliance in all material respects with each such contract, and there are no defaults by such Grantor or, to the knowledge of such Grantor, by any other party under any such contract, which could reasonably be expected to have a Material Adverse Effect.

(b) Each of the Grantor's contracts is in full force and effect and constitutes a legally enforceable obligation of the parties thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar state or federal debtor relief laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Grantor's contracts by any party thereto other than those which have been duly obtained, made or performed, are in full force and effect and do not subject the scope of any such contract to any material adverse limitation, either specific or general in nature.

(d) The right, title and interest of such Grantor in, to and under the contracts to which it is a party are not subject to any defenses, offsets, counterclaims or claims which such defenses, offsets, counterclaims or claims which could reasonably be expected to have a Material Adverse Effect.

SECTION 3.9. Intellectual Property.

(a) All Intellectual Property owned by any Grantor in its own name on the date hereof is listed on Schedule 3.9.

(b) On the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and Grantor has no present knowledge that such Intellectual Property infringes the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 3.9 on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) Except as set forth on Schedule 3.9, no action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any Intellectual Property or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property.

SECTION 3.10. Consents. No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder, creditor, general partner, limited partner or member, as applicable, of any Grantor), is required in connection with the execution, delivery, performance, validity or enforceability against such Grantor of this Agreement, except, (i) filings with the United States Copyright Office and/or the United States Patent and Trademark Office and (ii) filings under the UCC.

SECTION 3.11. Financing Statements. The financing statements naming each Grantor as a debtor are in appropriate form and when filed in the offices specified in the Perfection Certificate, the Security Interests will constitute valid and perfected Security Interests in the Collateral of such Grantor, prior to all other Liens and rights of others therein except for Permitted Liens (to the extent that a security interest therein may be perfected by filing pursuant to the UCC) and all filings and other actions necessary or desirable to perfect and protect such Security Interests have been duly taken.

SECTION 3.12. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

ARTICLE IV

COVENANTS

Until the Obligations shall have been paid in full and the Commitments terminated, unless consent has been obtained in the manner provided for in Section 7.1, each Grantor covenants and agrees that:

SECTION 4.1. Delivery of Certificated Securities, Instruments, and Chattel Paper.

If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall, upon the request of the Administrative Agent, be promptly delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent together with any other document, certificate, instrument or other agreement requested by the Administrative Agent, in each case, to be held as Collateral pursuant to this Agreement.

SECTION 4.2. Maintenance of Insurance.

(a) Each Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Collateral against loss by fire, explosion, theft, fraud and such other casualties, including business interruption, as may be reasonably satisfactory to the Administrative Agent in amounts and with deductibles at least as favorable as those generally maintained by businesses of similar size engaged in similar activities and (ii) insuring such Grantor, the Administrative Agent and the Lenders against liability for hazards, risks and liability to Persons and property relating to the Collateral, in amounts and with deductibles at least as favorable as those generally maintained by businesses of similar size engaged in similar activities, such policies to be in such form and having such coverage as may be reasonably satisfactory to the Administrative Agent and the Lenders.

(b) All such insurance shall (i) name the Administrative Agent as loss payee (to the extent covering risk of loss or damage to tangible property) and additional insured as its interests may appear (to the extent covering any other risk), (ii) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof, (iii) if reasonably requested by the Administrative Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Administrative Agent.

(c) Upon the request of the Administrative Agent, each Grantor shall deliver to the Administrative Agent and the Lenders periodic reports from a reputable insurance broker with respect to the insurance referred to in this Section 4.2.

SECTION 4.3. Payment of Obligations. Each Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves are maintained with respect thereto in accordance with GAAP and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

SECTION 4.4. Maintenance of Perfected Security Interest, Assignment of Claims, Further Documentation.

(a) Each Grantor shall maintain the Security Interest created by this Agreement as a perfected Security Interest having at least the priority described in Section 3.4 and shall defend such Security Interest against the claims and demands of all Persons whomsoever.

