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Submission Type

New

Resubmission (Non-Recordation)
Document ID # _____

Correction of PTO Error
Reel # _____ Frame # _____

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Reel # _____ Frame # _____

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger
Effective Date
Month Day Year

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name SOLOMON-PAGE GROUP LTD., THE

Execution Date
Month Day Year
10 30 00

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name BANK OF NEW YORK, THE

DBA/AKA/TA _____

Composed of _____

Address (line 1) 1290 AVENUE OF THE AMERICAS

Address (line 2) _____

Address (line 3) NEW YORK

NEW YORK

10104

City

State/Country

Zip Code

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

Corporation Association

Other _____

Citizenship/State of Incorporation/Organization New York

12/12/2000 GT0N11 00000351 75923304

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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.

LORI POTTS

11/9/00

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

made by

THE SOLOMON-PAGE GROUP LTD.,

and its Subsidiaries

in favor of

THE BANK OF NEW YORK

Dated as of October 30, 2000

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SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of October 30, 2000, made by THE SOLOMON-PAGE GROUP LTD. (the "Borrower") each of the other signatories hereto (each individually a "Guarantor" and collectively, the "Guarantors") (the Borrower and the Guarantors, together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of THE BANK OF NEW YORK, (the "Secured Party").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, dated as of the date hereof between the Borrower and the Secured Party (the "Credit Agreement"), the Secured Party has agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein; unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each Guarantor;

WHEREAS, the Borrower and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the Loans under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Secured Party to make the Loans to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Secured Party;

WHEREAS, pursuant to the Merger Agreement, (a) the Borrower will merge with and into Mergeco, (b) Mergeco will be the surviving corporation, and (c) upon the consummation of the merger (i) Mergeco will be re-named "The Solomon Page Group Ltd.," (ii) Mergeco (as re-named) will assume all of the obligations of the Borrower under the Credit Agreement and under all other Loan Documents to which the Borrower is a party and (iii) all of the subsidiaries of the Borrower will become subsidiaries of Mergeco.

NOW, THEREFORE, in consideration of the premises and to induce the Secured Party to enter into the Credit Agreement and to make the Loans to the Borrower thereunder, each Grantor hereby agrees with the Secured Party, as follows:

**SECTION 1
DEFINED TERMS**

1.1 Definitions.

(a) The following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Certificated Security, Chattel Paper, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Entitlement Order, Equipment, Farm Products, Financial Asset, Fixtures, Goods, Instruments, Inventory, Securities Account, Securities Intermediary, Security, Security Entitlement and Uncertificated Security.

(b) The following terms shall have the following meanings:

“Accounts” means, at any date of determination, all accounts (as defined in Section 9-106 of the New York Uniform Commercial Code or any other applicable jurisdiction as in effect on the date hereof and any equivalent term under any amendment of the Uniform Commercial Code) originated by the Borrower or any Subsidiary including, without limitation, accounts arising out of the Borrower’s or any Subsidiary’s recruitment or placement advertising, permanent placement or temporary staffing services, recruitment or placement operations or personnel supply operations. Any amendment of the Uniform Commercial Code shall not limit the definition of Accounts as in effect on the date hereof.

“Agreement”: this Security Agreement, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

“Assumption Agreement”: the assumption agreement in the form annexed hereto as Annex 2.

“Capital Stock”: means, with respect to (a) a corporation, the capital stock thereof, (b) a partnership, any partnership interest therein, including all rights of a partner, as partner, in such partnership, whether arising under the partnership agreement of such partnership or otherwise, (c) a limited liability company, any membership interest, including all rights of a member, as a member, of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise, (d) any other firm, association, trust, business enterprise or other entity that is similar to any other Person listed in clause (a), (b) or (c) of this definition, any equity interest therein or any other interest therein that 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 (e) all warrants and options in respect of any of the foregoing and all other securities that are convertible into any of the foregoing or exchangeable therefor.

“Closing Date”: October 30, 2000.

"Collateral": as defined in Section 2.

"Copyright Licenses": any written agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"Copyright": (i) all copyrights, whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each registration and application identified in Schedule 6, (ii) the rights to print, publish and distribute any of the foregoing, (iii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iv) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Copyright Licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (v) all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Deposit Account": as defined in the Uniform Commercial Code of any applicable jurisdiction and, in any event including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

"General Intangibles": all "general intangibles" as such term is defined in Section 9-106 of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, including, without limitation, with respect to any Grantor, all contracts, agreements, instruments and indentures and all licenses and permits issued by any Governmental Authority 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 from time to time be amended, supplemented, replaced or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of such Grantor to damages arising thereunder, (iv) all rights of such Grantor to receive any tax refunds, and (v) all rights of such Grantor to terminate and to perform, compel performance and to exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and interest in such contract, agreement, instrument, indenture, license or permit is not prohibited by such contract, agreement, instrument, indenture, license or permit without the consent of any other party thereto (other than any of its Subsidiaries or other

Grantors), would not give any other party (other than any of its Subsidiaries or other Grantors) to such contract, agreement, instrument, indenture, license or permit the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (other than any of its Subsidiaries or other Grantors); provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due under any such contract, agreement, instrument, indenture, license or permit, or in the Proceeds from the Disposition of any such contract, agreement, instrument, indenture, license or permit.

“Guarantors”: the collective reference to each Grantor other than the Borrower.

“Guaranty”: the Guaranty dated the date hereof made by the Guarantors in favor of the Secured Party.

“Insurance Policies”: any and all policies of insurance of any Grantor and all supplementary contracts issued in connection therewith, all claims, options, privileges, rights, title and interest therein and thereunder.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Trademarks, the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note evidencing loans made by any Grantor to any of its Subsidiaries or other Grantors.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-115 of the Uniform Commercial Code in effect in the State of New York on the date hereof including, without limitation, all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not constituting “investment property” as so defined, all Pledged Notes, all Pledged Equity and all Pledged Security Entitlements.

