

8.24.00

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

09-18-2000

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



101460049

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

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

**Submission Type**

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

**Conveyance Type**

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

**Conveying Party**

Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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

**FOR OFFICE USE ONLY**

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

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

**TRADEMARK**  
**REEL: 002137 FRAME: 0031**

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

#

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

Mark if additional numbers attached

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

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

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

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

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

ERIC M. REUBEN, ESQ.

7/26/00

Name of Person Signing

Signature

Date Signed

## SECURITY AGREEMENT

SECURITY AGREEMENT (as the same may be further amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of July 31, 1997, made by PRODUCTION RESOURCE GROUP, L.L.C., a Delaware limited liability company (the "Borrower"), ECTS, A SCENIC TECHNOLOGY COMPANY, INC., a Delaware corporation, ECTS, A SCENIC TECHNOLOGY COMPANY, INC., a New York corporation ("ECTS-NY"), HARRIS PRODUCTION SERVICES, INC., a New York corporation ("HPS"), ECTS CONTRACTING OF LAS VEGAS, INC., a Nevada corporation, THEATRE TECHNIQUES ASSOCIATES, INC., a New York corporation, SHOWPAY, INC., a New York corporation, SCENIC PROPERTIES L.L.C., a New York limited liability company, SCENIC TECHNOLOGIES CONTRACTING, L.L.C., a Delaware limited liability company SHOWPAY, L.L.C., a Delaware limited liability company and each Guarantor party hereto and that becomes a party hereto pursuant to Section 13 hereof (each a "Guarantor", collectively the "Guarantors" and together with the Borrower, being referred to herein individually as a "Grantor", and collectively, as the "Grantors") to THE BANK OF NEW YORK, in its capacity as agent for the Lenders under the Credit Agreement referred to below (the "Agent").

### RECITALS

A. Reference is made to the Credit Agreement, dated as of July 31, 1997, by and among the Borrower, the Lenders party thereto, the Agent and BNY Capital Markets, Inc., as Arranger (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. The Borrower desires to secure the prompt and complete payment, observance and performance of all of its obligations to the Agent and the Lenders of every kind and nature now or hereafter incurred, whether existing or created under or in respect of the Loan Documents or otherwise, including, without limitation, Rate Protection Agreements entered into with the Interest Rate Protection Lenders (as such obligations may be amended, increased, modified, renewed, refinanced, refunded or extended from time to time, the "Borrower Obligations").

C. Each Guarantor has executed and delivered the Guaranty, pursuant to which such Guarantor has guaranteed the prompt payment and performance when due of the Borrower Obligations. Each Guarantor desires to secure the prompt and complete payment, observance and performance of all of its obligations and liabilities now or hereafter incurred, existing or created under the Guaranty and the other Loan Documents to which it is a party.

D. It is a condition precedent to the making of all Revolving Credit Loans under the Credit Agreement that the Grantors shall have granted the security interests contemplated by this Agreement.

Therefore, in consideration of the Recitals, the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantors and the Agent hereby agree as follows:

1. Defined Terms.

(a) Capitalized terms used herein which are not herein defined shall have the meanings ascribed thereto by the Credit Agreement.

(b) When used in this Agreement, the following capitalized terms shall have the respective meaning ascribed thereto as follows:

"Additional Grantor": each Grantor which becomes a party hereto pursuant to Section 13 hereof.

"Collateral": as defined in Section 2.

"Equity Interest": (a) with respect to a corporation, capital stock thereof, (b) with respect to a partnership, a partnership interest therein, (c) with respect to any other limited liability company, firm, association, trust, business enterprise or other entity which is similar to any other Person listed in clauses (a) and (b), and this clause (c), of this definition, any equity interest therein, including, without limitation, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the managing body thereof, and (d) all warrants and options in respect of any of the foregoing and all other securities which are convertible or exchangeable therefor.

"Event of Default": as defined in Section 10.

"Financing Statements": UCC financing statements.

"Grants of Security Interests": collectively, the Grant of Security Interest (Patents) and the Grant of Security Interest (Trademarks), in the form of Annexes C and D hereto, respectively, in each case appropriately completed and signed by the Grantor.

"NYUCC": the UCC as in effect in the State of New York.

"Obligations": all obligations of the Borrower to the Agent and the Lenders, now or hereafter existing, whether under the Credit Agreement and the Revolving Credit Notes or otherwise, including, without limitation, Interest Rate Protection Agreements with the Rate Protection Lenders, whether for principal, interest, fees, expenses or otherwise, and all obligations of the Grantors to the Agent and the Lenders now or hereafter existing under the Loan Documents.

"Office Location": as defined in Section 3(a).

"Patents": all patents issued under the laws of the United States of America and all patent applications filed with the United States Patent and Trademark Office, and all of the rights associated with each of the foregoing.

"Supplement": a Supplement to this Agreement, duly completed, in the form of Annex A hereto.

"Registrations": (i) patents issued under the laws of the United States of America, (ii) patent applications filed with the United States Patent and Trademark Office, and (iii) all registered trademarks.

"Trademarks": (i) all rights under the laws of the United States of America, and each State thereof, to trademarks, together with all registrations thereof, applications therefor and all of the rights associated therewith, and (ii) the goodwill of the Grantor's business symbolized by such trademarks.

"UCC": with respect to any jurisdiction, Article 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

(c) When used in this Agreement, each of the following terms shall have the respective meaning ascribed thereto by the NYUCC: "Account", "Certificated Securities", "Chattel Paper", "Documents", "General Intangible", "Equipment", "Fixtures", "Instruments", "Inventory", "Issuer", "Proceeds", "Securities", "Security Interest", "Secured Party" and "Uncertificated Securities".