(b) Each Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) Upon the request of the Administrative Agent, at the sole expense of the Grantors, each Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the UCC (or other similar laws) in effect in any jurisdiction with respect to the Security Interests created hereby and (ii) with respect to Government Contracts, each Grantor shall deliver Assignment Agreements and Notices of Assignment, in form and substance satisfactory to the Administrative Agent, duly executed by any Grantors party to such Government Contract in compliance with the Assignment of Claims Act (or analogous state Applicable Law).

(d) No Grantor shall (i) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as permitted by the Credit Agreement, or (ii) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure indebtedness of any Person or entity, except as permitted by the Credit Agreement.

(e) Each Grantor will comply in all material respects with all Applicable Laws applicable to the Collateral or any part thereof or to the operation of such Grantor's business.

SECTION 4.5. Changes in Locations, Name, etc. No Grantor will, except upon fifteen (15) days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional executed financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the Security Interests and (b) if applicable, a written supplement to the Perfection Certificate showing any additional location at which Inventory shall be kept:

(i) permit any of the Inventory to be kept at a location other than those listed in the Perfection Certificate;

(ii) change its jurisdiction of organization or the location of its chief executive office from that referred to in the Perfection Certificate; or

(iii) change its name, identity or corporate structure to such an extent that any financing statement filed by the Administrative Agent in connection with this Agreement would become misleading.

SECTION 4.6. Bailment; Consignment. If any Collateral exceeding in value \$50,000 in the aggregate (such Collateral exceeding such amount, the "Excess Collateral") is at any time in the possession or control of:

(a) any warehouseman, bailee (other than a carrier transporting Inventory to a purchaser or a place of business of a Grantor in the ordinary course of business), or any of any Grantor's agents or processors, such Grantor shall notify in writing such warehouseman, bailee, agent or processor of the Security Interests created hereby, shall use its best efforts to obtain such warehouseman's, bailee's, agent's or processor's agreement in writing to hold all such Collateral for the Administrative Agent's account subject to the Administrative Agent's instructions, and shall cause such warehouseman, bailee, agent or processor to issue and deliver to the Administrative Agent warehouse receipts, bills of lading or any similar documents relating to such Collateral in the Administrative Agent's name and in form and substance acceptable to the Administrative Agent; provided that if such Grantor is unable to obtain such agreement and cause the delivery of such items, the Administrative Agent, in its sole discretion may require such Excess Collateral to be moved to another location specified in the Perfection Certificate; or

(b) any consignee, the applicable Grantor(s) shall notify in writing each such consignee of the Security Interests created hereby, shall use its best efforts to obtain such consignee's agreement in writing to hold all such Collateral for the Administrative Agent's account subject to the Administrative Agent's instructions, and shall use its best efforts to cause such consignee to issue and deliver to the Administrative Agent warehouse receipts, bills of lading or any similar documents relating to such Collateral in the Administrative Agent's name and in form and substance reasonably acceptable to the Administrative Agent; provided that if such Grantor is not able to obtain such agreement and cause the delivery of such items, the Administrative Agent, in its sole discretion may require such Excess Collateral to be moved to another location specified in the Perfection Certificate. Further, each Grantor shall perfect and protect such Grantor's ownership interests in all Inventory stored with a consignee against creditors of the consignee by filing and maintaining financing statements against the consignee reflecting the consignment arrangement filed in all appropriate filing offices, providing any written notices required to notify any prior creditors of the consignee of the consignment arrangement, and taking such other actions as may be appropriate to perfect and protect such Grantor's interests in such inventory under Section 2-326, Section 9-114 and Section 9-408 of the UCC or otherwise. All such financing statements filed pursuant to this Section 4.6(b) shall be assigned, on the face thereof, to the Administrative Agent, for the ratable benefit of itself and the Lenders.

SECTION 4.7. Notices. Each Grantor will advise the Administrative Agent promptly, in reasonable detail, of: (a) any Lien (other than the Security Interests or Permitted Liens) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder and (b) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the Security Interests created hereby.