“Issuers”: the collective reference to each issuer of a Pledged Security.

"Obligations": has the meaning ascribed to such term in the Credit Agreement..

"Perfection Certificate": means the Perfection Certificate, in the form annexed hereto as Annex 1, completed and supplemented with the schedules and attachments contemplated thereby and duly executed by a financial officer of the Borrower.

"Pledged Debt" means all right, title and interest of any Grantor to the payment of any loan, advance or other debt of every kind and nature (other than Accounts and General Intangibles), whether due or to become due, whether or not it has been earned by performance, and whether now or hereafter acquired or arising in the future.

"Pledged Debt Securities": the debt securities listed on Schedule 2, together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect.

"Pledged Equity": with respect to any Grantor, all right, title and interest of such Grantor in any Capital Stock, (including, without limitation, those set forth in Schedule 2), whether now owned, or hereafter acquired.

"Pledged Notes": all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes in an aggregate principal amount not to exceed \$250,000 at any time outstanding issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

"Pledged Securities": the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity.

"Pledged Security Entitlements": all security entitlements with respect to the financial assets listed on Schedule 2 and all other security entitlements of any Grantor.

"Proceeds": all "proceeds" as such term is defined in Section 9-306(1) of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Pledged Securities, collections thereon or distributions or payments with respect thereto.

"Receivable": any right to payment on account of any obligation that could create any right to receive money, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

"Securities Act": the Securities Act of 1933, as amended.

"Trademark License": any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, now or hereafter owned by any Grantor, including, without limitation, any of the foregoing referred to in Schedule 6.

"Trademarks": (i) all trademarks, service marks, trade names, corporate names, company names, business names, trade dress, trade styles, logos, or other indicia of origin or source identification, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof, including, without limitation, each registration and application identified in Schedule 6, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Trademark Licenses entered into in connection therewith, and damages and payments for past, present or future infringements thereof), and (iv) all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each of the above.

1.2 Other Definitional Provisions.

(a) 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.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) 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.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to the Obligations shall mean the payment in full, in immediately available funds, of all of the Obligations.

SECTION 2 GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Secured Party, and hereby grants to the Secured Party, a security interest in and mortgage on, all of 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 Chattel Paper;
- (c) all Deposit Accounts;
- (d) all Documents;
- (e) all Equipment;
- (f) all Fixtures;
- (g) all General Intangibles;
- (h) all Insurance Policies;
- (i) all Instruments;
- (j) all Intellectual Property;
- (k) all Inventory;
- (l) all Investment Property;
- (m) all Goods and other property not otherwise described above;
- (n) all Pledged Securities;
- (o) all Pledged Security Entitlements;
- (p) all bank accounts, all funds held therein and all certificates and instruments, if any, from time to time representing or evidencing such bank accounts;
- (q) all books and records pertaining to the Collateral; and
- (r) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

The above listed security interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

TO HAVE AND TO HOLD the Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Secured Party (and its successors and assigns), for the benefit of the Secured Party, forever, subject, however, to the terms, covenants and conditions hereinafter set forth.

SECTION 3 REPRESENTATIONS AND WARRANTIES

To induce the Secured Party to enter into the Credit Agreement and to make the Loans to the Borrower thereunder, each Grantor hereby represents and warrants to the Secured Party that:

3.1 Representations in Credit Agreement.

In the case of each Guarantor, the representations and warranties set forth in Article 3 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct in all material respects, and the Secured Party shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 3.1, be deemed to be a reference to such Guarantor's knowledge.

3.2 Title; No Other Liens.

Except for the security interest granted to the Secured Party pursuant to this Agreement and the other Liens permitted to exist on the Collateral pursuant to the Credit Agreement, each Grantor owns its interest in each item of the Collateral granted by it free and clear of any and all Liens or claims of others. No financing statement 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 Secured Party, pursuant to this Agreement or as are permitted by the Credit Agreement. Each Grantor has good title to, or valid leasehold interests in, all of its real and personal property, material to do its business, except as permitted by the Credit Agreement and owns or is entitled to use all Intellectual Property material to the lines of business conducted by such Grantor and, to the knowledge of the Grantors, the use thereof does not infringe upon the rights of any other Person.

3.3 Perfected First Priority Liens.

The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Secured Party in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Secured Party, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for (i) unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on the Collateral by operation of law and (ii) Liens described on Schedule 7.

3.4 Chief Executive Office.

On the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.

3.5 Inventory, Equipment and Books and Records.

On the date hereof, the Inventory and the Equipment (other than mobile goods) and the books and records pertaining to the Collateral are kept at the locations listed on Schedule 5.

3.6 Farm Products.

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

3.7 Investment Property.

(a) The Pledged Equity pledged by such Grantor hereunder constitutes all of the Capital Stock owned by such Grantor.

(b) All the Pledged Equity has been duly and validly issued and is fully paid and non-assessable.

(c) The terms of any uncertificated limited liability company interests and partnership interests included in the Pledged Equity expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction).

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Pledged Equity and Pledged Notes pledged by it hereunder.

free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

3.8 Receivables.

No amount exceeding \$5,000 and payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Secured Party.

3.9 Perfection Certificate.

The Perfection Certificate has been duly prepared, completed and executed and delivered to the Secured Party, and the information set forth therein is correct and complete.

SECTION 4 COVENANTS

Each Grantor covenants and agrees with the Secured Party that, from and after the date of this Agreement until the Obligations shall have been paid in full and all funding commitments under the Credit Agreement shall have terminated or expired:

4.1 Covenants in Credit Agreement.

Each Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

4.2 Delivery and Control of Instruments, Chattel Paper and Investment Property.

(a) If an aggregate principal amount of the Collateral exceeding \$5,000 shall be or become evidenced or represented by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Secured Party, duly endorsed in a manner satisfactory to the Secured Party, to be held as Collateral pursuant to this Agreement.

