

01-16-2001



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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

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

Conveyance Type

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

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

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/AK/A/T/A

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

01/16/2001 DNGUYEN 00000089 2266039

01 FC:481 40.00 DP
02 FC:482 75.00 DP

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

20537

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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)

Return To

National Corporate Research, LTD.
225 W. 34th St., Suite 910
New York, N.Y. 10122
(800) 221-0102 (212) 947-7200

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)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2266039"/>	<input type="text" value="1814371"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2261931"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2020206"/>	<input type="text"/>	<input type="text"/>

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.

Roger S. Chari
Name of Person Signing

Roger S. Chari
Signature

12/31/00
Date Signed

U.S. SECURITY AGREEMENT

U.S. SECURITY AGREEMENT (the "Agreement"), dated as of December 20, 2000, made by EACH OF THE PLEDGORS LISTED ON THE SIGNATURE PAGES HERETO OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (collectively, the "Pledgors", and each, a "Pledgor"), in favor of BNP PARIBAS, having an office at 10 Harewood Avenue, London, UK NW1 6AA, England, in its capacity as security agent (in such capacity and together with any successors in such capacity, "Security Agent") for its benefit and the benefit of the other Secured Parties (as hereinafter defined).

RECITALS:

A. Pursuant to a certain agreement, dated as of the date hereof, among Peek Holding Corporation (the "Parent"), certain of its Subsidiaries (including the Pledgors), BNP Paribas, as Arranger, Underwriter, Facility Agent and Security Agent, and the lenders from time to time party thereto (as amended, amended and restated, supplemented or otherwise modified from time to time (including, without limitation, by way of increase of the Facilities made available thereunder), the "Facilities Agreement"; capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Facilities Agreement), (i) the lenders thereunder have agreed to make available certain Term Facilities to or for the account of certain of the Obligors, and the Pledgors have agreed to guarantee the obligations of such Obligors with respect thereto, and (ii) the lenders thereunder have agreed to make available a Revolving Facility (including Bank Guarantees) to or for the account of certain Obligors, including the Pledgors, and each Pledgor has agreed to secure its direct obligations thereunder and guarantee the obligations of the other Obligors (including the other Pledgors) with respect thereto.

B. Pursuant to a certain agreement, dated as of the date hereof, among the Parent, certain of its Subsidiaries (including the Pledgors), BNP Paribas, as Mezzanine Arranger, Mezzanine Facility Agent and Security Agent, and the lenders from time to time party thereto (as amended, restated, amended and restated, supplemented or otherwise modified or documented from time to time (including, without limitation, by way of execution of a full form credit agreement referenced in Section 4(a) thereof or by way of increase of the loan facility made available thereunder), the "Mezzanine Loan Agreement"), (i) the lenders thereunder have agreed to make available a certain loan facility to or for the account of certain of the Obligors, and the Pledgors have agreed to guarantee the obligations of such Obligors with respect thereto.

C. It is contemplated that certain Subsidiaries of the Parent may enter into one or more Hedging Agreements with one or more Hedging Lenders fixing the interest rates with respect to the Facilities (all obligations of such Subsidiaries now existing or hereafter arising under such Hedging Agreements, collectively, the "Hedging Obligations").

D. Each Pledgor is or will be the legal and beneficial owner of the Collateral (as hereinafter defined) to be pledged by it hereunder.

E. It is a condition (i) to the obligations of the lenders under the Facilities Agreement to make the Facilities available under the Facilities Agreement, (ii) to the obligations of the lenders under the lenders under the Mezzanine Loan Agreement to make the loan facilities under the

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Mezzanine Loan Agreement and (iii) to any Hedging Lender entering into a Hedging Agreement that each Pledgor execute and deliver this Agreement.

F. BNP Paribas has been appointed by the other Finance Parties under the Facilities Agreement and by the other Mezzanine Finance Parties under the Mezzanine Loan Agreement (together with BNP Paribas, as Security Agent, collectively, the "Secured Parties") as Security Agent to hold all security granted by the Pledgors in connection with the Senior Finance Documents, the Mezzanine Finance Documents and the Hedging Agreements (as amended, amended and restated, supplemented or otherwise modified from time to time, collectively, the "Documents"), all in accordance with the terms of an Intercreditor Deed executed by the Obligors and the Secured Parties.

G. This Agreement is given by each Pledgor in favor of Security Agent for its benefit and the benefit of the other Secured Parties to secure the payment and performance when due of all of the Secured Obligations (as defined in Section 2).

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and Security Agent hereby agree as follows:

Section 1. Pledge. As collateral security for the payment and performance when due of all of the Secured Obligations, each Pledgor hereby pledges, assigns, transfers and grants to Security Agent for its benefit and the benefit of the other Secured Parties, a continuing first priority security interest in and to all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (collectively, the "Collateral"):

- (a) all "accounts" (the "Accounts"), as such term is defined in the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction (the "UCC");
- (b) all "inventory", as such term is defined in the UCC;
- (c) all "equipment" (the "Equipment"), as such term is defined in the UCC;
- (d) any and all sale, service, performance and equipment or real property leases, licenses, contracts, agreements and grants (whether written or oral), and any other contract (whether written or oral) between such Pledgor and third parties, but excluding any of the foregoing (i) which would be terminable by the counterparty thereto if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from such counterparty to the grant of a security interest therein (collectively, the "Contracts");
- (e) all "general intangibles", as such term is defined in the UCC;

(f) all insurance policies held by such Pledgor or naming such Pledgor as insured, additional insured or loss payee (including, without limitation, casualty insurance, liability insurance, property insurance and business interruption insurance), and all rights, claims and recoveries relating thereto (including all dividends, returned premiums and other rights to receive money in respect of any of the foregoing) (collectively, the "Insurance Policies");

(g) such Pledgor's right to receive the surplus funds, if any, which are payable to such Pledgor following the termination of any employee pension plan and the satisfaction of all liabilities of participants and beneficiaries under such plan in accordance with applicable law (collectively, the "Pension Plan Reversions");

(h) the issued and outstanding shares of capital stock of each Subsidiary described in Schedule I hereto and each other Subsidiary hereafter acquired or formed by such Pledgor (the "Pledged Shares"), including the certificates, if any, representing the Pledged Shares and any interest of such Pledgor in the entries on the books of the applicable Subsidiary or any financial intermediary pertaining to the Pledged Shares; provided that such Pledgor shall not be required to pledge shares possessing more than 65% of the voting power of all classes of capital stock entitled to vote of any Subsidiary which is a controlled foreign corporation (as defined in Section 957(a) of the Internal Revenue Code of 1986, as amended from time to time (the "Tax Code")) and, in any event, shall not be required to pledge the shares of stock of any Subsidiary otherwise required to be pledged pursuant to this clause to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would trigger an increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code; provided, further, that if following a change in the relevant sections of the Tax Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder which would permit a pledge of 66-2/3% or more of the total combined voting power of all classes of stock of any non-United States Subsidiary entitled to vote without causing the undistributed earnings of such non-United States Subsidiary as determined for United States Federal income taxes to be treated as a deemed dividend to such Pledgor for United States Federal income tax purposes, then the 65% limitation set forth above shall no longer be applicable and such Pledgor shall duly pledge and deliver to Security Agent such maximum additional percentage of the capital stock not theretofore required to be pledged hereunder as will not cause such a deemed dividend to have been made;