SECTION 4.8. Accounts.

(a) Other than in the ordinary course of business consistent with its past practice, no Grantor will (i) grant any extension of the time of payment of any Account, (ii) compromise or settle any Account for less than the full amount thereof, (iii) release, wholly or partially, any obligor of any Account, (iv) allow any credit or discount whatsoever on any Account or (v) amend, supplement or modify any Account in any manner that could adversely affect the value thereof.

(b) Each Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of any Account, the non-payment of which could reasonably be expected to have a Material Adverse Effect.

(c) The Administrative Agent shall have the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications. At any time and from time to time, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

SECTION 4.9. Contracts.

(a) Each Grantor will perform and comply in all material respects with all its obligations under any contract to which it is a party.

(b) Each Grantor will not amend, modify, terminate or waive any provision of any of its contract to which it is a party in any manner which could reasonably be expected to have a Material Adverse Effect.

(c) Each Grantor will exercise promptly and diligently each and every material right which it may have under each of its contract to which it is a party (other than any right of termination), unless the failure to exercise any such material right could not reasonably be expected to have a Material Adverse Effect.

(d) Each Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it relating in any way to any contract to which it is a party that

questions the validity or enforceability of such contract which, if found to be invalid or unenforceable, could reasonably be expected to have a Material Adverse Effect.

(e) Upon the request of the Administrative Agent, each Grantor will deliver to the Administrative Agent a status report with respect to all Government Contracts of such Grantor, in form and substance satisfactory to the Administrative Agent.

SECTION 4.10. Intellectual Property.

(a) Each Grantor (either itself or through licensees) will (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by Applicable Laws, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of itself and the Lenders, shall obtain a perfected security interest in such Trademark pursuant to 4.10(f) of this Agreement; and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way, except to the extent the failure to do any of the above referenced items, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect

(b) Each Grantor (either itself or through licensees) will not do any act; or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Each Grantor (either itself or through licensees) (i) will employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material portion of the Copyrights may fall into the public domain.

(d) Each Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Each Grantor will notify the Administrative Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same if any event described in this Section 4.10(e) could reasonably be expected to have a Material Adverse Effect.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property 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, such Grantor shall report such filing to the Administrative Agent within fifteen (15) Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' Security Interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Each Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before 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, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, the applicable Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and take such actions as are deemed appropriate by mutual agreement between such Grantor and the Administrative Agent, on behalf of itself and the Lenders, in order to remedy such infringement, misappropriation or dilution.

ARTICLE V

REMEDIAL PROVISIONS

SECTION 5.1. Certain Matters Relating to Accounts and Contracts.

(a) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Accounts, under the Administrative Agent's direction and control; provided that, the Administrative Agent may curtail or terminate such authority at any time after the occurrence and during the continuance of an Event of Default. Upon the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by any Grantor, (i) shall be forthwith (and, in any event, within one (1) Business Day) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a collateral account (a "Collateral Account") maintained under the sole dominion and control of the Administrative Agent subject to withdrawal by the Administrative Agent for the account of the Lenders and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor. Each

such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) The Administrative Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with the obligor on any Account and parties to any contracts with any Grantor to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Accounts or such contracts.

(c) Upon the request of the Administrative Agent, at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify (such notice to be in form and substance satisfactory to the Administrative Agent) its debtors with respect to any Account and parties to any contracts that the Accounts and such contracts have been assigned to the Administrative Agent for the ratable benefit of itself and the Lenders and that payments in respect thereof shall be made directly to the Collateral Account maintained with the Administrative Agent.

(d) Upon the occurrence and during the continuance of an Event of Default, at the Lender's request, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, including, without limitation, all original orders, invoices and shipping receipts.

(e) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts and each of its contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Account (or any agreement giving rise thereto) or any contract of a Grantor by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto) or any contract of a Grantor to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

SECTION 5.2. Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified in Section 5.1 with respect to payments of Accounts, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent

hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.3.