## 2. Grant of Security Interest.

To secure the prompt and complete payment, observance and performance of the Obligations, each Grantor hereby grants to the Agent, for its benefit and the ratable benefit of the Lenders a Security Interest in and to all of such Grantor's right, title and interest in and to:

(a) all Equity Interests, (whether Certificated Securities or Uncertificated Securities) whether now owned or hereafter acquired by such Grantor, including, without limitation, all Equity Interest in each Person which now is or may hereafter become a Subsidiary of such Grantor, and all Equity Interests in the Borrower owned by such Grantor, including without limitation, the Equity Interests listed on Schedule III, together with all additions thereto, and all substitutions, exchanges and replacements therefor, and all Proceeds thereof (collectively, the "Pledged Equity"); and

(b) all Accounts, Chattel Paper, including but not limited to rental agreements, lease agreements or equipment leases, Documents, Instruments, General Intangibles including, but not limited to, licenses, software and Trademarks, Patents Equipment, Fixtures, Inventory, all other personal property and all of the Proceeds (which shall include all distributions and income thereon and in respect thereof) of all of the foregoing, whether now owned or hereafter acquired and wheresoever located (collectively with the Pledged Equity, the "Collateral").

3. Representations and Warranties.

Each Grantor hereby represents and warrants to the Agent, as to itself, as follows:

(a) Generally. (i) The Grantor's place of business or, if the Grantor has more than one place of business, its chief executive office, is, and has been continuously for the immediately preceding 5 month period (or from the date of its formation if less than 5 months), located at the address set forth for notices to the Grantors contained in Section 12 (the "Office Location"). The Grantor is, and has been continuously for the immediately preceding 6 year period (or since the date of its formation if less than 6 years), conducting business only under its current legal name or the names set forth on Schedule I attached hereto.

(ii) All of the information set forth on each of the Schedules hereto is true, complete and correct in all material respects. All of the Grantor's books, records and documents relating to the Collateral are genuine and in all respects what they purport to be.

(iii) This Agreement, together with the delivery to the Agent of the Certificated Securities constituting Pledged Equity and debt Instruments, if any, and the continuous possession thereof by the Agent in the State of New York, creates a valid and continuing Security Interest in the Collateral in favor of the Agent. There are no Liens upon the Collateral other than Liens permitted by Section 8.2 of the Credit Agreement. Upon (A) the presentation for filing of the Financing Statements at the respective offices listed thereon together with the appropriate filing fee therefor, (B) the delivery to the Agent of the Certificated Securities constituting the Collateral, (C) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted hereby on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral, if any, and (D) the filing of the Grants of Security Interests in the United States Patent and Trademark Office with respect to Patents and Trademarks, if any, (1) such Security Interest shall be perfected, and (2) assuming that the Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to the Collateral consisting of Securities.

(b) Accounts. All records concerning any Account are located at the Office Location, and no Account is evidenced by a promissory note or other instrument.

(c) Inventory. Except for Inventory in transit with common carriers or subject to short term rentals not to exceed 3 months in any location, the Grantor has exclusive possession and control of all of the Inventory, all of which is, and has been continuously for the immediately preceding 5 month period, located at one or more of the places listed on Schedule II(a) attached hereto.

(d) Equipment. Except for Equipment in transit with common carriers or subject to short term rentals not to exceed 3 months in any location, all Equipment is, and has been continuously for the immediately preceding 5 month period, located at one or more of the places listed on Schedule II(b) attached hereto.

(e) Equity Interests. The Equity Interests listed on Schedule III hereto constitute all of the Equity Interests in which the Grantor has, as of the date hereof, any right, title or interest, and to the best of the Grantor's knowledge, each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable.

(f) Chattel Paper. To the best of its knowledge, all Chattel Paper to which it is a party, has been duly authorized, executed and delivered by both parties thereto, and is in full force and effect and is binding upon and enforceable against both parties thereto in accordance with its terms. To the best of its knowledge, there exists no default under any agreement to which it is a party by either party thereto.

(g) Patents and Trademarks. The Grantor has no Registrations relating to Trademarks other than those listed on Schedule IV hereto, and each such Registration is subsisting and has not been adjudged invalid or unenforceable, in whole or in part. The Grantor has no Registrations relating to Patents other than those listed on Schedule IV hereto, and each such Registration is subsisting and has not been adjudged invalid or unenforceable, in whole or in part. To the best of the Grantor's knowledge, each Trademark and Patent constituting Collateral is valid and enforceable. Except for Permitted Liens, the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks and Patents constituting Collateral, free and clear of all Liens. To the best of the Grantor's knowledge, no claim has been made that the use of any Trademark or Patent violates the rights of any third person. The Grantor has used consistent standards of quality in its manufacture of products sold under the Trademarks and Patents.

(h) Debt Instruments. The debt Instruments listed on Schedule VI hereto constitute all of the debt Instruments in which the Grantor has, as of the date hereof, any right, title or interest, and to the best of the Grantor's knowledge, each such debt Instrument has been duly authorized, issued and delivered, and constitutes the legal, valid, binding and enforceable obligations of the makers thereof.

#### 4. Covenants of the Grantors.

Each Grantor hereby covenants with the Agent, as to itself, as follows:

(a) Generally. (i) The Grantor shall maintain its place of business, or if the Grantor has more than one place of business, its chief executive office, at the Office Location or at such other location in respect of which (A) the Grantor shall have provided the Agent with at least 30 days prior written notice, and (B) UCC financing statements (or amendments thereto), in form and substance satisfactory to the Agent, shall have been filed with respect to such other location.