(i) subject to the proviso set forth in clause (h) above, all additional shares of capital stock of whatever class of any issuer of the Pledged Shares from time to time acquired by such Pledgor in any manner (which shares shall be deemed to be part of the Pledged Shares), including the certificates representing such additional shares and any interest of such Pledgor in the entries on the books of the applicable corporation or any financial intermediary pertaining to such additional shares;

(j) all options, warrants, rights, agreements and additional interests relating to each Subsidiary described in clause (h) above or any interest in any such Subsidiary, including, without limitation, any right relating to the equity interests in any such Subsidiary or under any shareholder or similar agreement of any such Subsidiary (collectively, the "Additional Interests");

together with the Pledged Shares, the "Pledged Securities") from time to time acquired by such Pledgor in any manner and the certificates, instruments and agreements, if any, representing the Additional Interests;

(k) all intercompany notes described on Schedule II hereto (the "Intercompany Notes") and all other notes entered into with another Subsidiary of the Parent after the date hereof, all certificates or instruments evidencing such Intercompany Notes and all proceeds thereof, all accessions thereto and substitutions therefor;

(l) all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes (collectively, "Distributions");

(m) without affecting the obligations of such Pledgor under any provision prohibiting such action hereunder or under the Facilities Agreement, in the event of any reorganization, consolidation or merger in which any Subsidiary listed on Schedule I hereto is not the surviving entity, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company or partnership owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from such reorganization, consolidation or merger;

(n) patents issued or assigned to and all patent applications made by such Pledgor, including, without limitation, the patents and patent applications listed on Schedule III hereto, along with any and all (i) inventions and improvements described and claimed therein, (ii) reissues, divisions, continuations, extensions and continuations-in-part thereof, (iii) income, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (iv) rights to sue for past, present and future infringements thereof (collectively, the "Patents");

(o) trademarks (including service marks), logos, federal and state trademark registrations and applications made by such Pledgor, common law trademarks and trade names owned by or assigned to such Pledgor and all registrations and applications for the foregoing, including, without limitation, the registrations and applications listed on Schedule IV hereto, along with any and all (i) renewals thereof, (ii) income, royalties, damages and payments now or hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Trademarks");

(p) copyrights owned by or assigned to such Pledgor, including, without limitation, the registrations and applications listed on Schedule V hereto, along with any and all (i) renewals and extensions thereof, (ii) income, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages

and payments for past, present or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Copyrights");

(q) license agreements and covenants not to sue with any other party with respect to any Patent, Trademark, or Copyright listed on Schedule VI hereto, along with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future breaches thereof, (iii) rights to sue for past, present and future breaches thereof and (iv) any other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights (collectively, the "Licenses");

(r) the entire goodwill and all product lines of such Pledgor's business and other general intangibles, including, without limitation, know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulae connected with the use of and symbolized by the Trademarks of such Pledgor (collectively, the "Good Will");

(s) all security entitlements and all investment property (each as defined in the UCC) of such Pledgor, including, without limitation, (i) the financial accounts maintained with the financial institutions (each, a "Financial Intermediary") identified on Schedule VII hereto, (ii) all moneys, financial assets (as defined in the UCC), checks, drafts, securities and instruments deposited or required to be deposited in such accounts, (iii) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed under subclauses (i) and (ii), and (iv) each consent or other agreement from time to time entered into by such Pledgor with any financial institution at which any of the financial accounts is maintained and all rights of such Pledgor under each such consent or agreement;

(t) all "documents", as such term is defined in the UCC;

(u) all "instruments", as such term is defined in the UCC;

(v) all books, records, ledgers, print-outs, file materials and other papers containing information relating to any of the foregoing;

(w) any and all other property of such Pledgor; and

(x) all "proceeds", as such term is defined in the UCC or under other relevant law, of the foregoing and in any event including, without limitation, any and all (i) proceeds of any insurance (except payments properly made to a person or entity which is not a party to this Agreement), indemnity, warranty or guaranty payable to Security Agent or to such Pledgor from time to time with respect to any of the Collateral, (ii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any federal, state, local, foreign or other governmental or administrative (including self-regulatory) body, instrumentality, department or agency or any court, tribunal, administrative hearing body,

arbitration panel, commission or other similar dispute-resolving body including, without limitation, those governing the regulation and protection of the environment (each, a "Governmental Authority") (or any person acting on behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of the Collateral, (iv) products of the Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Collateral (collectively, the "Proceeds").

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Pledgor shall be deemed to have granted a security interest in, any of such Pledgor's rights or interests in any Collateral (including, without limitation, in any license, contract, or any of its rights or interests thereunder) to the extent that such a grant of a security interest in such Pledgor's rights or interests in such Collateral (i) is prohibited by an applicable contractual obligation or requirement of law and (ii) would result in the breach of the terms of, or constitute a default under, any license, contract, agreement, governmental grant or permit to which the Borrower is a party or, in the case of any governmental grant or permit, any law or regulation applicable thereto.

The Pledged Securities, the Intercompany Notes, the Distributions and the Proceeds relating thereto are collectively referred to as the "Securities Collateral". The Patents, the Trademarks, the Copyrights, the Licenses, the Good Will and the Proceeds relating thereto are collectively referred to as the "Intellectual Property Collateral". The property described in clause (s) above and the Proceeds relating thereto are collectively referred to as the "Financial Account Collateral". The Collateral other than the Securities Collateral, the Intellectual Property Collateral and the Financial Account Collateral is collectively referred to as the "General Collateral".

Section 2. Secured Obligations. This Agreement secures, and the Collateral is collateral security for, the payment and performance in full when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the filing of a petition in bankruptcy or the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a) or any successor provision), of (i) all obligations of the Pledgors (whether direct or by way of guarantee) now existing or hereafter arising under or in respect of the Facilities Agreement and the Mezzanine Loan Agreement and all Hedging Obligations now existing or hereafter arising under or in respect of any Hedging Agreement (including, without limitation, the obligations of each Pledgor to pay principal, interest and all other charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in the Facilities Agreement and the Mezzanine Loan Agreement and the obligations contained in any Hedging Agreement), and (ii) without duplication of the amounts described in clause (i), all obligations of the Pledgors now existing or hereafter arising under or in respect of this Agreement, including, without limitation, all charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in this Agreement, in each case whether in the regular course of business or otherwise (the obligations described in clauses (i) and (ii), collectively, the "Secured Obligations").

Section 3. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any person or entity under or in respect of any of the Collateral or shall impose any obligation on Security Agent or any Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on Security Agent or any

Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Finance Agreement, any Hedging Agreement or any other Document, or under or in respect of the Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 3 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, the Finance Agreement, any Hedging Agreement and the other Documents.

Section 4. Perfection; Supplements; Further Assurances; Use of Collateral.