SECTION 5.3. Application of Proceeds. In accordance with Section 4.5 of the Credit Agreement, at such intervals as may be agreed upon by the Grantors and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations in the order as the Administrative Agent may elect, and any part of such funds which the Administrative Agent elects not so to apply and deems not required as Collateral for the Obligations shall be paid over from time to time by the Administrative Agent to the Grantors, or to whomsoever may be lawfully entitled to receive the same (if such Person is not a Grantor). Any balance of such Proceeds remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding and the Commitments shall have terminated shall be paid over to the Grantors, or to whomsoever (if such Person is not a Grantor) may be lawfully entitled to receive the same.

SECTION 5.4. Uniform Commercial Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a "secured party" under the UCC or any other Applicable Law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.4, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the

payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by Applicable Law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.

SECTION 5.5. Waiver, Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

ARTICLE VI

THE ADMINISTRATIVE AGENT

SECTION 6.1. Administrative Agent's Appointment as Attorney-In-Fact, etc.

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

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

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' Security Interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof,

(iv) execute, in connection with any sale provided for in Section 5.4, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (B) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (E) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (F) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (G) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (H) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' Security Interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall give such Grantor not less than ten (10) days notice of such sale or disposition, except for the sale or disposition of perishable goods.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum

equal to the highest rate per annum at which interest would then be payable on any category of past due Base Rate Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created hereby are released.

SECTION 6.2. Duty of Administrative Agent and Lenders. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 6.3. Execution of Financing Statements. Pursuant to Section 9-402 of the UCC and any other Applicable Law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent determines appropriate to perfect the Security Interests of the Administrative Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

SECTION 6.4. Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain

from acting, and no Grantor shall be under any obligation, or entitlement to make any inquiry respecting such authority.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 13.11 of the Credit Agreement.

SECTION 7.2. Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 13.1 of the Credit Agreement.

SECTION 7.3. No Waiver by Course of Conduct, Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

SECTION 7.4. Enforcement Expenses, Indemnification.

(a) Each Grantor agrees to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including, without limitation, the reasonable fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Grantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from any and all liabilities, obligations, losses, damages, penalties, costs and expenses

in connection with actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent any Borrower would be required to do so pursuant to Section 13.2 of the Credit Agreement.

(d) The agreements in this Section 7.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

SECTION 7.5. Binding Arbitration; Waiver of Jury Trial; Preservation of Remedies.

(a) **Binding Arbitration.** Upon demand of any party, whether made before or after institution of any judicial proceeding, any dispute, claim or controversy arising out of, connected with or relating to this Agreement (“Disputes”), between or among parties to this Agreement shall be resolved by binding arbitration as provided herein. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes may include, without limitation, tort claims, counterclaims, claims brought as class actions, claims arising from Loan Documents executed in the future, disputes as to whether a matter is subject to arbitration, or claims concerning any aspect of the past, present or future relationships arising out of or connected with this Agreement. Arbitration shall be conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the “Arbitration Rules”) of the American Arbitration Association and Title 9 of the U.S. Code. All arbitration hearings shall be conducted in Charlotte, North Carolina. The expedited procedures set forth in Rule 51, et seq. of the Arbitration Rules shall be applicable to claims of less than \$1,000,000. All applicable statutes of limitation shall apply to any Dispute. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding anything foregoing to the contrary, any arbitration proceeding demanded hereunder shall begin within ninety (90) days after such demand thereof and shall be concluded within one-hundred and twenty (120) days after such demand. These time limitations may not be extended unless a party hereto shows cause for extension and then such extension shall not exceed a total of sixty (60) days. The panel from which all arbitrators are selected shall be comprised of licensed attorneys. The single arbitrator selected for expedited procedure shall be a retired judge from the highest court of general jurisdiction, state or federal, of the state where the hearing will be conducted. The parties hereto do not waive any applicable Federal or state substantive law except as provided herein.