(ii) The Grantor shall, at its own expense, promptly execute and deliver all further certificates, documents, instruments, financing and continuation statements and amendments thereto, notices and other agreements, and take all further action, that the Agent may reasonably request from time to time, in order to perfect and protect the Security Interest granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Without limiting the generality of the foregoing, at any time, the Agent may request that each Grantor will: (i)

with regard to any Collateral evidenced by any rental agreement, lease agreement, equipment lease or license agreement, to which it is a party (each an "Assigned Agreement"), pledge to the Agent hereunder its right under such Assigned Agreement duly indorsed and accompanied by duly executed instruments of transfer or assignment (with all necessary consents), all in form and substance satisfactory to the Agent; (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may request, in order to perfect and preserve the assignment and security interest granted or purported to be granted hereby; and (iii) mark conspicuously each copy of each Assigned Agreement to which it is a party which evidences any Collateral and, at the request of the Agent, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Agent, indicating that each Assigned Agreement to which it is a party has been assigned and is subject to the security interest pursuant hereto.

(iii) The Grantor shall furnish to the Agent from time to time such information, reports, statements and schedules with respect to the Collateral as the Agent may reasonably request.

(iv) The Grantor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the interests of the Agent or any Lender, and the Grantor shall not cause, permit or suffer to exist any perfected Lien upon the Collateral other than the Lien granted hereby and any Liens permitted under Section 8.2 of the Credit Agreement.

(v) The Grantor shall mark its books and records to indicate that the Grantor has granted a Security Interest in the Collateral to the Agent pursuant to this Agreement.

(vi) The Grantor agrees that, with respect to the Collateral, the Agent has no obligation to preserve rights against prior parties.

(vii) The Agent's only duty with respect to Collateral in its possession shall be to use reasonable care in the custody and preservation of the Collateral while the Collateral is in its actual possession (which shall not include any steps necessary to preserve rights against prior or third parties), and the Grantor agrees that if the Agent accords such Collateral substantially the same kind of care as it accords its own Property, such care shall conclusively be deemed reasonable.

(viii) Anything herein to the contrary notwithstanding, (A) the Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (B) the exercise by the Agent of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, (C) the Agent shall not have any obligation or liability, including without limitation, indemnification obligations, under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of the Grantor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Grantor or the sufficiency of any performance by any party under any such contract or agreement or to take any action to collect or enforce



any claim for payment assigned hereunder, and (D) the Agent shall not be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

(ix) The Grantor shall (1) with respect to all personal property Collateral, maintain all-risk insurance with financially sound insurance carriers with deductibles not exceeding \$10,000 per occurrence, and which in all events shall be in amounts sufficient to prevent the Grantor from becoming a co-insurer, and (2) file with the Agent within 10 days after request therefor a detailed list of such insurance then in effect, stating the names of the carriers thereof, the policy numbers, the deductibles, the insureds thereunder, the amounts of insurance, dates of expiration thereof, and the Property and risks covered thereby, together with a certificate of the chief financial officer (or such other officer as shall be reasonably acceptable to the Agent) of the Grantor certifying that in the opinion of such officer such insurance is adequate in nature and amount, complies with the obligations of the Grantor under this Section, and is in full force and effect. Promptly upon request therefor, the Grantor will deliver or cause to be delivered to the Agent originals or duplicate originals of all such policies of insurance. All insurance policies in respect of property insurance shall contain a standard loss payable clause and shall be endorsed to provide that, in respect of the interests of the Agent: (i) the Agent shall be named as an additional insured and shall be the sole loss payee, (ii) thirty days' prior written notice of any cancellation, reduction of amounts payable, or any changes and amendments shall be given to the Agent, and (iii) the Agent shall have the right, but not the obligation, to pay any premiums due or to acquire other such insurance upon the failure of the Grantor to pay the same or to so insure. Upon the occurrence and during the continuance of an Event of Default, unless the Agent and the Borrower agree that such insurance proceeds shall be applied to repair, restore or replace Collateral, all insurance proceeds shall be retained by, or if paid to the Grantor, held in trust thereby separate and apart from all other Property for the benefit of the Agent and promptly delivered by the Grantor over to, the Agent to be applied in reduction of the obligations of the Grantor under the Loan Documents or held by the Agent as additional collateral security therefor. The Grantor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained pursuant to this Section unless the Agent has approved the carrier and the form and content of the insurance policy.

(b) Accounts. (i) Except as otherwise provided in this Section, the Grantor shall continue to collect in accordance with its customary practice, at its own expense, all amounts due or to become due to the Grantor in respect of the Accounts and, prior to the occurrence of an Event of Default, the Grantor shall have the right to adjust, settle or compromise the amount or payment of any Account, all in accordance with its customary practices. In connection with such collections, the Grantor may take and, at the direction of the Agent shall take, such action as the Grantor or the Agent may deem necessary or advisable to enforce collection of the Accounts.

(ii) At any time, the Agent may request that all payments due or to become due under or in connection with any Assigned Agreement assigned to the Agent by the Grantor pursuant to Section 4(a)(ii) shall be made directly to the Agent at its address set forth in Section 11.2 of the Credit Agreement. All moneys received or collected pursuant to such Assigned Agreements shall be applied by the Agent to the operating account of the

Grantor established with the Agent. If any Event of Default shall have occurred, such payments may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter be applied in whole or in part by the Agent against all or any part of the Obligations in such order as the Agent shall elect.