(a) Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral, to the extent not previously delivered to Security Agent, shall immediately upon receipt thereof by any Pledgor be delivered to and held by or on behalf of Security Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Security Agent. Security Agent shall have the right at any time after the occurrence of an Event of Default to exchange certificates representing or evidencing Pledged Securities for certificates of smaller or larger denominations.

(b) Perfection of Uncertificated Securities Collateral. If any issuer of Pledged Securities is organized in a jurisdiction which does not permit the use of certificates to evidence equity ownership, or if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, record such pledge on the equityholder register or the books of the issuer, cause the issuer to execute and deliver to Security Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give Security Agent the right to transfer such Pledged Securities under the terms hereof and, upon the reasonable request of Security Agent, provide to Security Agent an opinion of counsel, in form and substance reasonably satisfactory to Security Agent, confirming such pledge.

(c) Financing Statements and Other Filings. Each Pledgor agrees that at any time and from time to time, upon reasonable request of the Security Agent, it will execute and, at the sole cost and expense of the Pledgors file and refile, or permit Security Agent to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement), in form acceptable to Security Agent, in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office) as Security Agent may deem necessary or appropriate, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, first priority security interest in the Collateral as provided herein and to preserve the other rights and interests granted to Security Agent hereunder, as against third parties, with respect to any Collateral. Each Pledgor authorizes Security Agent to file any such financing or continuation statement or other document without the signature of such Pledgor where permitted by law, and so long as no Event of Default has occurred, Security Agent shall give notice to such Pledgor of such filing.

(d) Perfection in Financial Accounts. In addition to any other actions required herein to be taken by any Pledgor, each applicable Pledgor shall, promptly upon the request of Security Agent after the occurrence of an Event of Default, use reasonable efforts to cause each Financial Intermediary to execute and deliver to Security Agent a financial account consent agreement

substantially in the form of Exhibit 2 hereto acknowledging the security interest and exclusive dominion and control of Security Agent in all Financial Account Collateral on deposit by such Pledgor with such Financial Intermediary.

(e) Motor Vehicles. At any time after the occurrence of an Event of Default, each Pledgor shall, upon the request of Security Agent, deliver to Security Agent originals of the certificates of title or ownership for the motor vehicles, and any other Equipment covered by certificates of title or ownership owned by it, with Security Agent listed as lienholder.

(f) Supplements; Further Assurances. Each Pledgor agrees to do such further acts and things, and to execute and deliver to Security Agent such additional assignments, agreements, supplements, powers and instruments, as Security Agent may deem necessary or appropriate, wherever required or permitted by law, in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to Security Agent hereunder, to carry into effect the purposes of this Agreement or better to assure and confirm unto Security Agent or permit Security Agent to exercise and enforce its respective rights, powers and remedies hereunder with respect to any Collateral. Without limiting the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to Security Agent from time to time such lists, descriptions and designations of the Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments. Security Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as Security Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or perfection of the Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

(g) Use and Pledge of Collateral. Unless an Event of Default shall have occurred, Security Agent shall from time to time execute and deliver, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, any and all instruments, certificates or other documents, in a form reasonably requested by such Pledgor, necessary or appropriate in the reasonable judgment of such Pledgor to enable such Pledgor to continue to exploit, license, use, enjoy and protect the Collateral in accordance with the terms of this Agreement. The Pledgors and Security Agent acknowledge that this Agreement is intended to grant to Security Agent for the benefit of the Secured Parties a security interest in and lien upon the Collateral and shall not constitute or create a present assignment of any of the Collateral.

Section 5. Representations, Warranties and Covenants. Each Pledgor represents, warrants and covenants as follows:

(a) Perfection Actions; Prior Liens. Upon the completion of the deliveries, filings and other actions contemplated in Sections 4(a) through 4(d) hereof, the security interest granted to Security Agent for the benefit of the Secured Parties pursuant to this Agreement in and to the Collateral (other than the Collateral described in Section 4(e)) will constitute a perfected security interest therein, superior and prior to the rights of all other persons or entities therein other than with respect to (i) the liens identified on Annex A hereto relating to the items of Collateral identified on such annex, (ii) with respect to General Collateral acquired after the date hereof,

liens of the type described in clause 20.3(c) of the Facilities Agreement and any similar provision of the Mezzanine Loan Agreement and (iii) liens which are created or authorized under any law or regulation of any applicable Governmental Authority and which are required under such law or regulation to be superior to the lien and security interest created and evidenced hereby (the liens described in this clause (iii), collectively, "the "Governmental Prior Liens"; together with the liens described in clauses (i) and (ii) above, "Prior Liens").

(b) No Liens. Such Pledgor is as of the date hereof, and, as to Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the owner of all Collateral pledged by it hereunder free from any lien or other right, title or interest of any person or entity other than (i) Prior Liens, (ii) the lien and security interest created by this Agreement and (iii) other liens described in clause 20.3(c) of the Facilities Agreement (the "Other Liens"), and such Pledgor shall defend the Collateral pledged by it hereunder against all claims and demands of all persons or entities at any time claiming any interest therein adverse to Security Agent or any Secured Party. There is no agreement, and no Pledgor shall enter into any agreement or take any other action, that would result in the imposition of any other lien, restrict the transferability of any of the Collateral or otherwise impair or conflict with such Pledgors' obligations or the rights of Security Agent hereunder. Such Pledgor shall promptly notify Security Agent of any such imposition, restriction or impairment with respect to the Collateral and the security hereunder whether agreed to by or imposed upon such Pledgor.

(c) Other Financing Statements. There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) evidencing a valid security interest against such Pledgor and covering or purporting to cover any interest of any kind in the Collateral other than financing statements relating to (i) Prior Liens that do not constitute Governmental Prior Liens, (ii) this Agreement and (iii) Other Liens that do not constitute Governmental Prior Liens, and so long as any of the Secured Obligations remain unpaid or the commitments of any Secured Party with respect thereto shall not have expired or been sooner terminated, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Collateral, except, in each case, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor pursuant to this Agreement and financing statements relating to Prior Liens or Other Liens that in each such case do not constitute Governmental Prior Liens.

(d) Chief Executive Office; Inventory, Equipment and Records. The jurisdiction of organization, tax identification number, chief executive office and location of all Inventory and Equipment of such Pledgor are indicated next to its name on Annex B hereto. Such Pledgor shall not establish a new location for its chief executive office, move any Inventory or Equipment to any location other than those listed on Annex B or change its name, identity or structure until (i) it shall have given Security Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new location or name and providing such other information in connection therewith as Security Agent may reasonably request, and (ii) with respect to such new location or name, such Pledgor shall have taken all action reasonably satisfactory to Security Agent to maintain the perfection and priority of the security interest of Security Agent for the benefit of the Secured Parties in the Collateral intended to be granted

hereby, including, without limitation, using commercially reasonable efforts to obtain waivers of landlord's or warehouseman's liens with respect to such new location, if applicable.

(e) Due Authorization and Issuance. All of the Pledged Shares have been, and to the extent hereafter issued will be upon such issuance, duly authorized, validly issued and fully paid and nonassessable.