(b) **Waiver of Jury Trial.** **EACH GRANTOR HEREBY ACKNOWLEDGES THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.**

(c) **Preservation of Certain Remedies.** Notwithstanding the preceding binding arbitration provisions, the parties hereto and the other Loan Documents preserve, without diminution, certain remedies that such Persons may employ or exercise freely, either alone, in

conjunction with or during a Dispute. Each such Person shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Loan Documents or under Applicable Law or by judicial foreclosure and sale, including a proceeding to confirm the sale, (ii) all rights of self help including peaceful occupation of property and collection of rents, set off, and peaceful possession of property, (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and in filing an involuntary bankruptcy proceeding, and (iv) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of an arbitrator to grant similar remedies that may be requested by a party in a Dispute.

SECTION 7.6. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of each Grantor, the Administrative Agent and the Lenders and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

SECTION 7.7. Set-Off. Each Grantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time pursuant to Section 13.3 of the Credit Agreement, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such Grantor promptly of any such set-off and the application made by the Administrative Agent or such Lender of the proceeds thereof; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 7.7 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

SECTION 7.8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 7.9. Severability. Any provision of this Agreement or any other Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 7.10. Section Heading. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

SECTION 7.11. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

SECTION 7.12. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina without reference to the conflict or choice of law principles thereof.

SECTION 7.13. Consent to Jurisdiction. Each Grantor hereby irrevocably consents to the personal jurisdiction of the state and federal courts located in Mecklenburg County, North Carolina, in any action, claim or other proceeding arising out of any dispute in connection with this Agreement, the Notes and the other Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations. Each Grantor hereby irrevocably consents to the service of a summons and complaint and other process in any action, claim or proceeding brought by the Administrative Agent or any Lender in connection with this Agreement, the Notes or the other Loan Documents, any rights or obligations hereunder or thereunder, or the performance of such rights and obligations, on behalf of itself or its property, in the manner specified in Section 13.1 of the Credit Agreement. Nothing in this Section 7.13 shall affect the right of the Administrative Agent or any Lender to serve legal process in any other manner permitted by Applicable Law or affect the right of the Administrative Agent or any Lender to bring any action or proceeding against any Grantor or its properties in the courts of any other jurisdictions.

SECTION 7.14. Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

SECTION 7.15. Additional Grantors. Each Subsidiary of the Company that is required to become a party to this Agreement pursuant to Section 8.14 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of a Guaranty and Security Agreement Supplement in the form of Exhibit B hereto.

SECTION 7.16. Releases.

(a) At such time as the Obligations shall have been paid in full and the Commitments have been terminated, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

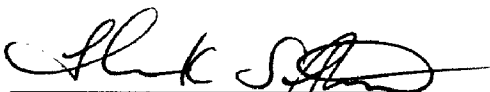
(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. In the event that all the capital stock of such Grantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement, then, at the request of the Grantors and at the expense of the Grantors, such Grantor shall be released from its obligations hereunder; provided that the Grantors shall have delivered to the Administrative Agent, at least ten (10) Business Days prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Grantors stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

[Signature Pages to Follow]

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

[CORPORATE SEAL]

DURON, INC., as Grantor

By: 
Name: Thomas Schmitz
Title: President

[Signature Pages Continue]

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REEL: 002097 FRAME: 0100

FIRST UNION NATIONAL BANK,
as Administrative Agent

By:
Name:
Title:

Stephen H. MacNabb
Stephen H. MacNabb
SVP

1797102.07

LIB: CH

TRADEMARK
REEL: 002097 FRAME: 0101

EXHIBIT A
to
Security Agreement

Form of Perfection Certificate

Pursuant to a Credit Agreement dated as of the [] day of [] (as amended, restated or otherwise modified, the "Credit Agreement"), by and among DURON, INC., a Maryland corporation, as Borrower (the "Grantor") (the "Borrower"), the lenders who are or may become a party thereto, as Lenders, FIRST UNION NATIONAL BANK, a national banking association, as Administrative Agent for the Lenders and Mellon Bank, N.A., as Documentation Agent, the Grantor has entered into the Security Agreement, dated as of May 22, 2000 (as amended, supplemented or otherwise modified, the "Security Agreement") in favor of the Administrative Agent for the benefit of the Lenders.