(c) Equipment and Inventory. (i) Except for Equipment in transit, the Grantor shall keep the Inventory and Equipment at the places listed on Schedule II and such other places in respect of which (A) the Grantor shall have provided the Agent with at least 30 days prior written notice, and (B) UCC financing statements, in form and substance satisfactory to the Agent, shall have been filed perfecting the Security Interest herein granted in the Equipment and Inventory.

(ii) The Grantor shall maintain or cause to be maintained in good repair, working order and condition, excepting ordinary wear and tear and damage due to casualty, all of the Equipment. The Grantor shall promptly furnish to the Agent a statement respecting any material loss or damage to any of the Equipment with an aggregate fair market value exceeding \$50,000 as a result of a single occurrence except to the extent that such loss or damage shall be insured pursuant to policies required to be maintained pursuant to the Credit Agreement.

(d) Trademarks. The Grantor will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks and Patents constituting Collateral. The Grantor shall give to the Agent prompt written notice thereof in the event that the Grantor shall obtain any right to any new Trademark or Patent or to any reissue, division, continuation, renewal, extension, or continuation-in-part of any Trademark or Patent. The Grantor shall prosecute diligently any applications of the Trademarks and Patents constituting Collateral pending as of the date of this Agreement or thereafter, and preserve and maintain all rights in applications of Trademarks and Patents constituting Collateral consistent with past practice, including the payment of all maintenance fees, except to the extent the failure so to preserve or maintain such rights could not reasonably be expected to have a material adverse effect on either (i) the value of the Trademarks taken as a whole, or (ii) the value of the Patents taken as a whole. The Grantor shall not abandon any right to file an application or any pending application for any Trademark or Patent unless the failure so to do could not reasonably be expected to have a material adverse effect on either (i) the value of the Trademarks taken as a whole, or (ii) the value of the Patents taken as a whole. The Grantor agrees that it will not enter into any agreement, including a license agreement, with respect to any Trademark or Patent which is inconsistent with the Grantor's past practices of licensing Trademarks or Patents as the case may be. The Grantor hereby grants to the Agent the right to visit the Grantor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks or Patents, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours upon reasonable prior notice.

(e) Uncertificated Securities. The Grantor shall cause each Person which is an Issuer of an Uncertificated Security constituting the Collateral (i) to register the Security Interest granted hereby upon the books of such Person in accordance with Article 8 of the NYUCC, and (ii) to issue to the Agent an initial Transaction Statement and issue to the Agent subsequent Transaction Statements in accordance with Section 8-408 of the UCC in effect in the State of New York.

(f) Debt Instruments. All of the debt Instruments now or hereafter owned by or in the possession of the Grantor which constitute Collateral (other than checks received in the ordinary course of collection) shall be promptly delivered to the Agent, to be held by the Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent. Such Grantor agrees that, with respect to all items of its Collateral which it is or shall hereafter be obligated to deliver to the Agent, until so delivered such items shall be held by such Grantor in trust for the benefit of the Agent and be segregated from the other Property of such Grantor.

5. Delivery of Pledged Equity.

Except as set forth on Schedule V with respect to certain Equity Interest held as of the Effective Date, all certificates or other instruments, if any, representing or evidencing the Pledged Equity at any time owned or acquired by any Grantor shall be delivered to and held by the Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignments in blank, all in form and substance reasonably satisfactory to the Bank. Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right, at any time in its discretion and without notice to such Grantor, to transfer to or to register in the name of the Agent or any of its nominees any or all of the Pledged Equity. In addition, upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Equity for certificates or instruments of smaller or larger denominations.

6. As to the Pledged Equity.

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

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Equity or any part thereof for any purpose not inconsistent with the terms of this Agreement and the Credit Agreement; provided, however, that no Grantor shall exercise or refrain from exercising any such right without the consent of the Agent if such action or inaction could have a material adverse effect on the fair market value of any part of the Pledged Equity or the validity, priority or perfection of the security interests granted hereby or the remedies of the Agent hereunder.

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, principal, interest and other distributions paid in respect of the Pledged Equity to the extent not prohibited by this Agreement; provided, however, that any and all dividends, principal, interest and other distributions paid or payable other than in cash in respect of, and instruments and other Property received, receivable or otherwise distributed in respect of, or in exchange for, Pledged Equity, shall forthwith be delivered to the Agent to hold as Pledged Equity and shall, if received by any Grantor, be received in trust for the benefit of the Agent, be segregated from the other Property of such Grantor, and be forthwith delivered to the Agent, as Pledged Equity in the same form as so received (with any necessary indorsement).

(b) Upon the occurrence and during the continuance of an Event of Default and at the Agent's option and following written notice by the Agent to such Grantor:

(i) All rights of such Grantor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a)(i) and to receive the dividends, principal, and interest payments and other distributions which it would otherwise be authorized to receive and retain pursuant to Section 6(a)(ii) shall cease, and all such rights shall thereupon become vested in the Agent, who shall thereupon have the right, but not the obligation, to exercise such voting and other consensual rights and to receive and hold as Pledged Equity such distributions and principal and interest payments.

(ii) All dividends, principal and interest payments and other distributions which are received by any Grantor contrary to the provisions of Section 6(b)(i) shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Agent as Pledged Equity in the same form as so received (with any necessary indorsement).