(f) No Violations, etc. The pledge of the Pledged Securities pursuant to this Agreement does not violate Regulation U or X of the Federal Reserve Board.

(g) No Options, Warrants, etc. There are no options, warrants, calls, rights, commitments or agreements of any character to which such Pledgor is a party or by which it is bound obligating such Pledgor to issue, deliver or sell or cause to be issued, delivered or sold, additional Pledged Securities or obligating such Pledgor to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no voting trusts or other agreements or understandings to which such Pledgor is a party with respect to the transfer, voting or exercise of any other right of the equity interests of any issuer of the Pledged Securities.

(h) No Claims. Such Pledgor owns or has rights to use all the Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Documents. The use by such Pledgor of such Collateral and all such rights with respect to the foregoing do not infringe on the rights of any person or entity. No claim has been made and remains outstanding that such Pledgor's use of any Collateral does or may violate the rights of any third person.

(i) Authorization, Enforceability. The provisions of Sections 19.2, 19.3, 19.4 and 19.6 of the Facilities Agreement are incorporated herein by this reference mutatis mutandi.

(j) No Conflicts, Consents, etc. The provisions of Section 19.5 of the Facilities Agreement are incorporated herein by this reference mutatis mutandi. No consent of any party (including, without limitation, equityholders or creditors of such Pledgor or any account debtor under a Receivable) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other person or entity is required for (x) the pledge by such Pledgor of the Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance of this Agreement by such Pledgor, (y) the exercise by Security Agent of the rights provided for in this Agreement or (z) the exercise by Security Agent of the remedies in respect of the Collateral pursuant to this Agreement. In the event that Security Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any approvals or consents of any Governmental Authority or any other person or entity therefor, then, upon the reasonable request of Security Agent, such Pledgor agrees to use its best efforts to assist and aid Security Agent to obtain as soon as practicable any necessary approvals for the exercise of any such remedies, rights and powers.

(k) Collateral. All information set forth herein, including the schedules and annexes attached hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party in connection with this Agreement, in each case, relating to the Collateral, is accurate and complete in all material respects. The Collateral described on the schedules attached hereto constitutes all of the property of such type of Collateral owned or held by the Pledgors.

(l) Insurance. The provisions of Section 20.6(a) of the Facilities Agreement are incorporated herein by this reference mutatis mutandi. If any Pledgor shall fail to insure such Collateral to Security Agent's reasonable satisfaction, Security Agent shall have the right (but shall be under no obligation) to advance funds to procure or renew or extend such insurance, and such Pledgor agrees to reimburse Security Agent for all costs and expenses thereof, with interest on all such funds from the date advanced until paid in full at the Default Rate (as defined in the Intercreditor Deed).

(m) Insurance Proceeds. Any proceeds of insurance received by any Pledgor shall be applied by it as provided in Section 12.6 of the Facilities Agreement and any similar provision of the Mezzanine Loan Agreement in accordance with the provisions of the Intercreditor Deed.

(n) Payment of Taxes; Compliance with Laws; Claims. The provisions of Section 20.6(c) of the Facilities Agreement are incorporated mutatis mutandi.

(o) Access. Upon reasonable advance request to such Pledgor, Security Agent shall have full and free access during normal business hours to all of the books, correspondence and records of such Pledgor relating to the Collateral, and Security Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and such Pledgor agrees to render to Security Agent, at such Pledgor's cost and expense, such clerical and other assistance as may be reasonably requested by Security Agent with regard thereto.

Section 6. Special Provisions Concerning General Collateral.

(a) Special Representations and Warranties. As of the time when each of its Accounts each Pledgor shall be deemed to have represented and warranted that such Accounts and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, (ii) represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein or out of an advance or a loan, (iii) will, in the case of an Account, except for the original or duplicate original invoice sent to a purchaser evidencing such purchaser's account, be the only original writings evidencing and embodying such obligation of the account debtor named therein, and (iv) are in compliance and conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

(b) Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Account, in a manner consistent with prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon Security Agent's request made at any time after the occurrence of any Event of Default, deliver all tangible evidence of Accounts, including, without limitation, all documents evidencing Accounts and any books and records relating thereto to Security Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence of any Event of Default, Security Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Accounts to and for the use by any person or entity that has acquired or is contemplating acquisition of an interest in the Accounts or Security Agent's security interest therein without the consent of any Pledgor.

(c) Legend. Each Pledgor shall legend, at the request of Security Agent made at any time after the occurrence of any Event of Default and in form and manner satisfactory to Security Agent, the Accounts and the other books, records and documents of such Pledgor evidencing or pertaining to the Accounts with an appropriate reference to the fact that the Accounts have been assigned to Security Agent for the benefit of the Secured Parties and that Security Agent has a security interest therein.

(d) Modification of Terms, etc. No Pledgor shall rescind or cancel any indebtedness evidenced by any Account or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such indebtedness except in the ordinary course of business consistent with prudent business practice or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto or sell any Account or interest therein without the prior written consent of Security Agent, except as permitted by Section 6(e) below. Each Pledgor shall duly fulfill in all material respects all obligations on its part to be fulfilled under or in connection with the Accounts.

(e) Collection. Each Pledgor shall use reasonable best efforts to endeavor to cause to be collected from the account debtor of each of the Accounts, as and when due, any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that any Pledgor may, with respect to a Account, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise or improperly performed services and (ii) such extensions of time to pay amounts due in respect of Accounts and such other modifications of payment terms or settlements in respect of Accounts which such Pledgor finds appropriate in its reasonable business judgment. The costs and expenses (including, without limitation, attorneys' fees) of collection, in any case, whether incurred by any Pledgor, Security Agent or any Secured Party, shall be paid by the applicable Pledgor.

(f) Instruments. Upon request by Security Agent, each Pledgor shall deliver to Security Agent, within ten days after receipt thereof by such Pledgor, any Instrument evidencing Accounts which is in the principal amount of \$250,000 or more. Any Instrument delivered to Security Agent pursuant to this Section 6(f) shall be appropriately endorsed (if applicable) to the order of Security Agent, as agent for the Secured Parties, and shall be held by Security Agent as further security

hereunder; provided, however, that so long as no Event of Default shall have occurred, Security Agent shall, promptly upon request of such Pledgor, make appropriate arrangements for making any Instrument pledged by such Pledgor available to such Pledgor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by Security Agent, against trust receipt or like document).

(g) Cash Collateral. Upon the occurrence of any Event of Default, if Security Agent so directs, each Pledgor shall cause all payments on account of the Accounts to be held by Security Agent as cash collateral in accordance with subsection 9(f) hereof. Without notice to or assent by any Pledgor, Security Agent may apply any or all amounts then or thereafter held as cash collateral in the manner provided in Section 13. The costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by Security Agent or any Secured Party, shall be paid by the Pledgors.

(h) Maintenance of Equipment. Each Pledgor shall cause the Equipment to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and to the extent consistent with current business practice, and shall forthwith, or in the case of any loss or damage which (individually or in the aggregate) exceeds \$500,000 to any of the Equipment (of which prompt notice shall be given to Security Agent) as quickly as commercially practicable after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable in the conduct of such Pledgor's business.