This Perfection Certificate is delivered pursuant to the Security Agreement.

Each Grantor hereby certifies to the Administrative Agent and each Lender as follows:

SECTION 1. Identification Information.

(a) The jurisdiction of incorporation, organization or formation of each Grantor is as follows:

(b) The exact legal name of each Grantor as it appears in its [Articles or Certificate of Incorporation][Formation] [or] [other applicable document evidencing formation] is as follows:

(c) Except as set forth herein, no Grantor has changed its identity or organizational structure in any way within the past five years.

(d) The following is a list of all other names (including trade names or similar appellations) used by any Grantor or any of their respective divisions or other business units at any time during the past five years:

(e) The taxpayer identification number of each Grantor is as follows:

SECTION 2. Current Locations.

(a) The respective chief executive offices of each Grantor is located at the following addresses:

<u>Grantor</u>	<u>Mailing Address</u>	<u>County and State</u>
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(b) The following are the only locations at which any Grantor maintains any books or records relating to any Accounts:

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Grantor

Mailing Address

County and State

(c) The following are all the locations not identified above where the Grantors maintain any Inventory:

Grantor

Mailing Address

County and State

3. Unusual Transactions. Other than as set forth below, all Accounts have been originated by the Grantors and all Inventory has been acquired by the Grantors in the ordinary course of business.

4. Reliance. The undersigned acknowledges that the Administrative Agent and the Lenders are entitled to rely and have, in fact, relied on the information contained herein, and any successor or assign of the Agent or the Lenders is entitled to rely on the information contained therein.

IN WITNESS WHEREOF, the undersigned have executed this Perfection Certificate, this _____ day of _____, _____.

[Grantor]

By: _____
Name: _____
Title: _____

EXHIBIT B
to
Security Agreement

Form of Security Agreement Supplement

SECURITY AGREEMENT SUPPLEMENT (this "Supplement"), dated as of _____, _____, made by _____, a _____ [corporation, partnership, limited liability company] (the "Additional Grantor"), in favor of FIRST UNION NATIONAL BANK, as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

STATEMENT OF PURPOSE

Pursuant to a Credit Agreement dated as of the 30th day of April, 1999 (as amended, restated or otherwise modified, the "Credit Agreement"), by and among Duron, Inc., a Maryland corporation, as borrower (the "Borrower"), the lenders who are or may become a party thereto, as Lenders, FIRST UNION NATIONAL BANK, a national banking association, as Administrative Agent for the Lenders and Mellon Bank, N.A., as Documentation Agent, the Borrower has entered into the Security Agreement, dated as of May 22, 2000 (as amended, supplemented or otherwise modified, the "Security Agreement") in favor of the Administrative Agent for the benefit of the Lenders.

It is a condition precedent to the obligation of the Lenders to continue to make their respective Extensions of Credit to the Borrower under the Credit Agreement that the Additional Grantor shall execute and deliver this supplement to the Administrative Agent for the ratable benefit of itself and the Lenders.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to continue to make their respective Extensions of Credit to the Borrower thereunder, the additional Grantor hereby agrees with the Administrative Agent, for the ratable benefit of itself and the Lenders, as follows:

SECTION 1. Security Agreement. By executing and delivering this Supplement, the Additional Grantor, as provided in Section 7.15 of the Security Agreement and Section 8.14 of the Credit Agreement, hereby becomes a party to the Security Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder. The information set forth in Schedule 1 hereto is hereby added to the information set forth in the Schedules to the Security Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Article III the Security Agreement is true and correct on and as the date hereof (after giving effect to this Supplement) as if made on and as of such date.

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SECTION 2. Attached hereto is a Perfection Certificate.