(b) If any of the Collateral shall be or become evidenced or represented by an Uncertificated Security, such Grantor shall cause the Issuer thereof either (i) to register the Secured Party as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with such Grantor and the Secured Party that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Secured Party without further consent of

such Grantor, such agreement to be in form and substance satisfactory to the Secured Party.

(c) If any of the Collateral shall be or become evidenced or represented by a Security Entitlement, such Grantor shall cause the Securities Intermediary with respect to such Security Entitlement either (i) to identify in its records the Secured Party as having such Security Entitlement against such Securities Intermediary or (ii) to agree in writing with such Grantor and the Secured Party that such Securities Intermediary will comply with Entitlement Orders originated by the Secured Party without further consent of such Grantor, such agreement to be in form and substance satisfactory to the Secured Party.

(d) If any of the Collateral shall be or become evidenced or represented by or held in a Securities Account, such Grantor shall, in the case of a Securities Account, comply with subsection (c) of this Section 4.2 with respect to all Security Entitlements carried in such Securities Account.

4.3 Maintenance of Insurance.

(a) Such Grantor will maintain, with financially sound and reputable insurance companies, insurance on all its property (including, without limitation, all Inventory and Equipment) in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Secured Party, upon written request, full information as to the insurance carried. All insurance shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days (10 days in the case of non-payment) after receipt by the Secured Party of written notice thereof.

(b) Such Grantor will deliver to the Secured Party, (i) on the Closing Date, a certificate dated such date showing the amount and types of insurance coverage as of such date, (ii) upon request of the Secured Party from time to time, full information as to the insurance carried, (iii) promptly following receipt of notice from any insurer, a copy of any notice of cancellation or material change in coverage from that existing on the Closing Date, (iv) forthwith, notice of any cancellation or nonrenewal of coverage by such Grantor, and (v) promptly after such information is available to such Grantor, full information as to any claim for an amount in excess of \$25,000 with respect to any property and casualty insurance policy maintained by such Grantor. The Secured Party shall be named as additional insured on all such liability insurance policies of such Grantor and the Secured Party shall be named as loss payee on all business interruption, property and casualty insurance policies of such Grantor.

4.4 Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 3.3 and shall defend such security interest (and such Grantor's title to the Collateral, if necessary) against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the assets and property of such Grantor as the Secured Party may reasonably request, all in reasonable detail.

(c) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01 of the Credit Agreement, the Borrower shall deliver to the Secured Party a certificate executed by a Financial Officer on behalf of the Borrower, setting forth the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate or the date of the most recent certificate delivered pursuant to this paragraph.

(d) At any time and from time to time, upon the written request of the Secured Party, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Secured Party 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) the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking any actions necessary to enable the Secured Party to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto (or, in the case of Deposit Accounts, taking sole dominion and control thereof).

4.5 Changes in Locations, Name, etc.

Such Grantor will not, except upon 15 days' prior written notice to the Secured Party and delivery to the Secured Party of (a) all additional executed financing statements and other documents reasonably requested by the Secured Party to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment (other than mobile goods) or books and records pertaining to the Collateral shall be kept:

(i) permit any of the Inventory or Equipment (other than mobile goods) or books and records pertaining to the Collateral to be kept at a location other than those listed on Schedule 5;

(ii) change its jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 3.4; or

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

4.6 Investment Property.

If such Grantor shall receive any stock or other ownership certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Equity, or otherwise in respect thereof, such Grantor shall accept the same as the Secured Party, hold the same in trust for the Secured Party and deliver the same forthwith to the Secured Party in the exact form received, duly endorsed by such Grantor to the Secured Party, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Secured Party so requests, signature guaranteed, to be held by the Secured Party, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Secured Party to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Secured Party, be delivered to the Secured Party to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Secured Party, hold such money or property in trust for the Secured Party, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

4.7 Intellectual Property.

Except in any respect that would not materially impair the right, power, authority and ability of the Grantors to use their Intellectual Property as necessary or

convenient for the profitable conduct of their businesses and would not reasonably be expected to have a Material Adverse Effect:

(a) Such Grantor shall not do any act or knowingly omit to do any act whereby any material Trademark may become invalidated or impaired in any way.

(b) Such Grantor (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.

(c) Such Grantor will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(d) Such Grantor will use proper statutory notice in connection with the use of each material Trademark and Copyright included in the Intellectual Property.

(e) Such Grantor will notify the Secured Party immediately if it knows, or has reason to know, that any application or registration relating to any material 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.

(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 Secured Party within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Secured Party, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Secured Party may request to evidence the Secured Party's security interest in any Copyright, Trademark or other Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such 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 material Intellectual Property, including, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(h) Such Grantor will not, without the prior written consent of the Secured Party, discontinue use of or otherwise abandon any Intellectual Property, or abandon any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect and, in which case, such Grantor shall give prompt notice of any such abandonment to the Secured Party in accordance herewith.

(i) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such 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 Secured Party after it learns thereof and sue for infringement, misappropriation or dilution, seek injunctive relief where appropriate and recover any and all damages for such infringement, misappropriation or dilution.

(j) Such Grantor agrees that, should it obtain an ownership interest in any item of intellectual property which is not now a part of the Intellectual Property Collateral (the "After-Acquired Intellectual Property"), (i) the provisions of Section 2 shall automatically apply thereto, (ii) any such After-Acquired Intellectual Property, and in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Intellectual Property Collateral, (iii) it shall give prompt (and, in any event within 15 days after the date of such acquisition) written notice thereof to the Secured Party in accordance herewith, and (iv) it shall provide the Secured Party promptly (and, in any event within 15 days after the date of such acquisition) with an amended Schedule 6 hereto reflecting the acquisition of such After-Acquired Intellectual Property. Such Grantor authorizes the Secured Party to modify this Agreement by amending Schedule 6 hereto if such Grantor fails to provide the Secured Party with satisfactory amended schedules hereto or thereto within the time period required hereunder (and will cooperate with the Secured Party in effecting any such amendment) to include any After-Acquired Intellectual Property which becomes part of the Intellectual Property Collateral under this Section, and to record any such modified agreement with the United States Patent and Trademark Office, the United States Copyright Office, or any other applicable Governmental Authority.