(i) Warehouse Receipts Non-Negotiable. If any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Inventory, the applicable Pledgor shall not permit such warehouse receipt or receipt in the nature thereof to be "negotiable" (as such term is used in Section 7-104 of the UCC or under other relevant law).

(j) Consents to Assignment of Contracts. To the extent that any contract or other agreement or any Pledgor would constitute a Contract hereunder but for the exclusions contained in clauses (i) and (ii) of the definition of "Contracts" hereunder, such Pledgor, upon the request of Security Agent, shall use its commercially reasonable efforts to cause the counterparty thereto to deliver the consent contemplated in clause (ii) of such definition.

(k) Fair Labor Standards Act. Any goods now or hereafter produced by each Pledgor included in the Collateral have been and will be produced in substantial compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

Section 7. Special Provisions Concerning Securities Collateral.

(a) Pledge of Additional Securities. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any person or entity, accept the same in trust for the benefit of Security Agent and promptly (and in any event within five Business Days) deliver to Security Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 3 hereto (each, a "Pledge Amendment"), and the certificates and other documents required under subsections 4(a) and 4(b) in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the lien hereby created on and in respect

of such additional property. Each Pledgor hereby authorizes Security Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to Security Agent shall for all purposes hereunder be considered Collateral.

(b) Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred

(A) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes of this Agreement or any other Document; provided, however, that no Pledgor shall in any event exercise such rights in any manner which may have an adverse effect on the value of the Collateral or the security intended to be provided by this Agreement.

(B) Each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the lien of this Agreement, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Facilities Agreement and the Mezzanine Loan Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to Security Agent to hold as Collateral and shall, if received by any Pledgor, be received in trust for the benefit of Security Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to Security Agent as Collateral in the same form as so received (with any necessary endorsement).

(C) Security Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 7(b)(i)(A) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof.

(ii) Upon the occurrence of any Event of Default:

(A) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 7(b)(i)(A) hereof without any action or the giving of any notice shall cease, and all such rights shall thereupon become vested in Security Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof shall cease and all such rights shall thereupon become vested in Security Agent, which shall thereupon have the sole right to receive and hold as Collateral such Distributions.

(iii) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to Security Agent appropriate instruments as Security Agent may reasonably request in order to permit Security Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 7(b)(ii)(A) hereof and to receive all Distributions which it may be entitled to receive under Section 7(b)(ii)(B) hereof.

(iv) All Distributions which are received by any Pledgor contrary to the provisions of Section 7(b)(ii)(B) hereof shall be received in trust for the benefit of Security Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to Security Agent as Collateral in the same form as so received (with any necessary endorsement).

(c) No New Securities. Each Pledgor shall cause each issuer of the Pledged Securities not to issue any stock or other securities or equity interests in addition to or in substitution for the Pledged Securities issued by such issuer, except to Pledgor.

(d) Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation of any other material provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. Such Pledgor agrees to make any such payment promptly when due and otherwise comply in all material respects with all such provisions. No Pledged Securities pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any person or entity with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than certificates, if any, delivered to Security Agent) which evidence any Pledged Securities of such Pledgor.

Section 8. Special Provisions Concerning Intellectual Property Collateral.

(a) Grant of License. For the purpose of enabling Security Agent, after the occurrence of an Event of Default, to exercise rights and remedies under Section 12 hereof at such time as Security Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to Security Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

(b) Registrations. Except pursuant to licenses and other user agreements entered into by any Pledgor in the ordinary course of business, that are listed in Schedule VI hereto, on and as of the date hereof (i) each Pledgor owns and possesses the right to use, and has done nothing to authorize or enable any other person or entity to use, any Copyright, Patent or Trademark listed in said Schedules III, IV and V, and (ii) all registrations listed in said Schedules III, IV and V are valid and in full force and effect.

(c) No Violations or Proceedings. To each Pledgor's knowledge, on and as of the date hereof, (i) except as set forth in Schedule VI hereto, there is no material violation by others of any

right of such Pledgor with respect to any Copyright, Patent or Trademark listed in Schedules III, IV and V hereto, respectively, pledged by it under the name of such Pledgor, (ii) such Pledgor is not infringing in any material respect upon any Copyright, Patent or Trademark of any other person or entity and (iii) no proceedings have been instituted or are pending against such Pledgor or, to such Pledgor's knowledge, threatened, and no claim against such Pledgor has been received by such Pledgor, alleging any such violation, except as may be set forth in said Schedule VI.

(d) Protection of Security Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense and in accordance with reasonable business practices, (i) promptly following its becoming aware thereof, notify Security Agent of (A) any adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any material Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property Collateral material to its business, its right to register the Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property Collateral necessary for the operation of such Pledgor's business, (iii) not permit to lapse or become abandoned any Intellectual Property Collateral necessary for the operation of such Pledgor's business, and not settle or compromise any pending or future litigation or administrative proceeding with respect to the Intellectual Property Collateral necessary for the operation of such Pledgor's business, in each case, without the consent of Security Agent, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify Security Agent in writing of any event which may reasonably be expected to materially adversely affect the value or utility of the Intellectual Property Collateral or any portion thereof necessary for the operation of such Pledgor's business, the ability of such Pledgor or Security Agent to dispose of the Intellectual Property Collateral or any portion thereof or the rights and remedies of Security Agent in relation thereto, including, without limitation, a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof, (v) not license the Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that materially adversely affects the right to receive payments thereunder, or in any manner that would impair the value of the Intellectual Property Collateral or the lien on the Intellectual Property Collateral intended to be granted to Security Agent for the benefit of the Secured Parties, without the consent of Security Agent, (vi) until Security Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vii) furnish to Security Agent from time to time statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as Security Agent may from time to time reasonably request, all in reasonable detail, provided, that with respect to clauses (i) and (iii) above, no Pledgor shall be obligated to maintain any Intellectual Property Collateral to the extent that such Pledgor determines, in its reasonable business judgment, that the maintenance of such Intellectual Property Collateral is no longer necessary or desirable in the conduct of its business.

(e) After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid or the commitments of any Secured Party with respect thereto have expired or been sooner terminated (i) obtain any rights to any material additional Intellectual Property Collateral or (ii) become entitled to the benefit of any material additional Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any

Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any such item enumerated in clause (i) or (ii) with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement and be subject to the lien created by this Agreement without further action by any party other than actions required to perfect such lien. Each Pledgor shall promptly provide to Security Agent written notice of any of the foregoing. Each Pledgor agrees, promptly following a request by Security Agent, to confirm the attachment of the lien created by this Agreement to any rights described in clauses (i) and (ii) above if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement by execution of an instrument in form reasonably acceptable to Security Agent.

(f) Modifications. Each Pledgor authorizes Security Agent to modify this Agreement by amending Schedules III, IV, V and VI hereto to include any future Intellectual Property Collateral of such Pledgor, including, without limitation, any of the items listed in Section 8(e).