SECTION 3. The Additional Grantor hereby acknowledges it has received a copy of the Security Agreement and that it has read, understands and agrees to be bound by the terms thereof.

SECTION 4. The Additional Grantor hereby agrees that it shall promptly deliver to the Administrative Agent such UCC-1 financing statements, stock certificates, stock powers and all other certificates or other documents and take such action as the Administrative Agent shall reasonably request in order to effectuate the terms hereof and the Security Agreement.

SECTION 5. Governing Law. This supplement shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina without reference to the conflict or choice of law principles thereof.

IN WITNESS WHEREOF, the undersigned has caused this Supplement to be duly executed under seal by its duly authorized officers, all as of the day and year first written above and delivered as of the date first above written.

[ADDITIONAL GRANTOR], as Grantor [and
Issuer [or] [Partnership/LLC]

By: _____

Name: _____

Title: _____

[CORPORATE SEAL]

SCHEDULE 1
to
Security Agreement Supplement

Supplement to Schedule 3.9

[In the form of the corresponding Schedule to the Security Agreement]

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SCHEDULE 3.9

Listing of Trademarks – 4/23/00

MARK	REG/APP #	DATE	STATUS	DOCKET #
ACRYLIC ARMOR FOR YOUR WALLS	2,184,853	8/25/98	Decl. 8/25/2004	2955-11
AQUA PRIME	815,329	9/20/66	Decl. 9/20/2002	2955-63
ATRIUM	2,005,099	10/01/96	Decl. 10/01/2002	2955-46
BOND SHIELD	75/751,073	6/24/99	Pending	2955-15
BUTEN GEM	1,321,671	2/26/85	Renew 2/26/2005	2955-9
CHEM-MASTIC	75/783,560	8/24/99	Pending	2955-74
COLOR IMPRESSIONS	75/445,632	3/6/98	Pending	2955-38
CRAFT KOTE	1,731,972	11/10/92	Renew 11/10/2002	2955-66
DURA CLAD	1,295,383	9/18/84	Renew 9/18/2004	2955-47
DURA-KOTE	1,332,748	4/30/85	Renew 4/30/2005	2955-45
DURA-TILE	1,207,726	9/14/82	Renew 9/14/2002	2955-59
DURALASTIC	75/478,739	5/4/98	Pending	2955-21
DURAMID	75/854,384	11/22/99	Pending	2955-73
DURA-TIP	New App.	4/3/2000	Pending	2955-91
DURO-MASTIC	75/871,726	12/15/99	Pending	2955-75
DURON (Paraguay)	19,686	8/31/98	Pending	2955-36
DURON (Puerto Rico) (Class 2)		8/21/98	Pending	2955-19
DURON (Puerto Rico) (Class 17)	43985	10/20/98	Pending	2955-20
DURON & Design	New App.		Pending	2955-10
DURON.COM	75/799,349	9/14/99	Pending	2955-72
DURON ENDURES	75/751,031	6/24/99	Pending	2955-17
DURON PAINTS & WALLCOVERINGS	1,293,664	9/11/84	Renew 9/11/2004	2955-48
DURON PAINTS WE USE QUALITY THE PRO'S CHOICE	75/410,109	12/23/97	Pending	2955-37
DURON PLUS	1,197,587	6/15/82	Renew 6/15/2002	2955-60
EQUALIZER	New App.	4/3/2000	Pending	2955-92
EVER LAST	75/157,898	08/28/96	Pending	2955-12
FASHION TREND	1,008,593	4/8/75	Renew 4/8/2005	2955-41
FAST SPEC	75/428,249	2/3/98	Pending	2955-35
FINISH 500 & Design	2,004,779	10/01/96	Decl. 10/01/2002	2955-56
FINISH LINE &	74/507,512	3/31/94	Pending	2955-71