4.8 Miscellaneous Covenants

(a) The Secured Party and such persons as the Secured Party may reasonably designate (subject to such person executing an agreement to be bound by Section 8.14 of the Credit Agreement) shall have the right, at the cost and expense of the Grantors to inspect all of its records (and to make extracts and copies from such records), to discuss its affairs with its officers and independent accountants and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral owned or held by it or on its behalf, including, in the case of Accounts, Pledged Debt or Collateral in the possession of any third person, by contacting account debtors, obligors or the third person possessing such Collateral for the purpose of making such a verification provided however, prior to the occurrence of an Event of Default, such contacts shall be made not more than once in any twelve month period and only by an independent auditor not affiliated with the Secured Party and in a manner that does not identify the Secured Party. Subject to Section 8.14 of the Credit Agreement, the Secured Party shall have the right to share any information it gains from such inspection or verification with any successor or assign of the Secured Party.

(b) At its option, the Secured Party may discharge past-due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and not permitted pursuant to the Loan Documents, and may pay for the maintenance and preservation of the Collateral to the extent any Grantor fails to do so as and to the extent required by the Credit Agreement or this Security Agreement, and such Grantor agrees, jointly with the others and severally, to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization; provided, however, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(c) If at any time any Grantor shall take a security interest in any property of an account debtor or any other person to secure payment and performance of an Account or any Pledged Debt, such Grantor shall promptly assign such security interest to the Secured Party. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other persons granting the security interest.

(d) Each of the Grantors shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and such Grantor agrees, jointly with the others and severally, to

indemnify and hold harmless the Secured Party from and against any and all liability for such performance.

(e) None of the Grantors will, without the Secured Party's prior written consent, grant any extension of the time of payment of any of the Accounts or any of the Pledged Debt, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current or past practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged.

SECTION 5 REMEDIAL PROVISIONS

5.1 Remedies Upon an Event of Default.

At any time when an Event of Default has occurred and is continuing, the Secured Party may exercise and enforce, in any order, (i) each and all of the rights and remedies available to a secured party upon default under the Uniform Commercial Code or other applicable law, (ii) each and all of the rights and remedies available to it under the Credit Agreement or any other Loan Document and (iii) each and all of the following rights and remedies:

(a) *Collection Rights.* Without notice to any Grantor or any other Loan Party, the Secured Party may notify any or all account debtors and obligors on any Accounts, Instruments or other claims constituting Collateral of the Secured Party's security interests therein and may direct demand and enforce payment thereof directly to the Secured Party.

(b) *Taking Possession.* The Secured Party may (i) enter upon any and all premises owned by any Grantor and subject to applicable law and/or reasonable notice to such Grantor and the lessor of any premises leased by such Grantor where Collateral is located (or believed by the Secured Party to be located), with or (to the fullest extent permitted by law) without judicial process and without any obligation to pay rent, (ii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Secured Party deems appropriate, and (iii) take possession of all items of Collateral that are not then in its possession, either upon such premises or by removal from such premises, and (iv) require any Grantor or the Person in possession thereof to deliver such Collateral to the Secured Party at one or more locations designated by the Secured Party and reasonably convenient to it and each Grantor owning an interest therein.

(c) *Foreclosure.* The Secured Party may sell, lease, license or otherwise dispose of or transfer any or all of the Collateral or any part thereof in one or more parcels at public sale or in private sale or transaction, on any exchange or market or at the Secured Party's offices or on any Grantor's premises or at any other location, for cash, on credit or for future delivery, and may enter into all contracts necessary or appropriate in connection therewith, without any notice whatsoever unless required by law. Where permitted by law, the Secured Party may be the purchaser at any such sale and in such event, the Secured Party may bid part or all of the Obligations owing to it without necessity of any cash payment on account of the purchase price, even though any other purchaser at such sale is required to bid a purchase price payable in cash. Each Grantor agrees that at least 10 calendar days' written notice to such Grantor of the time and place of any public sale of Collateral owned by it (or, to the extent such Grantor is entitled by law to notice thereof, the public sale of any other Collateral), or the time after which any private sale of Collateral owned by it (or, to the extent such Grantor is entitled by law to notice thereof, the private sale of any other Collateral) is to be made, shall be commercially reasonable. For purposes of such notice, to the fullest extent permitted by law (i) each Grantor waives notice of any sale of Collateral owned by any other Grantor and (ii) each Grantor agrees that notice given to the Borrower shall constitute notice given to such Grantor. The giving of notice of any such sale or other disposition shall not obligate the Secured Party to proceed with the sale or disposition, and any such sale or disposition may be postponed or adjourned from time to time, without further notice.

(d) *Use of Intellectual Property.* The Secured Party may cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Collateral by the applicable Grantors to the Secured Party, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Secured Party shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained). The Secured Party may also, on a royalty free basis, use and license use of any trademark, trade name, trade style, copyright, patent or technical knowledge or process owned, held or used by any Grantor in respect of any Collateral as to which any right or remedy of the Secured Party is exercised or enforced.

In addition, the Secured Party may exercise and enforce such rights and remedies for collection as may be available to it by law or agreement.

5.2 Waivers by Grantors.

Each Grantor hereby irrevocably waives to the fullest extent permitted by law (a) all rights of redemption from any foreclosure sale, (b) the benefit of all valuation, appraisal, exemption and moratorium laws, (c) all rights to notice or a hearing prior to the exercise by the Secured Party of its right to take possession of any Collateral, whether by self-help or by legal process and any right to object to the Secured Party taking

possession of any Collateral by self-help, and (d) if the Secured Party seeks to obtain possession of any Collateral by replevin, claim and delivery, attachment, levy or other legal process, (i) any notice or demand for possession prior to the commencement of legal proceedings, (ii) the posting of any bond or security in any such proceedings, and (iii) any requirement that the Secured Party retain possession and not dispose of any Collateral until after a trial or final judgment in such proceedings.