(g) Applications. Each Pledgor shall file and prosecute diligently, in accordance with reasonable business practices, all applications for the Patents, the Trademarks or the Copyrights now or hereafter pending that would be necessary to the business of such Pledgor to which any such applications pertain, and shall do all acts necessary to preserve and maintain all rights in the Intellectual Property Collateral necessary for the operation of such Pledgor's business. Any and all costs and expenses incurred in connection with any such actions shall be borne by the Pledgors. No Pledgor shall abandon any right to file a Patent, Trademark or Copyright application, or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright necessary for the operation of such Pledgor's business without the consent of Security Agent.

(h) Litigation.

(i) Unless any Event of Default shall occur, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions for infringement, counterfeiting, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Intellectual Property Collateral. Each Pledgor shall promptly notify Security Agent in writing as to the commencement and prosecution of any such actions, or threat thereof relating to the Intellectual Property Collateral, and shall provide to Security Agent such information with respect thereto as may be reasonably requested by Security Agent. Each Pledgor shall indemnify and hold harmless each Secured Party for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, expenses or disbursements (including attorneys' fees and expenses) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of such suits, proceedings or other actions.

(ii) Upon the occurrence and during the continuance of any Event of Default, Security Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, Security Agent or the Secured Parties to enforce the Intellectual Property Collateral and any

license thereunder. In the event of such suit, each Pledgor shall, at the request of Security Agent, do any and all lawful acts and execute any and all documents requested by Security Agent in aid of such enforcement and the Pledgors shall promptly, upon demand, reimburse and indemnify Security Agent, as the case may be, for all costs and expenses (including fees and expenses of counsel) incurred by Security Agent in the exercise of its rights under this Section 8(h). In the event that Security Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the request of Security Agent, to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, counterfeiting or other diminution in value of any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement unless such Pledgor has determined that such Intellectual Property Collateral that is the subject of any pending or contemplated infringement or enforcement action or proceeding does not contain or represent any value or utility (other than of an immaterial nature), consistent with prudent business practice.

Section 9. Special Provisions Concerning Financial Accounts. Each Pledgor shall comply with the following covenants and makes the following representations and warranties, provided that each Pledgor shall be required to comply with the provisions of subsection (a) below only upon request of Security Agent from and after the occurrence of an Event of Default.

(a) Financial Accounts. Each Pledgor shall notify each Financial Intermediary that any Financial Account Collateral maintained with such Financial Intermediary by such Pledgor is under the exclusive dominion and control of Security Agent and that all moneys, instruments, securities and other property deposited with such Financial Intermediary are to be held by such Financial Intermediary for the benefit of Security Agent. Each Pledgor shall, within one Business Day of actual receipt thereof, deposit any payment received by it into a financial account that is subject to a financial account consent agreement substantially in the form of Exhibit 2 hereto or into the Cash Collateral Account. In addition, all persons or entities that owe money to any Pledgor shall be directed to remit their payments to a financial account that is subject to a financial account consent agreement substantially in the form of Exhibit 2 hereto. If any Pledgor is unable to obtain such an agreement from any Financial Intermediary, then such Pledgor shall terminate all financial accounts maintained with such Financial Intermediary and transfer all moneys, instruments, securities and other property deposited therein to another financial account maintained with a Financial Intermediary that has executed such an agreement. Each Pledgor hereby represents and warrants that it does not now maintain, and will not in the future maintain, any other financial account with any Financial Intermediary or any other banking or financial institution other than the accounts set forth on Schedule VII; provided, however, that any Pledgor may establish and maintain additional financial accounts with any Financial Intermediary or any new Financial Intermediary if (i) in the case of an existing Financial Intermediary, such Pledgor, the Financial Intermediary and Security Agent shall have entered into an amendment to the relevant financial account consent letter to include such new financial account under such financial account consent letter, such amendment to be in form and substance satisfactory to Security Agent, and (ii) in the case of a new Financial Intermediary, (A) the applicable Pledgor shall have given Security Agent 30 days' prior written notice of its intention to establish a new financial account with a new Financial Intermediary, (B) such new Financial Intermediary shall be reasonably acceptable to Security Agent and (C) such new Financial

Intermediary shall enter into a financial account consent agreement substantially in the form of Exhibit 2 hereto.

(b) Deposits to Cash Collateral Account. Each Pledgor shall deposit into the Cash Collateral Account from time to time (i) the cash proceeds (including pursuant to any disposition thereof) of any of the Collateral, (ii) the cash proceeds of any taking or destruction or loss of title with respect to any real property that is subject to a mortgage (including proceeds of casualty events and proceeds of insurance covering the Collateral or any real property that is subject to a mortgage), (iii) any cash in respect of any Collateral which Security Agent is entitled to pursuant to subsection 6(g) or subsection 7(b)(ii) hereof and (iv) any additional amounts that such Pledgor desires to pledge to Security Agent for the benefit of the other Secured Parties as additional collateral security hereunder or which such Pledgor is required to pledge as additional collateral security hereunder pursuant to the Documents.

(c) Application of Amounts in Cash Collateral Account. The balance from time to time in the Cash Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied in accordance with the provisions of the Facilities Agreement. So long as no Event of Default has occurred or will result therefrom, Security Agent shall remit the collected balance outstanding to the credit of the Cash Collateral Account to or upon the order of the respective Pledgor, in accordance with the provisions of the Facilities Agreement and the Mezzanine Loan Agreement. However, at any time following the occurrence of an Event of Default, Security Agent may (and, if instructed by the Secured Parties as specified in the Intercreditor Deed, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Cash Collateral Account to the payment of the Secured Obligations in the manner specified in Section 13 hereof. The balance from time to time in the Cash Collateral Account shall be subject to withdrawal only as provided herein or in the Facilities Agreement and the Mezzanine Loan Agreement, in accordance with the provisions of the Intercreditor Deed.

(d) Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in accordance with the provisions of the Facilities Agreement and the Mezzanine Loan Agreement; provided, however, that at any time after the occurrence of an Event of Default, Security Agent may (and, if instructed by the other Secured Parties as specified in the Intercreditor Deed, shall) in its (or their) discretion at any time and from time to time elect to liquidate any investments in the Cash Collateral Account and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 13 hereof.

(e) Cover for Bank Guarantee Liabilities. Amounts deposited into the Cash Collateral Account as cover for liabilities in respect of Bank Guarantees under the Facilities Agreement shall be held by Security Agent in a separate sub-account (designated "Bank Guarantee Liabilities Sub-Account") and, notwithstanding any other provision of this Agreement to the contrary, all amounts held in such sub-account shall constitute collateral security first for the liabilities in respect of Bank Guarantees outstanding from time to time and second as collateral security for the other Secured Obligations hereunder until such time as all Bank Guarantees shall have been terminated and all of the liabilities in respect of Bank Guarantees have been paid in full.