MARK	REG/APP #	DATE	STATUS	DOCKET #
Design				
GEM	1,944,343	6/25/85	Renew 6/25/2005	2955-44
GENESIS	75/076,756	03/21/96	Pending	2955-6
GOLD SEAL	1,314,192	1/15/85	Renew 1/15/2005	2955-30
HYDROSTICK	1,953,718	1/30/96	Decl. 1/30/2002	2955-55
IF YOUR WALLS COULD TALK, THEY'D ASK FOR BUTEN	1,789,814	08/24/93	Renew 8/24/2003	2955-27
IMPRESSIONS PLUS	1,698,256	6/30/92	Renew 6/30/2002	2955-65
LIQUID SIDING	1,217,180	11/23/82	Renew 11/23/2002	2955-40
LOOK FOR THE PAINTER....	75/602,168	12/9/98	Pending	2955-18
NATURAL HOME	75/854,383	11/22/99	Pending	2955-81
MAXFLEX	2,139,646	2/24/98	Decl. 2/24/2004	2955-14
MAXFLEX	2,046,138	3/18/97	Decl. 3/18/2003	2955-51
MAXWOOD	2,131,534	1/27/98	Decl. 1/27/2004	2955-24
PAINTER'S PALS	New App.	2/17/2000	Pending	2955-82
POWER PERFORMA SERIES	1,928,086	10/17/95	Decl. 10/17/2001	2955-57
PRIMER SHIELD	75/799,348	9/14/99	Pending	2955-76
PRO CRAFT	New App.	4/25/2000	Pending	2955-96
PRO TECH	1,851,015	8/23/94	Decl. 8/23/2000	2955-26
PRO'S CHOICE	1,840,219	6/21/94	Decl. 6/21/2000	2955-70
PROFORMANCE	2,162,551	6/02/98	Decl. 6/2/2004	2955-52
SCRUBBABLE TUFF WALL	2,090,389	8/26/97	Decl. 8/26/2003	2955-50
SENATE	1,399,101	7/1/86	Renew 7/1/2006	2955-64
SIDING IN A CAN	1,847,528	8/2/94	Decl. 8/2/2000	2955-28
SIDING SHIELD	75/660,915	3/15/99	Pending	2955-69
SIGNATURE SELECT	New. App.	4/12/2000	Pending	2955-85
SPEC KOTE	1,788,727	8/17/93	Renew 8/17/2003	2955-67
TACK PREP	1,726,603	10/20/92	Renew 10/20/2002	2955-68
TERMINATOR	75/149,015	8/8/96	Pending	2955-13
THE PAINT AND PAPER PEOPLE	1,390,299	4/15/86	Renew 4/15/2006	2955-43
THE PRO'S CHOICE	75/816,001	10/5/99	Pending	2955-78
THE RIGHT PRODUCT FOR THE RIGHT JOB AT THE RIGHT PRICE	75/274,676	4/1/96	Pending	2955-3
TOOLS OF THE TRADE & Design	74/524,417	05/13/94	Pending	2955-54

MARK	REG/APP #	DATE	STATUS	DOCKET #
TRIM SHIELD	75/799,338	9/14/99	Pending	2955-77
ULTRA DELUXE	1,786,396	8/10/93	Renew 8/10/2003	2955-25
VARA-FLEC	New App.	4/25/2000	Pending	2955-95
VELOCITY SERIES	New App.	1/13/2000	Pending	2955-84
WALL SUEDE	1,046,020	8/10/76	Renew 8/10/2006	2955-39
WEATHERSHIELD	75/618,276	1/7/99	Pending	2955-34
WE MAKE YOU LOOK GOOD	1,262,112	12/27/83	Renew 12/27/2003	2955-49

SCHEDULE 3.9
Continued

Trademark Licenses - None

Patents - None

Patent applications - None

Patent Licenses - None

Copyrights - None

Copyright Licenses - None

Section 3.9(e): Opposition No. 107,354 filed by S Industries, Inc. against Duron's application to register the trademark 'TERMINATOR' is pending in the U.S. Patent and Trademark office. An adverse outcome of this opposition proceeding should not adversely affect the value of the 'TERMINATOR' mark which is presently being used by Duron.