5.3 Standard of Care.

The powers conferred on the Secured Party 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 exercise of reasonable care in the custody of any Collateral in its possession and the accounting for and application pursuant to Sections 5.5 and 5.6 of moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or to protect, preserve, vote or exercise any rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property or if it selects, with reasonable care, a custodian to hold such Collateral on its behalf.

5.4 Application of Proceeds.

Except as expressly provided elsewhere in this Agreement, all proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Secured Party, be held by the Secured Party as Collateral for, or then, or at any other time thereafter, applied in full or in part by the Secured Party against, the Obligations in the following order of priority:

FIRST: To the payment of all reasonable costs and expenses of such sale, collection or other realization, including reasonable compensation to the Secured Party and its agents and counsel, and all other reasonable expenses, liabilities and advances made or incurred by the Secured Party in connection therewith, and all amounts for which the Secured Party is entitled to indemnification hereunder and all reasonable advances made by the Secured Party hereunder for the account of any Grantor, and to the payment of all reasonable costs and expenses paid or incurred by the Secured Party in connection with the exercise of any right or remedy hereunder, all in accordance with Section 7.4;

SECOND: To the payment of all other Obligations then due and payable;
and

THIRD: To the payment to or upon the order of the Grantor entitled thereto, or to whomsoever may be lawfully entitled to receive the same or as a

court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

5.5 Surplus, Deficiency.

Any surplus proceeds of any sale or other disposition by the Secured Party of any Collateral remaining after all Obligations are paid in full and in cash and all funding commitments under the Credit Agreement shall have expired or been terminated shall be paid over to the Grantor entitled thereto, or to whomever may be lawfully entitled to receive such surplus or as a court of competent jurisdiction may direct. The Borrower and each Guarantor shall be and remain liable for any deficiency.

5.6 Information Related to the Collateral.

If, during the continuance of an Event of Default, the Secured Party determines to sell or otherwise transfer any Collateral, each Grantor shall, and shall cause any Person controlled by it to, furnish to the Secured Party all information the Secured Party may request that pertains to the value or condition of the Collateral or that would or might facilitate such sale or transfer. The Secured Party shall have the right, subject to a reasonable and appropriate confidentiality obligation or agreement, freely to disclose such information, and any and all other information (including confidential information) pertaining in any manner to the Collateral or the assets, liabilities, results of operations, business or prospects of the Secured Party, freely to any Person that the Secured Party in good faith believes to be a potential or prospective purchaser in such sale or transfer, without liability for any disclosure, dissemination or use that may be made as to such information by any such Person.

5.7 Sale Exempt from Registration.

The Secured Party shall be entitled at any such sale or other transfer, if it deems it advisable to do so, to restrict the prospective bidders or purchasers to Persons who will provide assurances satisfactory to the Secured Party that the Collateral may be offered and sold to them without registration under the Securities Act of 1933, as amended, and without registration or qualification under any other applicable state or federal law. Upon the consummation of any such sale, the Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. The Secured Party may solicit offers to buy the Collateral, or any part of it, from a limited number of investors deemed by the Secured Party, in its good faith judgment or in good faith reliance upon advice of its counsel, to meet the requirements to purchase securities under Regulation D promulgated under the Securities Act of 1933 as then in effect (or any other regulation of similar import). If the Secured Party solicits such offers from such investors, then the acceptance by the Secured Party of the highest offer obtained from any of them shall be deemed to be a commercially reasonable method of disposition of the Collateral.

5.8 Rights and Remedies Cumulative.

The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers or privileges or remedies provided by law or in equity, or under any other instrument, document or agreement. The Secured Party may exercise and enforce each right and remedy available to it either before or concurrently with or after, and independently of, any exercise or enforcement of any other right or remedy of the Secured Party against any Person or property. All such rights and remedies shall be cumulative, and no one of them shall exclude or preclude any other.

SECTION 6 THE SECURED PARTY

6.1 Secured Party's Appointment as Attorney-in-Fact, etc.

(a) Each Grantor hereby irrevocably constitutes and appoints the Secured Party 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 Secured Party 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 endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable 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 Secured Party for the purpose of collecting any and all such moneys due under any Receivable 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 Secured Party may request to evidence the Secured Party's 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 reasonably required in the conduct of the business of such Grantor 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, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) 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 Secured Party or as the Secured Party shall direct; (2) 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; (3) sign and endorse 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; (4) 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; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Secured Party may deem appropriate; (7) assign any Copyright or Trademark (along with the goodwill of the business to which any such Copyright or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Party shall in its sole discretion determine; and (8) 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 Secured Party were the absolute owner thereof for all purposes, and do, at the Secured Party's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's 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 Secured Party 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.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Secured Party, 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 Secured Party 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 rate per annum at which interest would then be payable under

Section 2.09(c) of the Credit Agreement, from the date of payment by the Secured Party to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Secured Party 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.

6.2 Duty of Secured Party.

The Secured Party's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Secured Party deals with similar property for its own account. Neither the Secured Party nor any of its respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates 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 Secured Party hereunder are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted solely from its own gross negligence or willful misconduct.

6.3 Execution of Financing Statements.

Pursuant to Section 9-402 of the New York UCC and any other applicable law, each Grantor authorizes the Secured Party 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 Secured Party reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Secured Party 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 7
MISCELLANEOUS**

7.1 Amendments in Writing.

None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Grantor and the Secured Party, provided that any provision of this Agreement imposing obligations on any Grantor may be waived by the Secured Party in a written instrument executed by the Secured Party in accordance with Section 8.02 of the Credit Agreement.