Section 10. Transfers and Other Liens. No Pledgor shall (a) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral pledged by it hereunder

except as permitted by the Facilities Agreement and the Mezzanine Loan Agreement, (b) create or permit to exist any Lien upon or with respect to any of the Collateral pledged by it hereunder other than (i) Prior Liens, (ii) the lien and security interest granted to Security Agent under this Agreement and (iii) Other Liens or (c) permit any issuer of the Pledged Securities to merge, consolidate or change its legal form, unless permitted by the Facilities Agreement and the Mezzanine Loan Agreement and unless all of the outstanding equity interests of the surviving or resulting entity are, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other entity that was merged into or consolidated with such issuer.

Section 11. Reasonable Care. Security Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which Security Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither Security Agent nor any of the other Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not Security Agent or any other Secured Party has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any person or entity with respect to any Collateral.

Section 12. Remedies upon Event of Default; Obtaining the Collateral upon Event of Default.

(a) General. It shall be an "Event of Default" hereunder if any Event of Default occurs under the Facilities Agreement or under the Mezzanine Loan Agreement. If any Event of Default shall have occurred (whether or not that Event of Default is then continuing), then and in every such case, Security Agent may, in accordance with the provisions of the Intercreditor Deed:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Pledgor or any other person or entity who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral, including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Accounts and Contracts) constituting part of the Collateral to make any payment required by the terms of such instrument or agreement directly to Security Agent, and in connection with any of the foregoing, compromising, settling, extending the time for payment and making other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in a separate account and pay the same promptly to Security Agent;

(iii) Sell, assign or otherwise liquidate, or direct any Pledgor to sell, assign or otherwise liquidate, any or all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to Security Agent at any place or places so designated by Security Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by Security Agent and there delivered to Security Agent, (B) store and keep any Collateral so delivered to Security Agent at such place or places pending further action by Security Agent; and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Collateral is of the essence of this Agreement;

(v) Withdraw all moneys, instruments, securities and other property in any financial account of any Pledgor for application to the Secured Obligations as provided in Section 13 hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Section 13 hereof;

(vii) Endorse, assign or otherwise transfer to or to register in the name of Security Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder; and

(viii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral.

Upon application to a court of equity having jurisdiction, Security Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation.

(b) Remedies; Disposition of the Collateral.

(i) Upon the occurrence of any Event of Default, Security Agent may from time to time exercise in respect of the Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC or other applicable laws, and Security Agent may also in its sole discretion, without notice except as specified below, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Security Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Security Agent may deem commercially reasonable. Security Agent or any other Secured Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such person or entity as a credit on account of the purchase price of any Collateral payable by such person or entity at such sale. Each

purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Security Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Security 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. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against Security Agent arising by reason of the fact that the price at which any Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if Security Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

(ii) Each Pledgor acknowledges and agrees that, to the extent notice of sale shall be required by law, ten days' notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

(c) Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with Security Agent's taking possession or Security Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of Security Agent's rights hereunder, and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Security Agent shall not be liable for any incorrect or improper payment made pursuant to this Section 12 in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all persons or entities claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

(d) Certain Sales of Securities Collateral. Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, Security Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral, to limit purchasers to persons or entities who will agree, among other things, to acquire such Securities Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to Security Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that no such private

sale shall be deemed to have been made in a commercially unreasonable manner because it was a private sale, even if Security Agent accepts the first offer received and does not offer such Securities Collateral to more than one offeree and that Security Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(e) Information. If Security Agent determines to exercise its right to sell any or all of the Securities Collateral, upon written request, the applicable Pledgor shall from time to time furnish to Security Agent all such information as Security Agent may request in order to determine the number of securities included in the Securities Collateral which may be sold by Security Agent as exempt transactions under the Securities Act and the rules of the Securities Exchange Commission thereunder, as the same are from time to time in effect, and shall furnish such other information as is reasonably necessary to effect such sale.

Section 13. Application of Proceeds. The proceeds received by Security Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by Security Agent of its remedies as a secured creditor as provided in Section 12 hereof shall be applied, together with any other sums then held by Security Agent pursuant to this Agreement, promptly by Security Agent to the items, and in the priority, set forth in Section 14 of the Intercreditor Deed. In the event that any such proceeds are insufficient to pay in full the items described in this Section 13, the Pledgors shall remain liable for any deficiency.

Section 14. Expenses. Each Pledgor will upon demand pay to Security Agent the amount of any and all expenses, including the fees and expenses of its counsel and the fees and expenses of any experts and agents which Security Agent may incur in connection with (a) the collection of the Secured Obligations, (b) the enforcement and administration of this Agreement, (c) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (d) the exercise or enforcement of any of the rights of Security Agent or any Secured Party hereunder or (e) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts payable by any Pledgor under this Section 14 shall be due upon demand and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 14 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder.

Section 15. No Waiver; Cumulative Remedies. (a) No failure on the part of Security Agent to exercise, no course of dealing with respect to, and no delay on the part of Security Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall Security Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(b) In the event that Security Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to Security Agent, then and in every such case, the Pledgors, Security Agent and each Secured

Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of Security Agent and the other Secured Parties shall continue as if no such proceeding had been instituted.

Section 16. Security Agent. Security Agent has been appointed as Security Agent pursuant to the Facilities Agreement and the Mezzanine Loan Agreement. The actions of Security Agent hereunder are subject to the provisions of the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed. Security Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of Collateral), in accordance with this Agreement, the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed. Security Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. Security Agent may resign and a successor Security Agent may be appointed in the manner provided in the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed. Upon the acceptance of any appointment as Security Agent by a successor Security Agent, that successor Security Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent under this Agreement, and the retiring Security Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Security Agent's resignation, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Security Agent.

Section 17. Security Agent May Perform; Security Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to do any act or thing that it has covenanted to do hereunder or if any warranty on the part of any Pledgor contained herein shall be breached, Security Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by Security Agent shall be paid by the Pledgors promptly upon demand therefor, with interest at the Default Rate during the period from and including the date on which such funds were so expended to the date of repayment. Each Pledgor's obligations under this Section 17 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement and the other Documents. Each Pledgor hereby appoints Security Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in Security Agent's discretion following 10 business days' written notice to the applicable Pledgor and such Pledgor's failure to take such action within such time, to take any action and to execute any instrument consistent with the terms of this Agreement and the other Documents which Security Agent may deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 18. Indemnity.

(a) Indemnity. Each Pledgor agrees to indemnify, pay and hold harmless Security Agent and each of the other Secured Parties in accordance with the provisions of Section 29 of the Facilities Agreement and any similar provision of the Mezzanine Loan Agreement. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be

unenforceable because it is violative of any law or public policy, each Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by the indemnitees or any of them.

(b) Survival. The obligations of the Pledgors contained in this Section 18 shall survive the termination of this Agreement and the discharge of the Pledgors' other obligations under this Agreement and the other Documents.

(c) Reimbursement. Any amounts paid by any indemnitee as to which such indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Collateral.

Section 19. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Facilities Agreement and the Mezzanine Loan Agreement and unless in writing and signed by Security Agent. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by any Pledgor from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Document, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

Section 20. Termination; Release. When all the Secured Obligations have been paid in full (other than those arising from continuing indemnities for which no request has been made) and the commitments of the Secured Parties relating thereto shall have expired or been sooner terminated, this Agreement shall terminate. Upon termination of this Agreement or any release of Collateral in accordance with the provisions of the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed, Security Agent shall, upon the request and at the sole cost and expense of the Pledgors, forthwith assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by Security Agent, such of the Collateral to be released (in the case of a release) as may be in possession of Security Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination of this Agreement or the release of such Collateral, as the case may be.