(c) In the event that all or any part of the securities or instruments constituting the Pledged Equity are lost, destroyed or wrongfully taken while such securities or instruments are in the possession of the Agent, each Grantor agrees that it will cause the delivery of new securities or instruments in place of the lost, destroyed or wrongfully taken securities or instruments upon request therefor by the Agent without the necessity of any indemnity bond or other security other than the Agent's agreement or indemnity therefor customary for security agreements similar to this Agreement.

(d) Each Grantor agrees that it will cause each issuer of the Pledged Equity not to issue to such Grantor any stock or other securities or certificates in addition to or in substitution for the Pledged Equity issued by such issuer, unless immediately upon its acquisition (directly or indirectly) thereof, any and all additional shares of stock or other securities or certificates of each such issuer are pledged to and delivered by such Grantor to the Agent hereunder.

#### 7. Agent Appointed Attorney-in-Fact

Effective upon the occurrence and during the continuance of an Event of Default, each Grantor hereby irrevocably appoints the Agent such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral, and to receive, indorse, and collect any drafts or other Chattel Paper, Instruments and Documents in connection therewith,

(b) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any of

the Collateral or otherwise to enforce the rights of the Agent or any of the Lenders with respect to any of the Collateral, and

(c) to receive, indorse and collect all Instruments made payable to such Grantor representing any dividend, principal payment, interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same. The powers granted to the Agent under this Section constitute a power coupled with an interest which shall survive until all of the Obligations have been indefeasibly paid in full in cash.

8. The Agent May Perform

If any Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Agent incurred in connection therewith shall be payable by the Grantors under Section 15.

9. The Agent's Duties

The powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Agent accords its own property.

10. Events of Default.

Each of the following shall constitute an "Event of Default":

(a) If any Grantor shall fail to observe or perform any term, covenant or agreement contained in this Agreement, and such failure shall have continued unremedied for a period of 20 days after the Agent shall have provided notice thereof to such Grantor or the Borrower; or

(b) The occurrence and continuance of an "Event of Default" under and as defined in the Credit Agreement.

11. Remedies.

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof,

(i) the Agent may exercise any and all rights and remedies (A) granted to a Secured Party by the NYUCC or otherwise allowed at law, and (B) provided by this Agreement, and

(ii) all payments received by any Grantor under or in connection with the Assigned Agreements pursuant to Section 4(b)(ii) or otherwise in respect of the Collateral shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary indorsement).

(b) In connection with and in furtherance of Section 6(a), (i) the Agent may require the Grantors to assemble the Collateral and make it available to the Agent at a place to be designated by the Agent which is reasonably convenient to the Agent and the Grantors, and each Grantor agrees that it shall do so at its own expense and that, without limitation, any place within the City of New York or the Counties of Orange, Nassau, Suffolk, and Westchester which may be designated by the Agent for such assembly is commercially reasonable, (ii) the Agent may dispose of the Collateral as it may choose, so long as every aspect of the disposition including the method, manner, time, place and terms are commercially reasonable, and each Grantor agrees that, without limitation, the following are each commercially reasonable: (1) the Agent shall not in any event be required to give more than 14 days prior notice of any such disposition, (2) any place within the City of New York or the Counties of Nassau, Suffolk, and Westchester which may be designated by the Agent for disposition, (3) the Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned, and (iii) to the extent permitted by law, each Grantor hereby expressly waives and covenants not to assert any appraisal, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

(c) Each Grantor acknowledges and agrees that the Agent may elect, with respect to the offer or sale of any or all of the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of the Collateral or the offer and sale thereof under any Federal or state securities laws and that the Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Agent is necessary in order to avoid any violation of applicable law, including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. Each Grantor further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be necessary or desirable in order to avoid any such registration or qualification, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

12. Notices.

All notices and other communications provided for hereunder shall be given in the manner and to the addresses set forth (a) in Section 11.2 of the Credit Agreement, or (b) to each Grantor at 539 Temple Hill Road, New Windsor, New York 12553, to the attention of Kenneth W. Cabarle, telephone: (914)-567-5825, facsimile 914-567-5804 or such other addresses as to which the Agent may be hereafter notified by the respective parties hereto.

13. Additional Grantors

Section 8.13(c) of the Credit Agreement requires, upon the terms and conditions set forth therein, that each Subsidiary of the Borrower that was not in existence on the Effective Date enter into the Guaranty as an additional Guarantor and enter into this Agreement as an additional Grantor. Upon execution and delivery by the Agent and any such Subsidiary of a Supplement, together with completed Schedules hereto with respect to such Subsidiary, and such UCC Financing Statements and other documents as the Agent shall reasonably require in order to perfect the Agent's security interest granted thereby, such Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of such Supplement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

14. Other Provisions.

This Agreement is the "Security Agreement" referred to in the Credit Agreement. The Grantor and the Agent acknowledge that certain provisions of the Credit Agreement, including, without limitation, Sections 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.7 (Bank Assignments and Participations), 11.10 (Counterparts), 11.13 (Governing Law), 11.15 (Severability), 11.16 (Integration), 11.17 (Consent to Jurisdiction) 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit), and 11.20 (WAIVER OF TRIAL BY JURY), thereof, are made applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

15. Expenses

The Grantors jointly and severally agree to pay on demand to the Agent any and all reasonable sums, costs and expenses which the Agent may pay or incur pursuant to the provisions of this Agreement or in negotiating, executing, perfecting, defending, protecting or enforcing this Agreement or the security interests granted herein or in enforcing payment of the Obligations or otherwise in connection with the provisions hereof, including, but not limited to court costs, reasonable collection charges, reasonable travel expenses, and reasonable attorneys' fees and disbursements, all of which, together with interest at the highest rate then payable on any of the Obligations, shall be part of the Obligations.