7.2 Notices.

All notices, requests and demands to or upon the Secured Party or any Grantor hereunder shall be effected in the manner provided for in Section 8.01 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

7.3 No Waiver by Course of Conduct; Cumulative Remedies.

The Secured Party shall not, 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 Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

7.4 Enforcement Expenses; Indemnification.

(a) Each Grantor agrees to pay or reimburse the Secured Party for all its reasonable costs and expenses incurred in collecting against such Grantor under the Guaranty or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including, without limitation, the fees and disbursements of counsel (including the reasonable allocated fees and expenses of in-house counsel) to the Secured Party.

(b) Each Grantor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, obligations, losses, damages, penalties, 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 the Borrower would be required to do so pursuant to the Credit Agreement.

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

7.5 Successors and Assigns.

This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Party and its 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 Secured Party.

7.6 Set-Off.

Each Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time while an Event of Default shall have occurred and be continuing, 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 Secured Party to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Secured Party may elect, against and on account of the obligations and liabilities of such Grantor to the Secured Party hereunder and claims of every nature and description of the Secured Party against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Secured Party may elect, whether or not the Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The rights of the Secured Party under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Secured Party may have.

7.7 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.

7.8 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition

or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.9 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.

7.10 Integration.

This Agreement and the other Loan Documents represent the entire agreement of the Grantors and the Secured Party with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

7.11 GOVERNING LAW.

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

7.12 Submission To Jurisdiction; Waivers.

Each Grantor hereby irrevocably and unconditionally:

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

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

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 7.2 or at such other address of which the Secured Party shall have been notified pursuant thereto;

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

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

7.13 Acknowledgments.

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) the Secured Party has no 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 Secured Party, 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 Grantors and the Secured Party.

7.14 Additional Grantors.

Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 5.11 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 2 hereto.

7.15 Security Interest Absolute.

All rights of the Secured Party hereunder, the security interest and all obligations of each of the Grantors hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to any of the foregoing, (iii) any exchange, release or non-perfection of any Lien on any other collateral, or any release or amendment or waiver of, or consent under, or departure from, any guaranty securing or guaranteeing all or any of the Obligations or (iv) any other

circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or in respect of this Security Agreement or any other Loan Document.

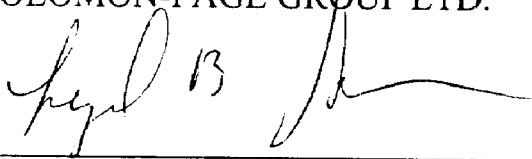
7.16 WAIVER OF JURY TRIAL.

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

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

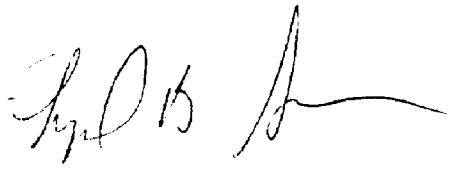
IN WITNESS WHEREOF, each of the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

THE SOLOMON-PAGE GROUP LTD.

By: 

Name:
Title: *Vel Chairman & CEO*

INFORMATION TECHNOLOGY PARTNERS, INC.

By: 

Name: *Lloyd B. Solomon*
Title: *Executive Vice President*

NOTICE ADDRESSES OF GRANTORS

The Solomon-Page Group Ltd.
1140 Avenue of the Americas
New York, NY 10036

Information Technology Partners, Inc.
1140 Avenue of the Americas
New York, NY 10036

DESCRIPTION OF PLEDGED INVESTMENT PROPERTY

Capital Stock:

<u>Issuer</u>	<u>Issuer's Jurisdiction Under New York UCC Section 9-103(b)(c)</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>Percentage of Shares</u>	<u>No. of Shares</u>
Information Technology Partners, Inc.	New York County	Common	1	100%	100

Pledge Notes:

None

Pledged Debt Securities:

None

Pledged Security Entitlements

None

Pledge Commodity Contracts:

None

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filing

Debtor

Filing Office

The Solomon-Page Group Ltd.

New York, Secretary of State
New York County, New York
New Jersey, Secretary of State
Middlesex County, New Jersey
California, Secretary of State
Santa Clara County, California
San Diego County, California

Information Technology Partners, Inc.

New York, Secretary of State
New York County, New York
New Jersey, Secretary of State
Middlesex County, New Jersey
Morris County, New Jersey
California, Secretary of State
Santa Clara County, California
San Diego County, California

Copyright and Trademark Filing

The Solomon-Page Group Ltd.

<u>Trademark</u>	<u>App No.</u>	<u>Reg. No.</u>	<u>Location of Filing</u>
THE BANKERS REGISTER	73/339,021	1,331,463	USPTO
THE BANKERS REGISTER	74/110,433	1,705,322	USPTO
SOLOMON-PAGE GROUP	75/923,304		USPTO
MISC. Design (SPG LOGO)	75/917,546		USPTO
BERARDI & ASSOCIATES	75/917,549		USPTO
EASTON PARTNERS	76/018,481		USPTO
HR PARTNERS	75/937,723		USPTO
LEGAL AUDITIONS	75/917,547		USPTO

Information Technology Partners, Inc.

Trademark	State	App. No.	Reg. No	Location of Filing
INFORMATION TECHNOLOGY PARTNERS	Georgia	S-18501	S-18501	NY State NY County
ITP	Georgia	S-18500	S-18500	NY State NY County
INFORMATION TECHNOLOGY PARTNERS	New Jersey			NJ State NJ Middlesex NJ Morris
ITP	New Jersey			NJ State NJ Middlesex NJ Morris
INFORMATION TECHNOLOGY PARTNERS	New York	S-17217	S-17217	NY State NY County
ITP	New York	S-17218	S-17218	NY State NY County

Actions with respect to Investment Property

The Grantors shall deliver this Agreement, fully executed, and certificates representing the Pledged Securities to the Secured Party.

Other Actions

None

LOCATION OF JURISDICTION OF ORGANIZATION AND
CHIEF EXECUTIVE OFFICE

Grantor

Location

The Solomon-Page Group Ltd.

1140 Avenue of the Americas
New York, New York 10036

Information Technology Partners, Inc.