Section 21. Notices. Unless otherwise provided herein, in the Facilities Agreement or in the Mezzanine Loan Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner set forth in Section 25 of the Facilities Agreement or any similar provision of the Mezzanine Loan Agreement.

Section 22. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of Security Agent hereunder, to the benefit of Security Agent and the other Secured Parties and each of their respective successors, transferees and assigns; no other persons or entities (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting

the generality of the foregoing clause (ii), any lender under the Facilities Agreement, the Mezzanine Loan Agreement or any Hedging Agreement may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to such lender, herein or otherwise, subject however, to the provisions of the Facilities Agreement, the Mezzanine Loan Agreement and any applicable Hedging Agreement. Each Affiliate of the Parent which from time to time after the initial date of this Agreement is required under the Facilities Agreement to pledge any assets to Security Agent for the benefit of the Secured Parties may become a party hereto upon execution and delivery to Security Agent of a joinder agreement substantially in the form attached hereto as Exhibit 4, and upon such execution and delivery shall be deemed to be a "Pledgor" for all purposes hereunder.

Section 23. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 24. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE AND SERVICE OF PROCESS. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF SECURITY AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS AND SECURITY AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 25. Severability of Provisions. 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 or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 26. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

Section 27. Headings. The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 28. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

- (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor or any other Obligor;
- (ii) any lack of validity or enforceability of the Facilities Agreement, the Mezzanine Loan Agreement any Hedging Agreement, any Bank Guarantee or any other Document, or any other agreement or instrument relating thereto;
- (iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Facilities Agreement, the Mezzanine Loan Agreement, any Hedging Agreement, any Bank Guarantee or any other Document, or any other agreement or instrument relating thereto;
- (iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;
- (v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect of this Agreement, the Finance Agreement, the Mezzanine Loan Agreement, any Hedging Agreement or any other Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 19 hereof; or
- (vi) any other circumstances (other than satisfaction in full of the Secured Obligations) which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

Section 29. Future Advances. This Agreement shall secure the payment of any amounts advanced from time to time pursuant to the Facilities Agreement or the Mezzanine Loan Agreement.

Section 30. Interpretation with other Documents. This Agreement is subject to the terms of the Facilities Agreement, the Mezzanine Loan Agreement and that certain Intercreditor Deed referred to in the Facilities Agreement. In the event that any provision of this Agreement conflicts with any provision of the Facilities Agreement, the Mezzanine Loan Agreement or the Intercreditor Deed (so long as such applicable Document is then in effect at the time of such conflict), then, to the extent permitted by applicable law, the provisions of the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed shall take priority over the provisions of this Agreement. Provisions of the

Facilities Agreement which are incorporated herein by reference shall continue to be in effect for purposes hereof notwithstanding any termination of the Facilities Agreement prior to the termination of the Mezzanine Loan Agreement. Except as provided above, references to the Facilities Agreement, the Mezzanine Loan Agreement and the Intercreditor Deed shall be deemed to be of no force or effect upon the termination of such Document.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Pledgor and Security Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

PEEK CORPORATION, as a Pledgor

By: John W. Reed Jr.
Name:
Title:

PEEK TRAFFIC, INC., as a Pledgor

By: John W. Reed Jr.
Name:
Title:

PEEK TRAFFIC SYSTEMS, INC., as a Pledgor

By: John W. Reed Jr.
Name:
Title:

SIGNAL MAINTENANCE, INC., as a Pledgor

By: John W. Reed Jr.
Name:
Title:

PEEK INTERNATIONAL LTD, as a Pledgor

By: _____
Name:
Title:

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IN WITNESS WHEREOF, the Pledgors and Security Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

PEEK CORPORATION, as a Pledgor

By: _____
Name:
Title:

PEEK TRAFFIC, INC., as a Pledgor

By: _____
Name:
Title:

PEEK TRAFFIC SYSTEMS, INC., as a Pledgor

By: _____
Name:
Title:

SIGNAL MAINTENANCE, INC., as a Pledgor

By: _____
Name:
Title:

PEEK INTERNATIONAL LTD, as a Pledgor

By: Bryan Mc East
Name: BOYAN MC EAST
Title: DIRECTOR

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PEEK HOLDING CORPORATION, as a Pledgor

By: John A. Wood Jr.
Name:
Title:

PTI ACQUISITION CORPORATION, as a Pledgor

By: John A. Wood Jr.
Name:
Title:

PTSI HOLDING CORPORATION, as a Pledgor

By: John A. Wood Jr.
Name:
Title:

BNP PARIBAS, as Security Agent

By: _____
Name:
Title:

ffny03\chariro\385537.3

- 31 -

PEEK HOLDING CORPORATION, as a Pledgor

By: _____
Name:
Title:

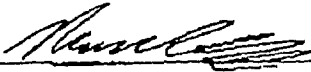
PTI ACQUISITION CORPORATION, as a Pledgor

By: _____
Name:
Title:

PTSI HOLDING CORPORATION, as a Pledgor

By: _____
Name:
Title:

BNP PARIBAS, as Security Agent

By: 
Name:
Title:

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FORM OF NOTARY ACKNOWLEDGEMENT

STATE OF MASSACHUSETTS
COUNTY OF MIDDLESEX

: ss.:

On this ___ day of December, 2000 before me appeared John Wood, to me personally known, who being by me duly sworn, did say that s/he is a Vice President of Peek Traffic Systems, Inc., a corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my notarial seal at my office in Middlesex County, State of Massachusetts, the day and year last above written.

[NOTARY SEAL]

Arnold R. Wartenstein
Notary Public

My Commission Expires:

9/22/2006

Notary's Printed Name:

Commonwealth of Massachusetts
Arnold R. Wartenstein
Notary Public

Note: Notary form to be executed by each Pledgor that is pledging any Intellectual Property Collateral.

SCHEDULE IV

United States Trademarks

Pledgor: Peek Traffic Systems, Inc.

Registrations:

<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>	<u>COUNTRY</u>	<u>DESCRIPTION</u>
2,266,039	08/03/99	US	MATS
2,261,931	07/20/99	US	Peek Traffic MATS
2,020,206	12/03/96	US	Videotrak
1,814,371	12/28/93	US	SMARTWAYS

Applications: None

Unregistered Trademarks:

<u>DESCRIPTION</u>	<u>COUNTRY</u>
Streeter Arnet	US
GK	US

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SCHEDULE V

United States Copyrights

Pledgor: Peek Traffic Systems, Inc.

<u>DATE</u>	<u>COUNTRY</u>	<u>DESCRIPTION</u>	<u>Copyright #</u>
07/06/92	US	Smartways Closed Loop System	[TX 3 357-397]

Note: A separate sheet should be used for each Pledgor pleading financial accounts.

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