IN WITNESS WHEREOF, each Grantor and the Agent have each caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

PRODUCTION RESOURCE GROUP, L.L.C.

By: [Signature]  
Name: Kevin J. Baxley  
Title: Vice President

ECTS, A SCENIC TECHNOLOGY COMPANY, INC.  
a Delaware corporation

By: [Signature]  
Name: Kevin J. Baxley  
Title: Vice President

HARRIS PRODUCTION SERVICES, INC.

By: [Signature]  
Name: Kevin J. Baxley  
Title: Vice President

ECTS, A SCENIC TECHNOLOGY COMPANY, INC.  
a New York corporation

By: [Signature]  
Name: Kevin J. Baxley  
Title: Vice President

ECTS CONTRACTING OF LAS VEGAS, INC.

By: [Signature]  
Name: Kevin J. Baxley  
Title: President



THEATRE TECHNIQUES ASSOCIATES, INC.

By:   
Name: Kevin J. Baxley  
Title: Vice President

SHOWPAY, INC.

By:   
Name: Kevin J. Baxley  
Title: Vice President

SCENIC PROPERTIES L.L.C.

By:   
Name: Kevin J. Baxley  
Title: Vice President

SCENIC TECHNOLOGIES CONTRACTING, L.L.C.

BY: PRODUCTION RESOURCE GROUP, L.L.C.  
Majority Member

By:   
Name: Kevin J. Baxley  
Title: President

SHOWPAY, L.L.C.

By:   
Name: Kevin J. Baxley  
Title: Vice President

Accepted:

THE BANK OF NEW YORK,  
as Agent

By:  \_\_\_\_\_

Name: Brian C. Weddington  
Title: Assistant Vice President

**Schedule I**  
to  
**Security Agreement**

List of Legal Names under which each Grantor conducted business in the last six years:

<b><u>Entity</u></b>	<b><u>Former Names</u></b>	<b><u>Fictitious Names</u></b>
Production Resource Group, L.L.C.	Production Resources Group, L.L.C.	Cinema Services of Las Vegas Vanco Lighting Services Scenic Technologies Harris Production Services Thoughtful Designs Lighting Technologies Design Dynamics Exhibits Up & Down Installation & Dismantling
ECTS, A Scenic Technology Company, Inc. (NY)	None	ECTS Scenic Technology ECTS Scenic Technologies
Harris Production Services, Inc.	Jeremiah J. Harris Associates, Inc.	Scenic Technologies
Showpay, Inc.	None	West Coast Showpay
Scenic Properties L.L.C.	ECTS Properties L.L.C.	None
Theatre Techniques Associates, Inc.	None	None
ECTS Contracting of Las Vegas, Inc.	None	Source Presentation Services ECTS
ECTS, A Scenic Technology Company, Inc. (DE)	None	None

**Schedule II(a)  
to  
Security Agreement**

List of Inventory Locations

	FL	CA	CO	NY	NV	GA	Canada
PRG	X	X	X	X	X	X	X
HPS		X		X	X		
ECTS (NY)		X		X	X		
ECTS Vegas					X		
Showpay, Inc.				X			
TTA				X			
Scenic Properties LLC				X			
Scenic Technologies Contracting, L.L.C.					X		
Showpay, L.L.C.					X		
ECTS (DE)				X			

**Schedule II(b)  
to  
Security Agreement**

List of Equipment Locations

	FL	CA	CO	NY	NV	GA	Canada
PRG	X	X	X	X	X	X	X
HPS		X		X	X		
ECTS (NY)		X		X	X		
ECTS Vegas					X		
Showpay, Inc.				X			
TTA				X			
Scenic Properties LLC				X			
Scenic Technologies Contracting, L.L.C.					X		
Showpay, L.L.C.					X		
ECTS (DE)				X			

## PRODUCTION RESOURCE GROUP STREET ADDRESSES

539 Temple Hill Road  
New Windsor, NY 12553

4535 West Sahara Avenue  
Suite 209  
Las Vegas, NV 89102

4445 South Valley View Blvd.  
Suite 7  
Las Vegas, NV 89103

9561 Satellite Blvd.  
Suite 300  
Orlando, FL 32837

2100 Nancy Hanks Dr.  
Suite F  
Norcross, GA 30071

11411 East 51st Avenue  
Denver, CO 80239

**Schedule III**  
to  
**Security Agreement**

List of Equity Interests

<u>Entity</u>	<u>Equity Interest</u>	<u>Owned Entity</u>
Production Resource Group, L.L.C.	10 Shares, Common stock	ECTS, A Scenic Technology Company, Inc., a Delaware corporation
	100 Membership Units	Showpay, L.L.C.
	99 Membership Units	Scenic Technologies Contracting, L.L.C.
ECTS, A Scenic Technology Company, Inc., a New York corporation	50 Shares, Common stock	Showpay, Inc.
	70 Shares, Common stock	ECTS Contracting of Las Vegas, Inc.
	24 Class "A" Shares 96 Class "C" Shares	F&D Scene Changes, Ltd. (Minority Interest)
	1,666,000 Regular Units 100 Worldwide Stage Command Units	Production Resource Group, L.L.C.
Harris Production Services, Inc.	50 Shares, Common stock	Showpay, Inc.
	30,625 Class "A" Ordinary Shares 4,375 Class "A" Convertible Ordinary Shares	Stage Technologies Limited (Minority Interest)
	1,975,000 Regular Units 100 NY Stage Command Units	Production Resource Group, L.L.C.
	4 Shares, Common Stock Voting	Theatre Techniques Associates, Inc.