1140 Avenue of the Americas
New York, New York 10036

LOCATION OF INVENTORY AND EQUIPMENT

<u>Grantor</u>	<u>Places of Business</u>
The Solomon-Page Group, Ltd.	1140 Avenue of the Americas New York, NY 10036
	499 Thornall St. Edison, New Jersey 08837
	7676 Hazard Center Drive San Diego, CA 92108
Information Partners, Inc.	2841 Junction Avenue San Jose, CA 95134
	Technology 1140 Avenue of the Americas New York, NY 10036
	499 Thornall St. Edison, New Jersey 08837
	2841 Junction Avenue San Jose, CA 95134
	2001 Route 46 Suite 310 Parsippany, NJ 07054

COPYRIGHTS

None

TRADEMARKS

<u>Trademark</u>	<u>App. No.</u>	<u>Reg. No.</u>
THE BANKERS REGISTER	73/339,021	1,331,463
THE BANKERS REGISTER	74/110,433	1,705,322
SOLOMON-PAGE GROUP	75/923,304	
MISC. Design (SPG LOGO)	75/917,546	
BERARDI & ASSOCIATES	75/917,549	
EASTON PARTNERS	76/018,481	
HR PARTNERS	75/937,723	
LEGAL AUDITIONS	75/917,547	

Information Technology Partners, Inc.

<u>Trademark</u>	<u>State</u>	<u>App. No.</u>	<u>Reg. No</u>
INFORMATION TECHNOLOGY PARTNERS	Georgia	S-18501	S-18501
ITP	Georgia	S-18500	S-18500
INFORMATION TECHNOLOGY PARTNERS	New Jersey		
ITP	New Jersey		
INFORMATION TECHNOLOGY PARTNERS	New York	S-17217	S-17217
ITP	New York	S-17218	S-17218

LICENSES OF INTELLECTUAL PROPERTY

None

OTHER INTELLECTUAL PROPERTY

None

EXISTING PRIOR LIENS

See Attached

THE SOLOMON-PAGE GROUP LTD.
 INFORMATION TECHNOLOGY PARTNERS, INC.
 Lien Search Summary Chart

I. UCC Filings

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date (if any)</u>	<u>Filing Number (if any)</u>	<u>Description of Collateral</u>	<u>Comments</u>
Information Technology Partners, Inc.		S/S Delaware				1) No presently effective financing statements on file through 8/31/2000
Information Technology Partners, Inc.	The Dime Savings Bank of New York, FSB	S/S New York	3/3/99	041814	All personal property and fixtures	
Information Technology Partners, Inc.	The Dime Savings Bank of New York, FSB	New York County, NY	2/21/97	0075112279	All personal property and fixtures	
Information Technology Partners, Inc.		S/S New Jersey				1) No presently effective financing statements on file through 9/29/2000.
		Middlesex County, NJ				1) No presently effective financing statements on file through 10/11/2000.
		Morris County, NJ				1) No presently effective financing statements on file through 10/6/2000.
Information Technology Partners, Inc.	Union Bank	S/S California	7/1/1996	9618560683	Blanket lien	1) Amendment filing (9/1/99,99257C0298) adding collateral.
Information Technology Partners, Inc.		San Diego County, CA				1) No presently effective financing statements on file through 10/25/2000.

HWY 11007

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date (if any)</u>	<u>Filing Number (if any)</u>	<u>Description of Collateral</u>	<u>Comments</u>
Information Technology Partners, Inc.		Santa Clara County, CA				1) No presently effective financing statements on file through 10/19/2000.
The Solomon-Page Group Ltd.		S/S Delaware				1) No presently effective financing statements on file through 8/31/2000.
Solomon Page Group Ltd.	GreatAmerica Leasing Corp, assignee of (MDM Copying Services Inc)	S/S New York	8/27/1997	178643	Equipment	
The Solomon Page Group LTD.	GreatAmerica Leasing Corp, assignee of (MDM Copyig Services, Inc.)	S/S New York	10/27/1997	222138	Equipment	
The Solomon Page Group Ltd.	The Dime Savings Bank of New York, FSB	S/S New York	4/29/1998	990794	All property	
Solomon Page Group Ltd.	GreatAmerica Leasing Corp, assignee of (MDM Copyig Services, Inc.)	S/S New York	8/24/1998	182129	Equipment	
Solomon-Page Group Ltd., as Lessee	AT&T Credit Corporation, as Lessor	S/S New York	9/29/1998	207516	Equipment	
Solomon Page Group Ltd.	GreatAmerica Leasing Corp, assignee of (MDM Copyig Services, Inc.)	S/S New York	10/8/1998	258300	Equipment	
Solomon Page Group Ltd.	GreatAmerica Leasing Corp, assignee of (MDM Copyig Services, Inc.)	S/S New York	8/9/2000	155350	Equipment	
The Solomon-Page Group Ltd.	The Dime Savings Bank of New York, FSB	New York County, NY	3/21/1997	97PN12277	All personal property and fixtures	
Solomon Page Group Ltd.	GreatAmerica Leasing Corp, assignee of (MDM Copyig Services, Inc.)	New York County, NY	9/19/1997	97PN42655	Equipment	