	1 Membership Unit	Scenic Tehnologies Contracting, L.L.C.
Scenic Properties L.L.C.	500,000 SPLLC Units	Production Resource Group, L.L.C.
Showpay, Inc.	33,000 Regular Units	Production Resource Group, L.L.C.
Theatre Techniques Associates, Inc.	30,000 TTA Units	Production Resource Group, L.L.C.
ECTS Contracting of Las Vegas, Inc.	796,000 Regular Units	Production Resource Group, L.L.C.
ECTS, A Scenic Technology Company, Inc., a Delaware corporation	None	None



**Schedule IV**  
**to**  
**Security Agreement**

**List of Registrations**

See attached.

07/28/97 16:42:38

TRADEMARK PROPERTY REPORT

PAGE 1

ALPHA	CLIENT #	MATTER #	SUBMATTER #	TITLE	STATUS	SERIAL #	REGISTRATION #	FILE DATE	REGISTRATION DATE	OTHER ACTION DATE
PROO	28235	101	USO	STAGE COMMAND SYSTEM	FORCE	74/056,980	1,733,960	05/08/90	11/17/92	11/17/02
PROO	28235	103	USO	INTELLI-DRIVE	ALLD	74/680,040		05/25/95	00/00/00	00/00/00

\*\*\* END OF REPORT \*\*\*

07/28/97 16:42:00

PEPE & HAZARD PATENT DATABASE  
PROPERTY REPORT  
BY CLIENT

PAGE 1

ALPHA	CLIENT #	MATTER #	SUBMATTER #	STATUS	TITLE	SER NO.	FILE DATE	PAT NO.	PATENT DATE	EXPIRE DATE
PROD	28235	1001	US0	FORCE	MOVABLE LIGHTING APPARATUS	517,761	05/02/90	5,003,442	03/26/91	05/02/10
PROD	28235	1002	US0	PTO	STAGE EFFECT CONTROL METHOD & APPARATUS	08/752,856	11/21/96		00/00/00	00/00/00

FINAL TOTALS

\*\*\* END OF REPORT \*\*\*

**Schedule V**  
**to**  
**Security Agreement**

List of Equity Interests not delivered to the Bank:

1. F&D Scene Changes, Ltd.
2. Stage Technologies Limited

**Schedule VI  
to  
Security Agreement**

Debt Instruments

None.

**Schedule 4(a)ii**  
**to**  
**Security Agreement**

**List of Non-assignable Leases**

1. No leases are non-assignable by their terms. Those lease agreements which have been disclosed on Schedule 4.6 to the Amended and Restated Credit Agreement have not been assigned as of the Effective Date. Although the Borrower will use reasonable efforts to obtain such consent to assignment, no assurance can be given that such consent will be secured.

# ANNEX A TO SECURITY AGREEMENT

## FORM OF SUPPLEMENT TO SECURITY AGREEMENT

SUPPLEMENT, dated as of \_\_\_\_\_, made by \_\_\_\_\_, a \_\_\_\_\_ corporation (the "New Grantor") to the Security Agreement, dated as of \_\_\_\_\_, 1997 (the "Security Agreement"), by and among PRODUCTION RESOURCE GROUP, L.L.C. (the "Borrower"), ECTS, A SCENIC TECHNOLOGY COMPANY, INC., a Delaware corporation, ECTS, A SCENIC TECHNOLOGY COMPANY, INC., a New York corporation, HARRIS PRODUCTION SERVICES, INC., a new York corporation, ECTS CONTRACTING OF LAS VEGAS, INC., a Nevada corporation, THEATRE TECHNIQUES ASSOCIATES, INC., a New York corporation, SHOWPAY, INC., a New York corporation, SCENIC PROPERTIES L.L.C. a New York limited liability company, SCENIC TECHNOLOGIES CONTRACTING, L.L.C., a Delaware limited liability and SHOWPAY, L.L.C., a Delaware limited liability company (collectively with the Borrower, the "Grantors").

1. Reference is made to the Credit Agreement, dated as of \_\_\_\_\_ 1997 (as amended, modified or supplemented from time to time, the "Credit Agreement"), by and among the Borrower, the Lenders party thereto, The Bank of New York, as agent (the "Agent") and BNY Capital Markets, Inc., as Arranger.

2. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement or the Credit Agreement, as the case may be.

3. The Grantors have entered into the Security Agreement in order to induce the Bank to enter into the Credit Agreement and make the Revolving Credit Loans. Section 8.13(c) of the Credit Agreement requires, upon the terms and conditions set forth therein, that each Subsidiary of the Borrower that was not in existence on the Effective Date enter into the Guaranty as an additional Guarantor and enter into the Security Agreement as an additional Grantor. Section 13 of the Security Agreement provides that such Subsidiaries of the Borrower may become Grantors under the Security Agreement by the execution and delivery of an instrument in the form of this Supplement together with Schedules to the Security Agreement completed for the New Grantor. The New Grantor is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Grantor under the Security Agreement in order to induce the Agent and the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the Agent and the New Grantor agree as follows:

(a) In accordance with Section 13 of the Security Agreement, by signing this Supplement, the New Grantor (a) shall be, and shall be deemed to be, a "Grantor" under, and as such term is defined in, the Security Agreement with the same force and effect as if originally named therein as a Grantor, (b) shall have made, and shall be deemed to have made, the representations and warranties contained in Section 3 of the Security Agreement on and as

of the date hereof, and (c) shall have made, and shall be deemed to have made, all of the covenants and agreements of a Grantor set forth in the Security Agreement.