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date (if any)</u>	<u>Filing Number (if any)</u>	<u>Description of Collateral</u>	<u>Comments</u>
The Solomon-Page Group Ltd	The Dime Savings Bank of New York, FSB	New York County NY	5/6/1998	98PN22423	All property	
Solomon-Page Group Ltd.	GreatAmerica Leasing Corp. assignee of (MDM Copyig Services, Inc.)	New York County, NY	8/31/1998	98PN46123	Equipment	
Solomon-Page Group Ltd, as Lessee	AT&T Credit Corporation, as Lessor	New York County, NY	10/1/1998	98PN52188	Equipment	
Solomon Page Group Ltd	GreatAmerica Leasing Corp. assignee of (MDM Copyig Services, Inc.)	New York County, NY	8/10/2000	00PN39957	Equipment	1) Copy of UCC not available - in process of being microfilmed
Solomon-Page Group, Ltd. (Inc.), Lessee	Newcourt Communications Finance Corporation, as Lessor	S/S New Jersey	3/30/1999	1897095	Equipment	
The Solomon-Page Group, Ltd.		Middlesex county, NJ				1) No presently effective financing statements on file through 10/11/2000.
Solomon Page Group, Ltd.	Ervin Leasing Company	S/S California	2/20/1998	9805661222	Equipment	
Solomon Page Group Ltd.	Ervin Leasing Company	S/S California	2/19/1999	9921060362	Equipment	
Solomon-Page Group Ltd. (Inc.)	Fidelity Leasing Inc.	S/S California	3/31/2000	0009661061	Equipment	
The Solomon-Page Group, Ltd.		Santa Clara County, CA				1) No presently effective financing statements on file through 10/25/2000
The Solomon-Page Group, Ltd.		San Diego County, CA				1) No presently effective financing statements on file through 10/19/2000.

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date (if any)</u>	<u>Filing Number (if any)</u>	<u>Description of Collateral</u>	<u>Comments</u>
Scott Page		S/S New York				1) No presently effective financing statement and federal tax liens on file through 10/23/2000.
Scott Page		Nassau County, NY				1) No presently effective financing statements, federal and state tax liens and judgments on file through 10/4/2000.
Herbert Solomon		S/S New York				1) No presently effective financing statements and federal tax liens on file through 10/23/2000.
Herbert Solomon Sheila Solomon	Chemical Bank	Nassau County, NY	3/7/94	94-001315	Shares of stock in and/or Proprietary Lease from a corporation or partnership formed for the purpose of cooperative ownership or real property, Proprietary Lease and Certificate of Stock for 1372 Shares of Meadow Lane Equities Corporation	1) Fixture filing. 2) Amendment filing (4/8/94) amending para #9 3) Assignment filing - to G.E. Capital Mortgage Services, Inc.
Herbert Solomon	The Chase Manhattan Bank c/o	Nassau County, NY		90-012720	All personal property	

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date (if any)</u>	<u>Filing Number (if any)</u>	<u>Description of Collateral</u>	<u>Comments</u>
Lloyd Solomon		S/S New York				1) No presently effective financing statements and federal tax liens on file through 10/23/2000.
Lloyd Solomon		New York County, NY				1) No presently effective financing statements, federal and state tax liens and judgments on file through 10/4/2000

II. Summary of Federal Tax Liens, State Tax Liens, Pending Suits and Judgments

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date</u>	<u>Filing Number</u>	<u>Amount</u>	<u>Comments</u>
Information Technology Partners, Inc.	N/A	S/S New York				1) No federal tax liens on file through 9/6/2000.
Information Technology Partners, Inc.	N/A	New York County, NY				1) No federal tax lien on file through 8/14/2000. 2) No judgment on file through 8/25/2000.
Information Technology Partners, Inc.	NYC Department of Finance	NY County Clerks Office - NY City Tax Warrant	9/25/2000	5998830	\$16,603.87	3) No pending suits on file through 9/8/2000
Information Technology Partners, Inc.		Middlesex County, NJ				1) No federal tax liens and judgments on file through 10/11/2000.

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date</u>	<u>Filing Number</u>	<u>Amount</u>	<u>Comments</u>
Information Technology Partners, Inc.		Morris County, NJ				1) No federal tax liens and judgments through 10/6/2000
Information Technology Partners, Inc.		S/S California				1) No federal and state tax liens on file through 10/6/2000.
Information Technology Partners, Inc.		San Diego County, CA				1) No federal and state tax liens on file through 10/25/2000 2) No pending suits and judgments on file through 10/17/2000.
Information Technology Partners, Inc.		Santa Clara County, CA				1) No federal and state tax liens and pending suits and judgments on file through 10/19/2000.
The Solomon-Page Group Ltd.	N/A	S/S New York				1) No federal tax liens on file through 9/6/2000

<u>Name of Debtor</u>	<u>Name of Secured Party</u>	<u>Jurisdiction</u>	<u>Filing Date</u>	<u>Filing Number</u>	<u>Amount</u>	<u>Comments</u>
The Solomon-Page Group Ltd.	N/A	New York County, NY				1) 1) No federal tax lien on file through 8/16/2000 2) No state tax lien and judgment on file through 8/25/2000. 3) No pending suits on file through 9/8/2000
The Solomon-Page Group Ltd.		Middlesex County, NJ				1) No federal tax liens and judgments on file through 10/11/2000
The Solomon-Page Group Ltd.		SS California				1) No federal and state tax liens on file through 10/6/2000.
The Solomon-Page Group Ltd.		San Diego County, CA				1) No federal and state tax liens on file through 10/25/2000. 2) No pending suits and judgments on file through 10/17/2000.
The Solomon-Page Group Ltd.		San Clara County, CA				1) No federal and state tax liens and pending suits and judgments on file through 10/19/2000.

ASSUMPTION Agreement, dated as of _____, 199__, made by _____, a _____ corporation (the "Additional Grantor"), in favor of The Bank of New York. (the "Secured Party").

W I T N E S S E T H :

WHEREAS, The Solomon-Page Group, Ltd. (the "Borrower") and the Secured Party have entered into a Credit Agreement, dated as of October __, 2000 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement;

WHEREAS, in connection with the Credit Agreement, the Borrower and certain of its Subsidiaries have entered into the Security Agreement, dated as of October __, 2000 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement") in favor of the Secured Party for the benefit of the Lenders;

WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Security Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Security Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Security Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 5.11 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 Annex 2-A hereto is hereby added to the information set forth in Schedules _____* to the Security Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 3 of the Security Agreement is true and correct on and as the date hereof (after giving effect to this Assumption agreement) as if made on and as of such date.

* Refer to each Schedule which needs to be supplemented.

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

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

[ADDITIONAL GRANTOR]

By: _____
Name: _____
Title: _____