(b) The New Grantor represents and warrants to the Agent that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or an action at law).

(c) Attached hereto are Schedules to the Security Agreement completed with respect to the New Grantor.

(d) Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

(e) This Supplement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws rules.

(f) Every provision of this Supplement is intended to be severable, and if any term or provision hereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions hereof or thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

(g) For purposes of Section 12 of the Security Agreement, the address of the New Grantor is as follows:

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_,

Telephone: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fax: ( ) \_\_\_\_\_ - \_\_\_\_\_.

(h) The New Grantor agrees to reimburse the Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel to the Agent.

(i) This Supplement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument. This Supplement shall become effective when the Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Agent.



The New Grantor and the Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

[NAME OF NEW GRANTOR]

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

THE BANK OF NEW YORK, as Agent

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

(SCHEDULES CORRESPONDING TO THE SCHEDULES IN  
THE SECURITY AGREEMENT ARE TO BE ATTACHED)

ANNEX B TO SECURITY AGREEMENT

FORM OF TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

[DATE]

The Bank of New York, as Agent  
One Wall Street  
New York, New York 10286

Ladies and Gentlemen:

The undersigned, \_\_\_\_\_ (the "Issuer"), hereby acknowledges receipt of the Security Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), dated as of \_\_\_\_\_, 199\_, by and among Production Resource Group, L.L.C. (the "Borrower"), The Bank of New York, as Agent (in such capacity, the "Agent") and BNY Capital Markets, Inc., as Arranger, and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Agent, as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Uniform Commercial Code.

4. Description of the Security: \_\_\_\_\_.

5. Number of Shares or Units Pledged: \_\_\_\_\_.

6. Registered Owner:

[NAME OF GRANTOR]

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

\_\_\_\_\_

Taxpayer ID# \_\_\_\_\_.

7. Registered Pledgee and Taxpayer Identification Number (if any):

The Bank of New York, as Agent  
One Wall Street  
New York, New York 10286  
Attention: \_\_\_\_\_  
\_\_\_\_\_

Taxpayer ID# 13-5160382

8. **Date of Registration of the Pledge:** The pledge described herein was registered on \_\_\_\_\_, 199\_, on the books and records of the Issuer.
9. **Notation of Liens:** There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of \_\_\_\_\_, 199\_, by and among the Borrower, the Lenders party thereto, the Agent and the Arranger, as amended, supplemented or otherwise modified from time to time).

The Issuer hereby agrees, at the request of the Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement and promptly to furnish to the Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

[NAME OF ISSUER]

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

ANNEX C TO SECURITY AGREEMENT

FORM OF GRANT OF SECURITY INTEREST (TRADEMARKS)

[NAME OF GRANTOR], a \_\_\_\_\_ corporation (the "Grantor"), is obligated to THE BANK OF NEW YORK, as Agent (the "Agent"), and has entered into a Security Agreement dated the date hereof (the "Agreement") with the Agent.

Pursuant to the Agreement, the Grantor granted to the Agent a security interest in all of the right, title and interest of the Grantor in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks"), together with the goodwill of the business symbolized by the Trademarks and the applications and registrations therefor, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Grantor does hereby further assign to the Agent, and grant to the Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such term is defined in the Agreement), the Agent will take whatever actions are necessary at the Grantor's expense to release or reconvey to the Grantor all right, title and interest of the Grantor in and to the Trademarks.

The Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Grantor has caused this Assignment to be duly executed by its duly authorized officer as of the \_\_ day of \_\_\_\_\_, 199\_.

[NAME OF GRANTOR]

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

STATE OF NEW YORK    )  
                                  ) ss.:  
COUNTY OF NEW YORK )

On this \_\_ day of \_\_\_\_\_, 199\_, before me personally came \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_; that he is the \_\_\_\_\_ of [NAME OF GRANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

---

Notary Public  
[Notary's Stamp]

Schedule 1  
to  
Grant of Security Interest (Trademarks)  
Dated as of \_\_\_\_\_, 199\_

ANNEX D TO SECURITY AGREEMENT

Dated as of \_\_\_\_\_, 199\_

**FORM OF GRANT OF SECURITY INTEREST (PATENTS)**

[NAME OF GRANTOR], a \_\_\_\_\_ corporation (the "Grantor"), is obligated to THE BANK OF NEW YORK, as Agent (the "Agent"), and has entered into a Security Agreement dated the date hereof (the "Agreement") with the Agent.

Pursuant to the Agreement, the Grantor granted to the Agent a security interest in all of the right, title and interest of the Grantor in and to the letters patent or applications for letters patent, of the United States, more particularly described on Schedule 1 (the "Patents") together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Grantor does hereby further assign to the Agent, and grant to the Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such term is defined in the Agreement), the Agent will take whatever actions are necessary at the Grantor's expense to release or reconvey to Grantor all right, title and interest of the Grantor in and to the Patents.

The Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Grantor has caused this Assignment to be duly executed by its duly authorized officer as of the \_\_ day of \_\_\_\_\_, 199\_.

[NAME OF GRANTOR]

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

STATE OF NEW YORK    )  
                                  ) ss.:  
COUNTY OF NEW YORK )

On this \_\_\_ day of \_\_\_\_\_, 199\_, before me personally came \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_; that he is the \_\_\_\_\_ of [NAME OF GRANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

---

Notary Public  
[Notary's Stamp]



Schedule 1  
to  
Grant of Security Interest (Patents)  
Dated as of \_\_\_\_\_, 199\_